



## **SEDIBELO RESOURCES LIMITED**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE THREE- AND NINE MONTHS ENDED SEPTEMBER 30, 2024**

*June 11, 2025*

#### **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, 2024, contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial and operating performance of Sedibelo Resources Limited (the "Company", "SRL", "we", "us" or "our"), its subsidiaries and affiliated companies including Pilanesberg Platinum Mines (Pty) Ltd. ("PPM") (which together with SRL and its/their subsidiaries are referred to as the "Group"), and without limitation its mineral projects, the future price of and demand for 4E metals (commonly used to refer to platinum, palladium, rhodium and gold) and 6E metals (commonly used to refer to 4E metals plus iridium and ruthenium), 4E and 6E production levels, mining rates, expected increases in global interest rates, inflation expectations, expected economic growth, the future price of copper, nickel ("base metals") and chrome, 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 capital expenditure at the now curtailed PPM Open Pit and Processing Plant ("PPM OPM") and future development projects costs and timing of the development of new deposits and new mines, costs and timing of future exploration, prospects and requirements for raising additional capital and/or debt facilities, asset sales, external development projects, 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 MD&A include among others and without limitation: forecast production; the possible impacts from emerging risks such as those related to climate change and the transition to a lower carbon economy; recovery rates and grade; expectations, targets, estimates, and assumptions in respect of 4E, 6E, chrome and base metal prices and production; life expectancies for the Company's mines; development projects and initiatives, including with respect to the Kellplant (as defined herein), Sedibelo Underground (as defined herein), and the Mphahlele project (as defined herein), including expectations regarding financing, engineering and confirmatory studies, and progression and completion dates; statements regarding the Company's sustainability and environmental, social and governance goals, including its net-zero by 2040 target; expectations regarding the development of solar and wind projects, including expectations regarding power purchase agreements in respect thereof and the amount of energy to be produced from such projects; expectations regarding future reef mining; allocation of funds for current commitments; expectations regarding deliveries to be made pursuant to any future offtake agreements to be entered into; future operations and developments notably the Sedibelo Underground and the financing thereof; and the international conflicts including in Ukraine and in the Middle East currently occurring, including its impacts on PGM (as defined herein) supply and demand and the world economy as a whole.

Such forward-looking statements are based on a number of material factors and assumptions, including that contracted parties provide goods and/or services per the agreed time frames; the availability of financing on commercially reasonable terms; that budgets, development and production forecasts are accurate; that equipment necessary for construction and development is available as scheduled and does not incur unforeseen breakdowns; that no labor 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 future 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 ("USD") relative to the South African rand ("ZAR"); changes in project parameters as plans continue to be refined; future prices of 4E and 6E and base 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, labor

disputes, industrial unrest and strikes and other risks of the mining industry; political instability, insurrection or war; the effect of HIV/AIDS on labor force availability and turnover; public health crisis such as Covid; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors discussed in the section entitled "Risk Factors" in the Company's MD&A for the year ended December 31, 2023 (the "Annual MD&A"). 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 the Company 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.

### VOLUME INFORMATION

All tonnage information in this MD&A is expressed in metric tonnes and all references to ounces are to troy ounces, in each case, unless otherwise specified.

### MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this MD&A concerning the industry in which the Company operates, including market opportunity and market size, is based on information from various sources, including public information and publications on the industry prepared by official public sources and private sources, such as World Platinum Investment Council. This information involves a number of assumptions and limitations. While the Company believes the market opportunity and market size information included in this MD&A is generally reliable, such information is merely an estimate and an approximation. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk Factors" in the Annual MD&A. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by the Company.

### ROUNDING

The Company has made rounding adjustments to some of the figures included in this MD&A. Accordingly, numerical figures shown as totals in some tables may not be an arithmetic aggregation of the figures that preceded them.

### SCIENTIFIC AND TECHNICAL DATA

The information on PPM contained in this MD&A is based in part on a Technical Report entitled "The PPM-Sedibelo-Magazynskraal PGM Project, North West Province, South Africa", with an effective date of December 31, 2021 and filed on the Company's SEDAR+ profile on May 30, 2022 (the "PSM Technical Report"). The PSM Technical Report was prepared by SRK Consulting (South Africa) (PTY) Ltd. ("SRK Consulting") and authored by Andrew J McDonald, Ivan Doku, Mark Wanless, Jacob van Graan and Joseph Mainama, each of whom approved the scientific and technical information contained in the PSM Technical Report and that such person authored and is a "qualified person" and "independent" within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The PSM Technical Report is available for review on SEDAR+ under the Company's profile. Information in this MD&A of a scientific or technical nature relating to PPM and arising since the date of the PSM Technical Report has been prepared under the supervision of Jan van der Merwe, who is a "qualified person" under NI 43-101.

The information on the Mphahlele Project contained in this MD&A is based in part on a Technical Report "Mphahlele PGM Project, Limpopo Province, South Africa", with an effective date of December 31, 2021 and filed on the Company's SEDAR+ profile on May 30, 2022 (the "Mphahlele Technical Report"). The Mphahlele Technical Report was prepared by SRK Consulting and authored by Andrew J McDonald, Mark Wanless and Marcin Wertz, each of whom approved the scientific and technical information contained in the Mphahlele Technical Report, and that such person authored and is a "qualified person" and "independent" within the meanings of NI 43-101. The Mphahlele Technical Report is available for review on SEDAR+ under the Company's profile. Information in this MD&A of a scientific or technical nature relating to the Mphahlele Project and arising since the date of the Mphahlele Technical Report has been prepared under the supervision of Jan van der Merwe, who is a "qualified person" under NI 43-101.

The information on the Kruidfontein Project contained in this MD&A is based in part on a Technical Report entitled "Kruidfontein PGM Project, North West Province, South Africa, NI 43-101 Technical Report Preliminary Economic Assessment", with an effective date of December 31, 2021 and filed on the Company's SEDAR+ profile on May 30, 2022 (the "Kruidfontein Technical Report"). The Kruidfontein Technical Report was prepared by SRK Consulting and authored by Andrew J McDonald, Ivan Doku and Marcin Wertz, each of whom approved the scientific and technical information contained in the Kruidfontein Technical Report, and that such person authored and is a "qualified person" and "independent" within the meanings of NI 43-101. The Kruidfontein Technical Report is available for review on SEDAR+ under the Company's profile.

Information in this MD&A of a scientific or technical nature relating to the Kruidfontein Project and arising since the date of the Kruidfontein Technical Report has been prepared under the supervision of Jan van der Merwe, who is a "qualified person" under NI 43-101.

SRK Consulting compiled the "Sedibelo's PGM Assets in South Africa, NI43-101 Technical Report – Preliminary Economic Assessment" ("TR") to present the results of a preliminary economic assessment ("PEA") for the exploitation of all the Group's PGM's as at December 31, 2023. These assets include:

- The Pilanesberg Platinum Mine ("PPM") located some 66 km north of Rustenburg in the North West Province;
- The Ruighoek Open Pit Project, part of PPM and situated west of the Pilanesberg National Park;
- The tailings reclamation and retreatment project associated with the West Pit at PPM ("West Pit TRR");
- The PPM-Sedibelo-Magazynskraal ("PSM") Project, which exploits ore down to 700 meters below surface ("mbs") and includes the Central and East Underground area;
- The East Pit within the PSM Project area; The Magazynskraal Shaft Project, down-dip of the PSM Project;
- The Kruidfontein Project, which is down-dip of the Magazynskraal Shaft Project; and
- The Mphahlele Project located 50 km south of Polokwane in the Limpopo Province of South Africa, comprising the Decline Project down to 600 mbs and the Shaft Project which is the down-dip extension of the Decline Project down to 1 500 mbs.

The TR has been prepared according to the requirements of the NI 43-101. The Mineral Resources and Mineral Reserves presented in this TR are reported according to the requirements of the SAMREC Code (2016 edition), which would be identical if reported according to the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the Council of the Canadian Institute of Mining Metallurgy and Petroleum ("CIM"). Mineral Resources and Reserves are reported at the effective date of December 31, 2023 constitute the only information disclosed in the MD&A from the PEA specifically. *Refer to par. 1.2 Principal Activity.*

The PEA assumes that all capital or funding needed to implement the various projects will be available in the sums and timing required according to the proposed implementation schedules.

The Qualified Person (QP) who assumes overall responsibility for the TR is Mr. Andrew McDonald, a Principal Engineer with SRK holding a MSc degree in Geophysics (cum laude) from the University of the Witwatersrand and a MBL from UNISA. He is a registered Chartered Engineer (Reg. No. 334897) through the Institution of Materials, Minerals and Mining (IMMM) in London and is a Fellow of the Southern African Institute of Mining and Metallurgy (SAIMM). The QP who assumes responsibility for the Underground Mineral Reserve estimates as presented in this TR is Mr Joseph Mainama, a Partner and Principal Mining Engineer with SRK. Mr Mainama holds a BSc(Eng) degree in Mining from the University of the Witwatersrand and a MBL from UNISA. He is a registered PrEng (Reg. No 20080413) through the Engineering Council of South Africa and is a Member of the SAIMM and the Mine Managers' Association of South Africa. The QP who assumes responsibility for the Mineral Resource estimates of the East Pit, East Underground and Kruidfontein Projects as presented in this TR, is Mr Ivan Doku, a Partner and Principal Resource Geologist with SRK. Mr Doku holds a BSc(Eng) degree in Geology from the Kwame Nkrumah University of Science and Technology and GDE and MSc(Eng) from the University of the Witwatersrand. He is a registered PrSciNat (Reg. No 400513/14) through the South African Council of Natural and Scientific Professionals and is a Member of SAIMM and the Geological Society of South Africa (GSSA). The QP who assumes responsibility for the Mineral Resource estimates of the West Pit Tailings Reclamation and Retreatment Project as presented in this TR, is Mr Peter le Roux, a Principal Resource Geologist with SRK. Mr le Roux holds an MSc degree in Economic Geology from the University of the Witwatersrand. He is a registered PrSciNat (Reg. No 400297/13) through the South African Council of Natural and Scientific Professionals and is a Member of the GSSA. The QP who assumes responsibility for the Mineral Resource estimates at Ruighoek, Central Underground and Mphahlele Projects as presented in this TR, is Mr Mark Wanless, a Partner and Principal Resource Geologist with SRK. Mr Wanless holds a BSc(Hons) degree in Geology from the University of Cape Town. He is a registered PrSciNat (Reg. No 400178/05) through the South African Council of Natural and Scientific Professionals and is a Fellow of the GSSA.

The QPs have each given their written consent for the disclosure by the Company of these extracts of the TR.

## Introduction

### 1.1 Incorporation of Sedibelo Resources Limited's shares

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

### 1.2 Principal activity

SRL and its subsidiaries (together the "Group") is a natural resources group of companies that has been engaged in the acquisition, exploration, development, and operation of Platinum Group Metals ("PGMs") mineral deposits in South Africa. Through its 100% owned subsidiary, PPM, the Group established the PPM OPM on the western limb of the Bushveld Complex (the "Western Limb").

Prior to the curtailment commenced in Q4 2023, PPM OPM was the Group's primary operating asset consisting of:

- The opencast West pit on the farm Tuschenkomst 135JP;
- The opencast East pit on the farm Wilgespruit 2JQ;
- Sedibelo-Magazynskraal underground project ("Sedibelo Underground");
- A PGM concentrator, adjacent to West pit; and
- A chromite recovery plant, adjacent to West pit.

The West pit has accounted for most of the historical PGM output at PPM, with operations more recently transitioning to the adjacent East pit upon completion of development thereof. The East pit reached steady-state production in October 2023 but due to a significant and sustained decline in PGM prices, opencast mining operations were suspended at the end of November 2023 to conserve cash reserves. PPM has since prioritised the safeguarding of its assets and infrastructure, with an added focus on optimisation of the mine plan to facilitate an efficient restart of operations. Additional capital resources will be required in order to restart mining operations.

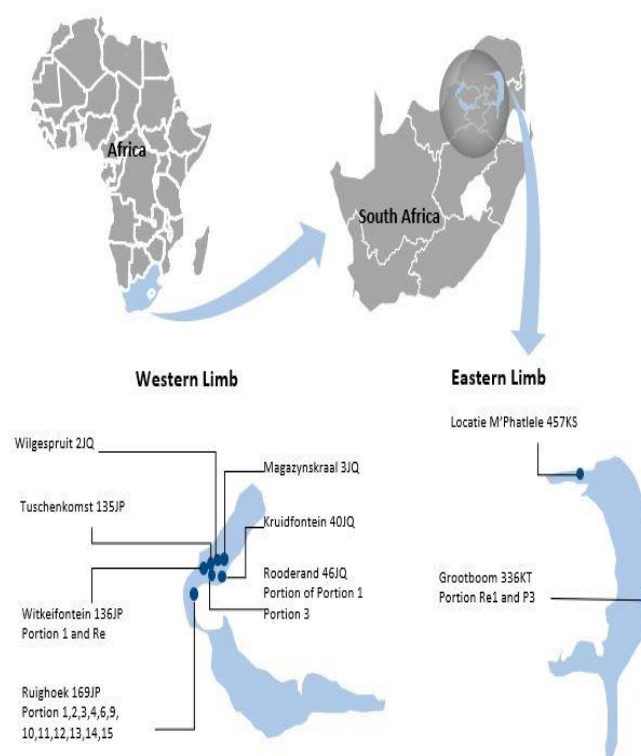
The consolidation of PGM mineral rights on the farms Tuschenkomst 135JP, Wilgespruit 2JQ, Kruidfontein 40 JQ & portions of Middelkuil 8 JQ and Modderkuil 39 JQ and Magazynskraal 3JQ, created a single block of mineral rights on the Western Limb of the Bushveld Complex.

At December 31, 2023, the block of mineral rights on the Western Limb comprised 16.86 million 4E PGM Measured & Indicated Resource ounces and 48.5 million 4E PGM Inferred Resource ounces, which includes the Kruidfontein Project. These ounces will be developed with new mining infrastructure, utilizing the current processing infrastructure at PPM to extract both PGMs and chromite. Surface and shallow underground mining provide embedded cost advantages.

The Group also holds valuable interests in PGM deposits on the eastern limb of the Bushveld Complex (the "Eastern Limb") through its development project namely, Mphahlele; comprising of 5.09 million 4E PGM Measured & Indicated Resource\* ounces and 6.58 million 4E PGM Inferred Resource\* ounces at December 31, 2023.

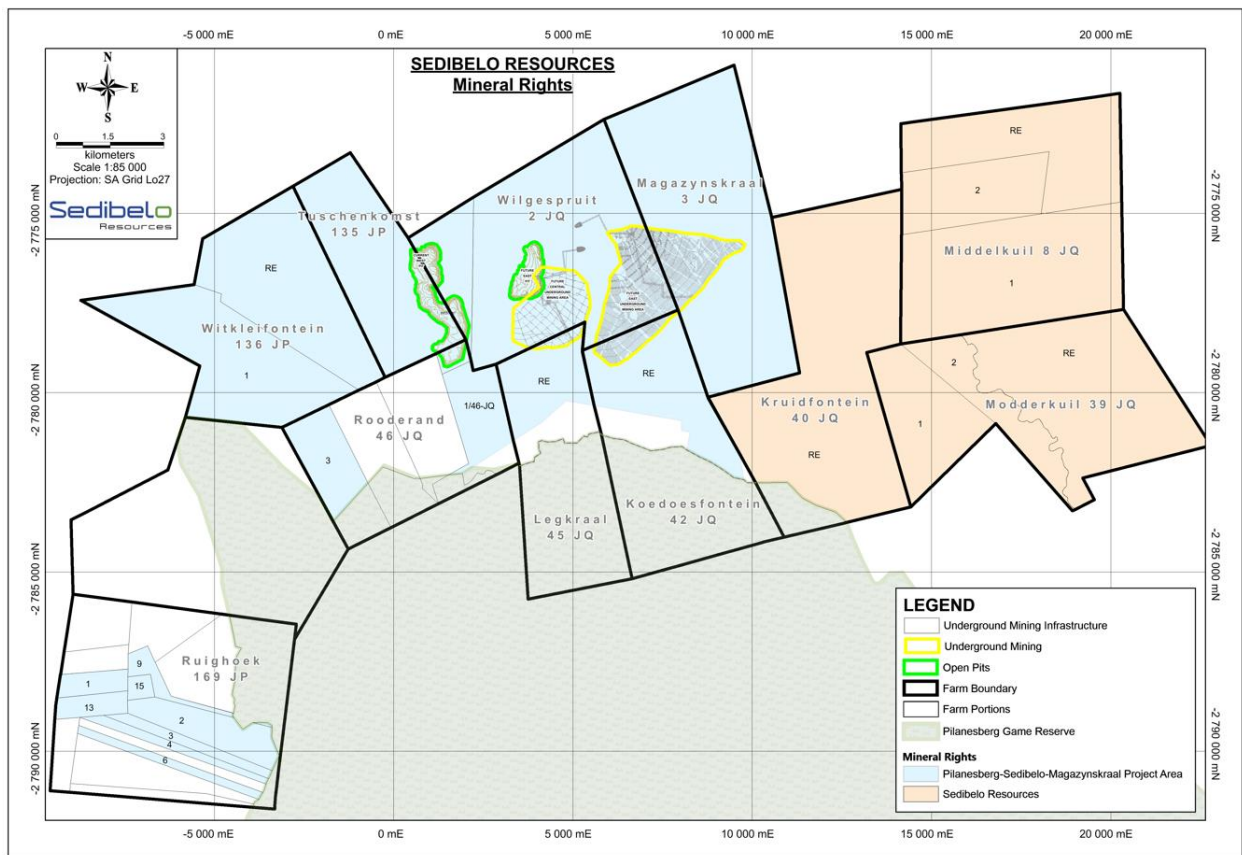
*Source: Sedibelo's PGM Assets in South Africa, NI43-101 Technical Report, PEA, December 31, 2023.*

*\*Includes 100% of the resources, only 75% is attributable to the Company.*



### 1.3 Development projects

Figure 1. Sedibelo Resources Western Limb development areas



#### Sedibelo East pit

The Sedibelo East pit is situated on the farm Wilgespruit 2JQ and is adjacent to the West pit situated on the Farm Tuschenkomst 135JP. Operation of the East pit was curtailed in November 2023 due to the significant and sustained decline in PGM prices. During the three- and nine-month periods ended September 30, 2024, operations remained curtailed and no mining activities took place.

#### Sedibelo-Underground project

The development of Sedibelo Underground was approved in December 2020 subject to funding. The project feasibility study ("FS") was published in July 2020 and had an effective date of March 31, 2020. This study was designed with the objective of minimising the project's capital requirements to a steady state and for open pit operations to support the underground operations during the ramp up phase. Market conditions and outlook have changed significantly since the Company embarked on the Sedibelo-underground project in 2020. With the open pit operations being curtailed, PPM will require an alternative funding solution to develop the Sedibelo Underground Project. Alternative sources of funding are being explored, and additional optimisation studies are being progressed with a view to reduce the peak funding requirements.

#### Kell project

The Kell process is a hydrometallurgical process that uses pressure oxidation and solvent extraction-electrowinning to extract valuable metals from concentrate. The development of a plant that utilizes the Kell process technology to process concentrate from the Company's mining operations as well as from third parties into PGM's is under evaluation. This is an opportunity for SRL to spearhead the production of lower carbon footprint PGM's in the market.

The potential advancement of a Kellplant at PPM has been delayed pending an updated FS for a plant that will only process PPM material (i.e. excluding third party PGM concentrate). The updated feasibility study will commence when the requisite funding is available.

## **1.4 Offtake agreements**

### **Impala Offtake Agreement**

Historically, substantially all reported revenues were derived from the Impala Offtake Agreement. PPM previously sold and delivered to Impala for treatment and processing, a specified minimum quantity of 6Es and base metals in concentrate as derived from all ore mined at PPM and all concentrate produced at PPM. Impala was responsible for the smelting and refining of the concentrate delivered to it and received a fee in relation to these services. The price paid by Impala for the 6Es and base metals was determined in accordance with a predetermined formula, linked to index prices, taking into consideration the quality of the 6Es and base metals extracted from the flotation concentrate, less the smelting and refining fee. Following curtailment of operations in November 2023, the Impala Offtake Agreement was terminated, with the final payment for all delivered concentrate being received in May 2024.

### **Northam Offtake Agreement**

The Company signed the Northam Offtake Agreement on June 20, 2022. The Northam Offtake Agreement was terminated by a force majeure notice from PPM to Northam when production was curtailed. The last payments for concentrate delivered were received in March 2024.

## **1.5 Market trends and outlook**

The World Platinum Investment Council ("WPIC") reported in their "Platinum Quarterly, Q4 2024" report that the estimated full year 2024 deficit for the platinum market is expected to be 995koz, 313koz deeper than previously forecast due to significant investment demand seen in the fourth quarter of 2024. Platinum is expected to remain in its third consecutive year of market deficit for 2025. Total platinum supply is estimated to have increased by 3% in 2024, although remains highly constrained. Recycling remains a point of weakness and is expected to persist into 2025. Total platinum demand was up 5% compared to 2023 and was boosted by investment inflows during the fourth quarter.

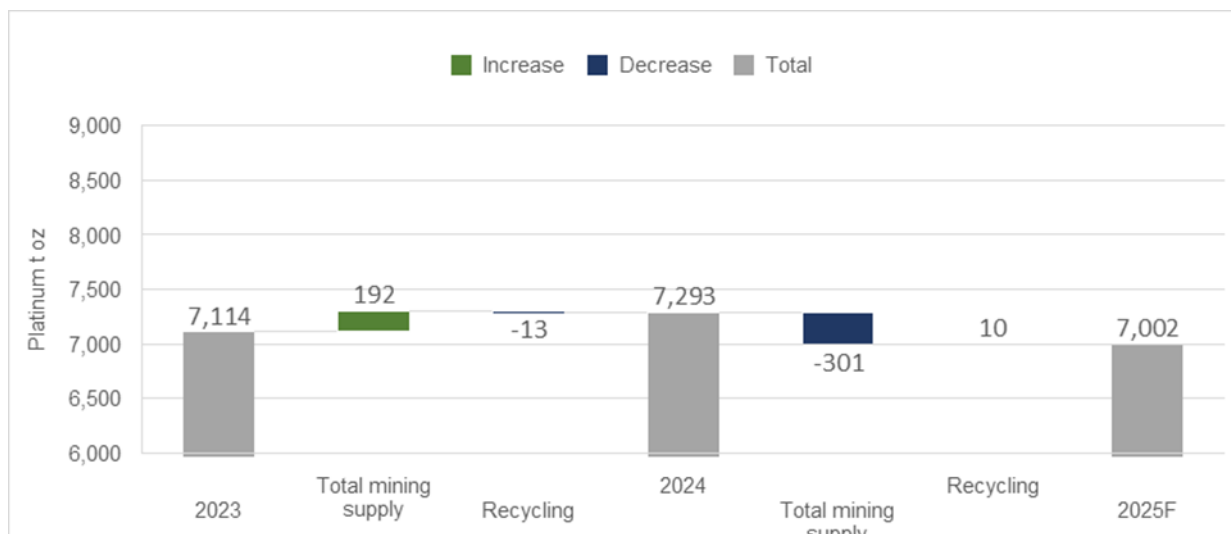
Total supply is expected to decline 4% in 2025 as a result of multi-year erosion of mine supply which is expected to decline 5% year-on-year because of the ongoing restructuring by producers who's focus has shifted to sustainability in a depressed price environment, as well as less material being released from work in progress inventories.

The WPIC further notes that demand is expected to decline 5% in 2025. Automotive demand is expected to decline by 1% due to declining diesel market share in Europe and lower heavy-duty vehicles output in North America being largely offset by 6% year on year growth in the rest of the world due to increased production of catalysed vehicles. Jewellery demand is expected to continue on its 2024 improvement and grow by 2% year on year, potentially gaining market share from white gold. Industrial demand is expected to decline 14% year on year on a cyclical slowdown after a sustained period of exceptional capacity additions, particularly in glass. The most significant industrial changes are a 30% increase in petroleum demand for platinum on the coincidental timing of a large number gas-to-liquid changeouts, a 35% increase in hydrogen stationary and other demand set off by a 58% decrease in glass demand.

The attraction of platinum as an investment centres around improved platinum demand and sustained pressures on supply. The platinum market has been consistently unable to satisfy demand since 2022, resulting in a structural deficit. Despite the rather uncertain geopolitical and economic backdrop and previous expectations of rapid drivetrain electrification in the near-term, platinum demand has been robust; investor interest is piqued by ongoing deficits, rapid depletion of above ground platinum stocks and the expectation of growing market tightness as well as platinum's growing discount to gold. The WPIC concluded that the current market is in an unsustainable situation which will not resolve itself without a price response. They believe both supply and demand are relatively price inelastic, at least in the near-term, and this presents an attractive investment opportunity.

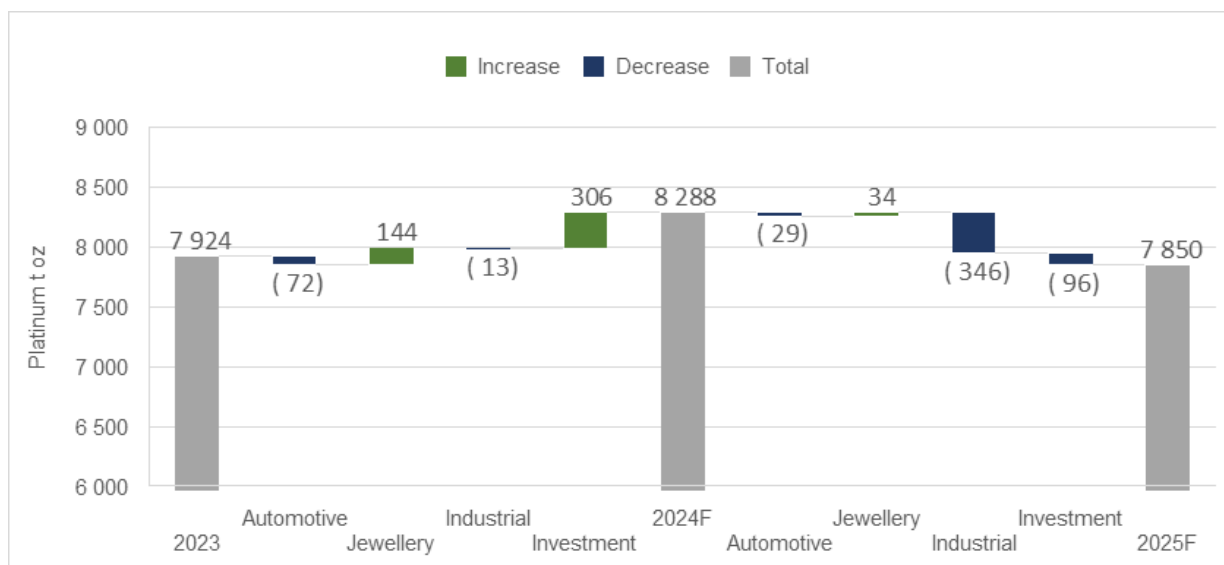
*Source: WPIC, Platinum Quarterly Q4 2024*

Figure 2. Platinum supply changes over 2023 to 2025F



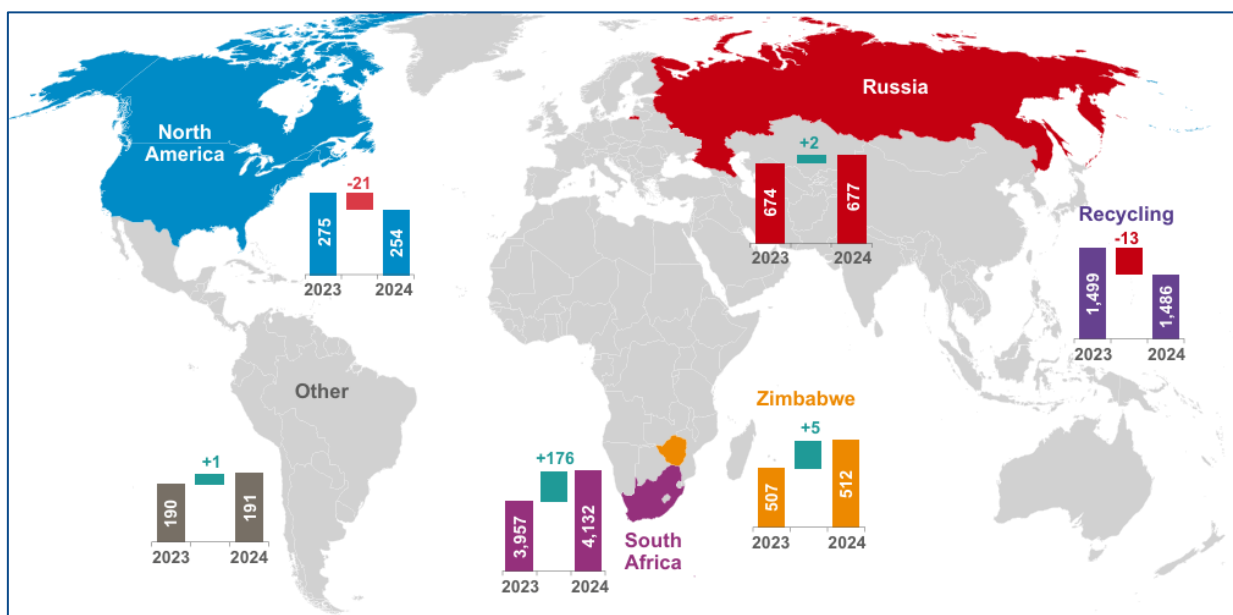
Source: World Platinum Investment Council Platinum Quarterly Q4 2024

Figure 3. Platinum demand changes over 2023 to 2025F



Source: World Platinum Investment Council Platinum Quarterly Q4 2024

Figure 4. Platinum supply changes, koz, 2023 to 2024F



Source: Source: World Platinum Investment Council Quarterly Q4 2024

## 1.6 Events after reporting period

The Group has no adjusting post balance sheet events to report as at the date of this MD&A. The following non-adjusting post balance sheet events occurred:

### 1.6.1 Industrial Development Corporation of South Africa Limited ("the IDC") credit facility

As at June 30, 2023, PPM was in breach of certain financial covenants in the IDC credit facility. The IDC levied default interest of 2% (in addition to the interest rate of JIBAR + 4%) for the period that PPM was in breach. The IDC acceded to the request to condone the breach on October 25, 2023.

On November 22, 2023, PPM received a waiver of the financial covenants in respect of PPM's ZAR500 million Facility B Agreement from the IDC for a period that terminated on March 31, 2024. On May 20, 2024, the IDC granted the waiver extension which condones all breaches of financial covenants until March 31, 2025. At September 30, 2024, the remaining USD16.181 million (ZAR300 million) was not available for drawdown. On 24 December 2024, the IDC entered into the WFL which condoned past breaches for a two-year period (see section 1.6.4).

### 1.6.2 Conclusion of section 189A

During Q2 2023, management commenced with phase 1 of the retrenchment process under Section 189A of the Labour Relations Act 66 of 1995. This process was concluded on October 31, 2023, resulting in the retrenchment of 151 employees in the Group. In December 2023, phase 2 of this process commenced to further reduce the Company's workforce. The final consultations were concluded on January 29, 2024, which affected 363 permanent employees in the Group.

During both phases of this process to affect the curtailment of operations agenda, contractors of the Company and their employees were affected. A total of 1,480 contractor's employees were retrenched.

### 1.6.3 Curtailment of open pit operations

On November 30, 2023, management decided to curtail the loss making, open pit operations under Section 52 of the Mineral and Petroleum Resources Development Act 28 of 2002 ("MPRDA"). The decision was made in order to limit continued cash losses in a PGM price context that is expected to remain subdued, while maintaining optionality. Priority is to secure funding to develop the Sedibelo Underground Project. During this curtailment period, management's focus will be on preserving the Company's assets and supporting the corporate and governance structure as well as compliance in terms of the Company's mining and prospecting rights.

#### **1.6.4 Capital Raise**

During Q3 and Q4 2024, the Company invited certain shareholders to participate in a capital raise with the ambition to raise at least USD16 million through a combination of debt and equity.

On January 20, 2025, the Company announced the successful completion of an emergency capital raise of approximately USD19 million, constituted by way of a USD9 million senior secured debt facility agreement (the "Debt Raise"), and the issue of USD10 million of equity in the form of new ordinary shares of the Company (the "Equity Raise", and together with the Debt Raise, the "Capital Raise").

A further USD1 million of equity could be subscribed to by existing shareholders, some of which is subject to receiving South African Reserve Bank approval in respect of South African participants. This further equity subscription would increase the total Equity Raise to USD11 million and the total Capital raise to USD20 million.

The Capital Raise proceeds will be used for general working capital requirements and to progress the development of the Group.

The Capital Raise proceeds have been fully received by the Company.

##### **The Equity Raise**

The Equity Raise was subscribed to by certain existing and new shareholders of the Company residing outside of Canada by means of a private placement. The Equity Raise was executed at a price of USD0.00323 per Company ordinary share (the "Subscription Price"), valuing the Company (pre-raise) at a significantly discounted valuation of USD10 million. Equity Raise participants have been granted underwriter options to subscribe to further Company shares at the Subscription Price, on the basis of one Option issued for each Share subscribed to. The pricing of the Equity Raise was determined following a series of consultations with the Company's major shareholders.

##### **The Debt Raise**

On January 15, 2025, a Senior Secured loan agreement entered into with Orion Blue Crane LLC ("Orion"), Pallinghurst PGM Limited ("PPGM"), and the IDC as lenders, the Company's wholly owned operating subsidiary PPM as Borrower, and the Company and other entities of the Sedibelo Group as Guarantors ("Facility C") became unconditional. Orion committed USD8 million and PPGM USD1 million as USD Tranche Loans under Facility C, which amounts have been fully drawn down by PPM. Each of the USD Tranche Lenders have been granted lenders' options to subscribe to Sedibelo shares at the Subscription Price for up to 50% of the amount of their loans drawn down under Facility C. Facility C USD Tranche Loans have an annual interest rate of SOFR plus 13%, capped at 18%, with all interest and principal being due at the end of the 2-year Facility C term.

##### **IDC's Participation**

The IDC, as both a shareholder and lender to the Company has given its support to the Capital Raise by agreeing to convert the ZAR200 million principal amount outstanding under the existing Facility B secured facility as follows:

(i) ZAR50 million will be converted into Company ordinary shares at the Subscription Price, such conversion being conditional on the IDC receiving South African Reserve Bank approval thereon, which such approval application remains pending on the date hereof, and

(ii) the remaining ZAR150 million of principal under Facility B and accrued interest up to transaction closing date, on Facility B has been rolled over into Facility C as a Facility C ZAR Tranche loan which will bear an annual interest rate of JIBAR plus 13%, capped at 21%, with all principal and interest thereon to be repaid at the end of the 2-year term of Facility C.

##### **Bakgatla Ba Kgafela Participation**

The Company's largest shareholder prior to the Capital Raise, the Bakgatla Ba Kgafela Tribe (the "BBKT") has been granted options (the "BBKT Options") by the Company to subscribe for up to USD3 million in Company shares at the Subscription Price for a period of one year, and the right to receive further options to subscribe for further Company shares, during a second one year period, at the Subscription Price in the number of options exercised during the first one year option period.

##### **Forbearance and Intercreditor Agreement**

The IDC, Orion and other entities of the Orion group which are parties to the Stream Agreements with the Company, have entered into an Amendment, Waiver and Forbearance Agreement with the Company and PPM in relation to the Sedibelo Group's senior secured financing and Stream agreements, covering past and future potential events of default during the 2-year term of Facility C (the "WFL").

Furthermore, the Intercreditor Agreement entered into on July 15, 2022 among entities of the Orion Group, the IDC, PPM, the Company and other entities of the Sedibelo Group, has been amended further to a Revised and Restated Intercreditor Agreement, providing for, inter alia, the senior ranking of Facility C Lenders above all other secured creditors of the Sedibelo Group for so long as any amounts remain outstanding under Facility C.

### **Bridge Loan**

In order for the Company to meet its short-term payment obligations, in December 2024, PPGM entered into an unsecured Loan Agreement with the Company for an amount of USD2 million ("Bridge Loan"), the repayment of which was made by way of offset against PPGM's equity subscription under its Equity Subscription Agreement.

### **Related Party Transaction**

The Capital Raise, IDC Transactions, the entering into of the Amendment, Waiver and Forbearance Agreement and the Revised and Restated Intercreditor Agreement, the issuance of the BBKT Options and certain underwriter options, and the entering into of the Bridge Loan (collectively, the "Transactions") constitute a "related party transaction" pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied on exemptions from the formal valuation requirement of MI 61-101, pursuant to the exemption provided under Section 5.5(b) of MI 61-101, as the Company is not listed on a market specified in that section, and is further exempt from the minority approval requirement of MI 61-101, pursuant to the "financial hardship" exemption provided under Section 5.7(1)(e) of MI 61-101, which provides that a related party transaction is exempt from the minority shareholder approval requirements if the issuer is in serious financial difficulty, the transaction is designed to improve the financial position of the company (among other criteria) and there is no other requirement to hold a meeting of shareholders to approve the transaction.

### **Further Fundraising**

The Company is also considering further capital raising activities, including through the issuance of equity securities or rights to subscribe for equity securities at the Subscription Price, to shareholders of the Company that did not participate in the Equity Raise. Any such capital raising transactions will be undertaken in accordance with applicable securities laws.

### **Approvals and Governance**

The Company's Board of Directors unanimously approved the Capital Raise, the Transaction, and their associated agreements. As part of the deliberations in respect of the Transactions, the Board of Directors of the Company considered the financial position of the Company and the objectives of the proposed Transactions, and the criteria and conditions with respect to the financial hardship exemptions described above, including the fact that there is no requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of ordinary shares of the Company for the Transactions.

### **Additional Details**

Additional details on the Capital Raise can be obtained in the Company's amended and restated Material Change Report dated March 6, 2025. This document can be found at [www.sedarplus.ca](http://www.sedarplus.ca).

## **1.6.5 Directors and officers**

On December 1, 2024, Mr Molefe John Pilane and Mr Mark Langa Makhubalo, both representatives of the BBKT, joined the Company's Board of Directors.

Effective January 1, 2025, the Company's Executive Chairman, Mr Erich Clarke relinquished his Chairmanship. In line with good corporate governance principles, the Board of Directors decided to terminate the position of Executive Chairman and instead appoint a Non-Executive Chairman. Mr Clarke continues to serve the Company as an Executive Director.

Effective January 1, 2025, the Board of Directors unanimously appointed Mr. Arne Frandsen as the Company's Non-Executive Chairman of its Board of Directors.

Effective January 1, 2025, the Company appointed Mr Victor Ndlovu as Chief Operating Officer. Since 2021, Mr Ndlovu has held the position of General Manager within the Company. He has more than 25 years' relevant experience, having spent most of that time with Lonmin PLC.

## 1.7 Purpose of this MD&A

This MD&A is provided to enable the reader to assess the financial position and results of operations for the three- and nine months ended September 30, 2024, compared to the prior corresponding periods. Certain information in this MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three- and nine-month periods ended September 30, 2024, and the notes thereto (collectively, the "financial statements") prepared in accordance with International Financial Reporting Standards ("IFRS"). These documents can be found at [www.sedibeloplatinum.com](http://www.sedibeloplatinum.com) and [www.sedarplus.ca](http://www.sedarplus.ca). Additional information about the Company is also available at [www.sedarplus.ca](http://www.sedarplus.ca).

## 2. Review of operations

### History

Stripping of topsoil and waste overburden commenced on the West pit in March 2008. Reef mining from the West pit commenced in December 2008. Delivery of the first concentrate to the Northam smelter took place in April 2009. Commercial production was declared on January 1, 2011. The West Pit mining operation was suspended from October 2023 until PGM prices improve to a level for mining from that pit to be profitable.

Infrastructure development on the East pit commenced in January 2022 and the first reef from the East pit was delivered to the concentrator in June 2022. The East pit reached steady state production in Q3 2023. However, full curtailment of the East Pit mining operation was implemented on November 30, 2023 due to the adverse PGM market conditions.

### Extraction and processing of ore (reef)

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

Construction of a chromite removal plant commenced in January 2017. The extraction of chromite from the UG2 circuit, represented an additional revenue stream at a small incremental operational cost. The plant was commissioned in September 2017, with revenue first received in March 2018.

Future extraction of ore at PPM is expected to make use of underground mining methods.

### Operations

Table 1: Operational performance for the three- and nine-month periods ended September 30, 2024

|                                              | Unit    | For the three months ended |              | For the nine months ended |              |
|----------------------------------------------|---------|----------------------------|--------------|---------------------------|--------------|
|                                              |         | Sep 30, 2024               | Sep 30, 2023 | Sep 30, 2024              | Sep 30, 2023 |
| Reef delivered to the RoM pad <sup>(a)</sup> | Tonnes  | -                          | 1,010,999    | -                         | 2,299,968    |
| Reef processed <sup>(b)</sup>                | Tonnes  | -                          | 908,812      | -                         | 2,241,457    |
| Reef milled                                  | Tonnes  | -                          | 855,431      | -                         | 2,189,584    |
| Average milled head grade                    | g/t     | -                          | 1.92         | -                         | 1.91         |
| Average recovery rate <sup>(c)</sup>         | %       | -                          | 59           | -                         | 52           |
| Average recovered grade                      | g/t     | -                          | 1.03         | -                         | 0.93         |
| 4E ounces dispatched and sold <sup>(d)</sup> | Oz      | -                          | 32,106       | -                         | 73,174       |
| 4E basket price <sup>(e)</sup>               |         |                            |              |                           |              |
| - USD                                        | USD     | 1,304                      | 1,242        | 1,281                     | 1,544        |
| - ZAR                                        | ZAR     | 23,067                     | 23,153       | 23,485                    | 28,185       |
| Total revenue per 4E ounce <sup>(f)</sup>    | ZAR     | -                          | 23,997       | -                         | 24,664       |
| Gross revenue from metal sales               |         |                            |              |                           |              |
| - USD                                        | USD'000 | -                          | 41,562       | 607                       | 98,470       |
| - ZAR <sup>(g)</sup>                         | ZAR'000 | -                          | 770,434      | 11,372                    | 1,804,783    |

(a) RoM is defined as run of mine.

- (b) Reef processed means the reef tonnes mined that are either upgraded using the DMS plant and/or milled. The total tonnes processed equal the tonnes mined, adjusted for unprocessed ore inventory.
- (c) The average recovery rate and grade are based on the monthly actual production and does not consider any metal pipeline changes as a result of new assay information that becomes available.
- (d) Metal produced and declared is based on provisional assay results and therefore subject to change until such time that final assay results are received. The metals dispatched and sold includes pipeline changes.
- (e) Basket price for 4E (platinum, palladium, rhodium, and gold).
- (f) Total revenue per 4E ounce is calculated by dividing the gross revenue from metal sales in ZAR by the 4E ounces dispatched and sold.
- (g) Gross revenue from metal sales is converted from USD to ZAR using the three and nine-month average USD/ZAR exchange rate.

The Company curtailed operations on November 30, 2023 in order to limit cash losses that were driven by a depressed PGM price environment. Curtailment of operations continued for the full nine-month period ended September 30, 2024 (including the three-month period ended September 30, 2024) and is still ongoing at the release date of this report. As a result, no reef was mined, processed or milled during the period, and no revenue from new production was generated. The Gross revenue from metal sales in Table 1 is a result of pipeline changes both quantity and price related to on PGM's and base metals produced and delivered to offtakes in 2023, prior to the curtailment of operations.

Figure 5. Mining production until curtailment

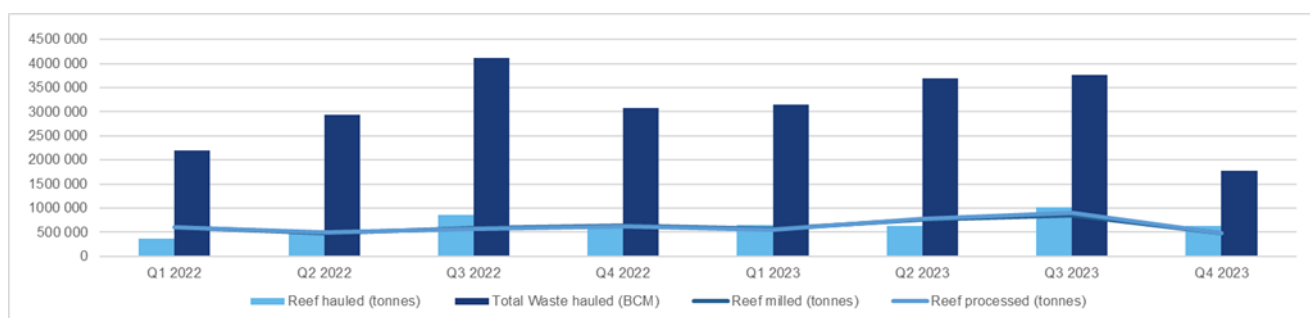
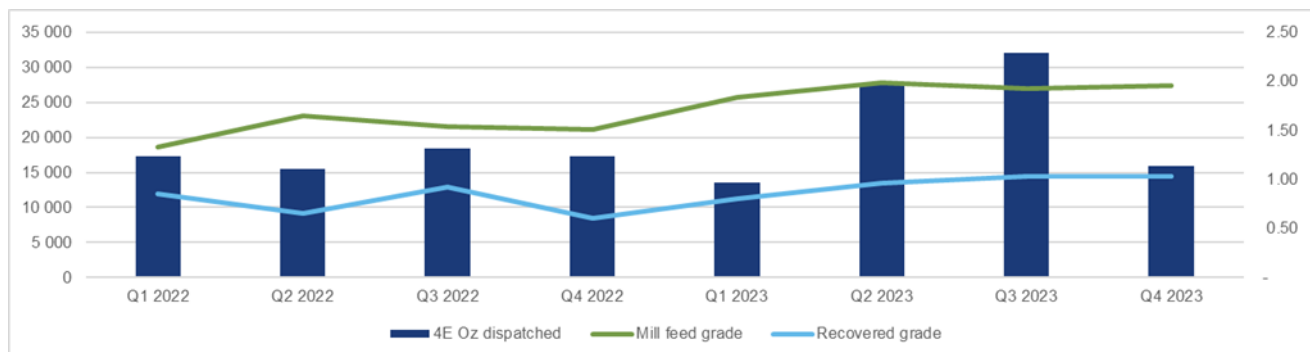


Figure 6. Concentrator plant production until curtailment



## 2.1 Exploration and development of other PGM properties

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

Total exploration expenditure on various Pilanesberg exploration projects was USD16.479 thousand (ZAR 281.127 thousand) for the quarter ended September 30, 2024. Total exploration expenditure since the inception of the Pilanesberg exploration projects of USD5.666 million (ZAR96.664 million) has been capitalised in accordance with the Group's accounting policies in "Exploration and evaluation assets".

#### Work programme

The Pilanesberg exploration projects consist of properties adjacent to PPM.

### 2.1.2 Mphahlele Project (on the Eastern Limb of the Bushveld Complex)

During the quarter ended September 30, 2024, USD56.655 thousand (ZAR966.537 thousand) was spent on the Mphahlele project, bringing cumulative expenditure to date on the project to USD10.475 million (ZAR178.697 million), excluding acquisition costs. In accordance with the Group's accounting policies, these costs have been capitalised in "Exploration and evaluation assets".

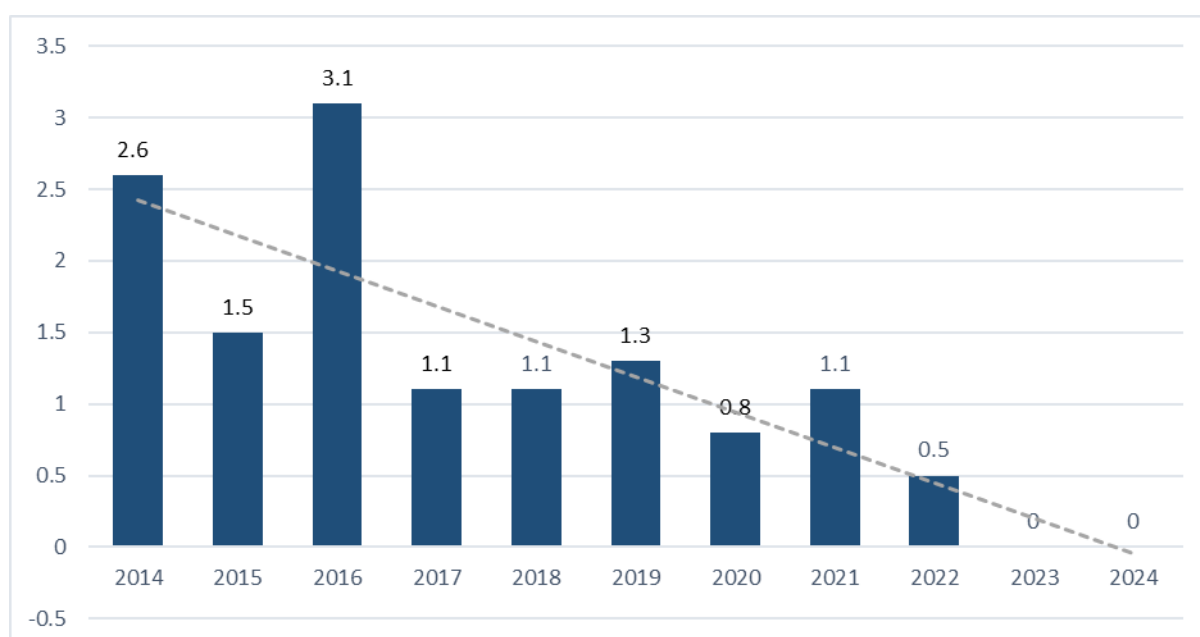
### Work programme

The mining right previously granted was executed on November 23, 2022. The mining right expires on February 16, 2042. The executed right permits the Company to commence with mining activities. A consulting firm was appointed to perform a gap analysis and do the relevant groundwork for the environmental licenses and exploration drilling. Community engagement has been ongoing with the Mphahlele Tribal Council and the Mphahlele trust to involve stakeholders in the compilation of the community engagements necessary for the Environmental Impact Assessment and Water License Application technical studies as well as the required exploration drilling.

## 2.2 Safety

The Group strives for zero harm to employees and contractors. PPM recorded 7.65 million consecutive fatality free shifts ("FFS") by the end of September 2024, with the record extending over a fourteen-year period. Since 2016, PPM has managed to significantly reduce the LTI Frequency Rate. Operations were curtailed during the three and nine-month periods ended on September 30, 2024, and no LTI's were recorded in this time.

Figure 7. 2014 – YTD 2024 Lost Time Injury Frequency Rate



## 2.3 Environmental matters

### Overview

The Company conducts exploration on its key projects and prospects subject to mineral exploration permit applications made to and issued by South Africa's Department of Mineral and Petroleum Resources ("DMPR"). For each exploration programme, a rehabilitation plan is included with the application and, where required, the relevant guarantees are put in place with the DMPR in respect of the rehabilitation work that must be carried out when the programme is complete. All such environmental guarantees are acquired in the normal course of business.

Environmental guarantees are released by the DMPR on completion of the obligations in terms of the rehabilitation plans contained within either the application for the prospecting permits, or the mining right. The total amount of restricted investment and guarantees as at September 30, 2024 is USD23.643 million.

### PPM rehabilitation

As at September 30, 2024, the Company had USD25.472 million (ZAR434.597 million) in guarantees with the DMPR. The guarantees have been provided on an insurance basis with a portion of the total guaranteed value being paid into a separate bank account controlled by the Group and ceded in favour of the insurance company.

The current rehabilitation provision reflects an unscheduled closure scenario where cost estimates were determined using the DMPR Master Rates, as per the requirements of the DMPR Guideline Document for the Evaluation of Quantum of Closure Related Financial Provision Provided by a Mine (January 2005). A separate project is being conducted to align the costing with the requirements of the Financial Provision Regulations for Mine Rehabilitation and

Closure promulgated on November 20, 2015 ("GN R. 1147") under the National Environmental Management Act, No. 107 of 1998, as amended.

#### ***Rehabilitation of other development projects***

Guarantees required by the DMPR 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 ("Lombard"). The Group makes ongoing contributions to fund the balance of the liability over the remaining life of the prospecting permit. As at September 30, 2024, the Group had USD7.602 million (ZAR129.702 million) in guarantees with the DMPR for other projects.

#### ***Tailings storage facility ("TSF")***

PPM successfully implemented the Tailings Protect program of a risk-based tailings dam monitoring system and completed the TSF dashboard. Tailings Project's core business function is to provide risk-based insurance solutions that aim to achieve improved terms/pricing and compliance with the Global Industry Standards on Tailings Management and other widely recognised best-in-class standards. This is done through the provision of a 24/7 link to a risk-assessed tailings monitoring system. The dashboard will allow live monitoring of critical parameters online. The operation currently only has one (1) TSF. The TSF is deemed stable under current configuration and operational conditions. Focus will remain on the technical aspects of the TSF and enhanced alignment with the Global Industry Standard on Tailings Management.

#### ***Climate considerations***

The Group is cognisant of the need to reduce and eventually eliminate Greenhouse Gas emissions from its processes. Our ambition is to achieve net zero total emissions no later than 2040. To achieve this, the Group had the following initiatives:

(i) **Renewable Energy**

The Group had evaluated the use of renewable energy for PPM and had considered the procurement of 47MW of wind power through a wheeling arrangement, and the potential to build a solar plant at or adjacent to PPM; execution of this initiative is on hold due to ongoing cash constraints.

(ii) **Kell Plant**

The Group reserves an option to construct a Kell Plant at PPM which would make use of the Kell technology, a hydrometallurgical alternative to the traditional PGM smelting process; the Kell technology is expected to reduce energy consumption as well as reduce emissions of SO<sub>2</sub> and other pollutants. The Kell Plant project will only be pursued once financing has been procured, a Bankable Feasibility Study has been completed and mining operations resume.

#### ***Carbon emissions***

The Group's operations are currently curtailed. Historical quarterly emissions data for the period up until curtailment at the end of 2023 are shown below in Figure 8. Emissions without production data are shown in Figure 9, indicating the status after curtailment.

Figure 8. Quarterly Co<sub>2</sub> emissions

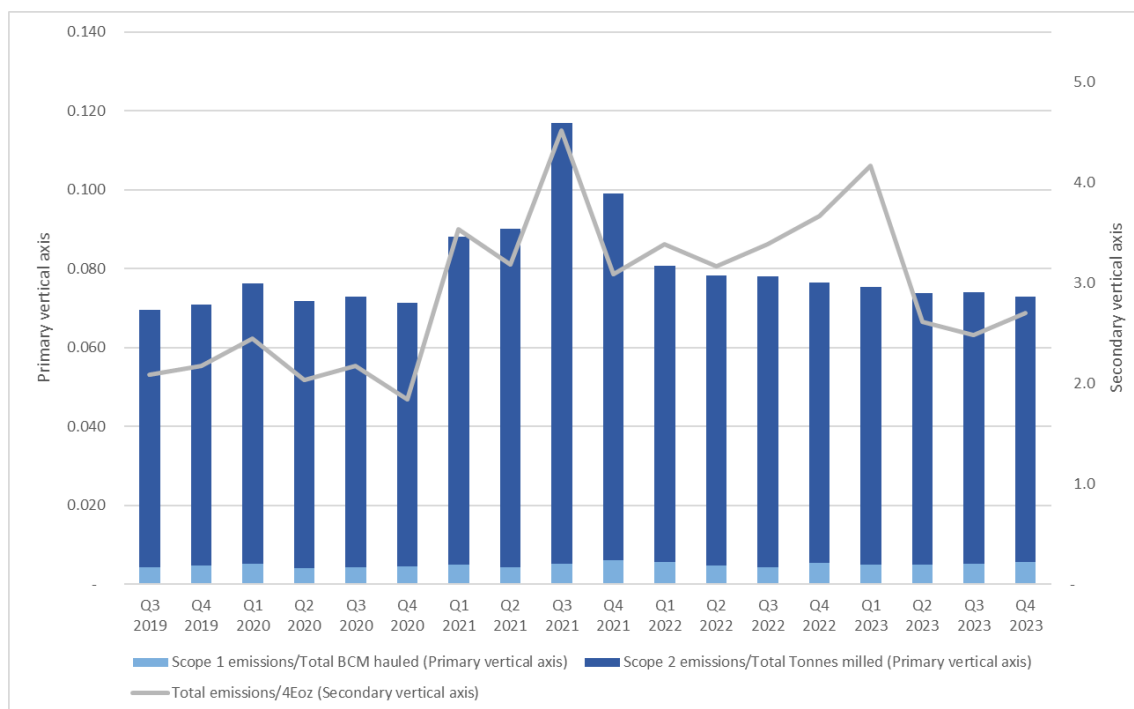
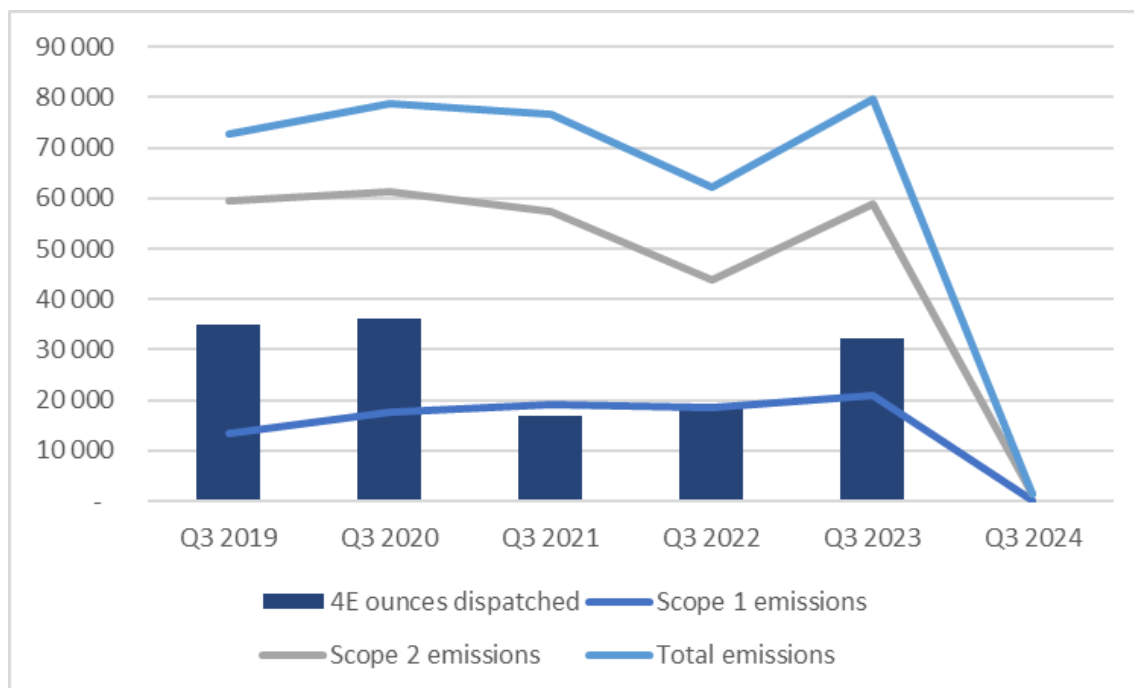


Figure 9. Q3 - Co<sub>2</sub> emissions



### 3. Overall performance

#### 3.1 Reporting currency and periods

As mining and exploration activities are conducted in South Africa and most transactions are denominated in South African rand ("ZAR", "Rand" or "R"), this is the Group's functional currency. In this MD&A, 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*

|                                  | As at<br>Sep 30,<br>2024 | Average nine<br>months ended<br>Sep 30, 2024 | Average three<br>months ended<br>Sep 30, 2024 | As at<br>Sep 30,<br>2023 | Average nine<br>months ended<br>Sep 30, 2023 | Average three<br>months ended<br>Sep 30, 2023 | As at<br>Dec 31,<br>2023 |
|----------------------------------|--------------------------|----------------------------------------------|-----------------------------------------------|--------------------------|----------------------------------------------|-----------------------------------------------|--------------------------|
| South African<br>rand (USD: ZAR) | 17.06                    | 18.34                                        | 17.70                                         | 18.95                    | 18.35                                        | 18.65                                         | 18.54                    |

#### 3.2 Impairment

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 assumptions in calculating the value in use of assets. Assumptions such as PGM prices, ZAR:USD exchange rates and inflation are based on the most recent information available. Significant impairments of the Group's assets were recognised in 2023 due to a number of factors, including the adverse PGM price environment and the curtailment of operations. No additional indicators of impairment have been observed and therefore no additional impairment have been raised for the three and nine-month periods ended September 30, 2024.

##### 3.2.2.1 Group impairment review for the period ended September 30, 2024

The Group recognised a significant impairment in 2023 due to a number of factors including the adverse PGM price environment and subsequent curtailment of operations at PPM which are still applicable. No additional factors have been observed during the three-month or nine-month period ended September 30, 2024. A full impairment review will be performed at year-end.

##### 3.2.2.2 Group impairment review for the period ended September 30, 2023

Management reviewed operations for indicators of impairment, such as the availability of capital funds for development, the volatility in the ZAR: USD exchange rate and current and forecasted metal prices.

Despite considerable operational improvement in the three months ended September 30, 2023, lower than expected PGM prices, above inflation increase in costs and wages have resulted in continued operating losses. Ongoing efforts to restore operations to profitability include the restructuring of the operating activities to reduce fixed costs and limit mining and processing activities. Consultations in terms of Section 189A of the Labour Relations Act 66 of 1995 (Section 189A) with labour has been concluded. Even though production has stabilised and improved over the past three (3) months, profitability challenges remain because of a significant decrease in PGM market prices.

Management estimated and used certain key assumptions in calculating the recoverable amount under the value in use model. This model relies on discounted cash flows, which uses key assumptions comprising both current and future PGM prices, ZAR: USD exchange rates, forecasted costs, discount rates, and inflation, which is based on the most recent information available in the market. On a periodic basis, management updates Life of Mine ('LoM') plans to consider ways to optimize the value of projects over their lives which can impact the key assumptions. The indicative values from these LoM plans at September 30, 2023 indicated an impairment.

The assumptions and inputs used in the determination of the recoverable amount of non-current assets for the impairment assessment were as follows:

|                                                            | Sep 30, 2023<br>USD '000          |
|------------------------------------------------------------|-----------------------------------|
| Basis of determining recoverable amount                    | Value in use<br>less cost to sell |
| Fair value hierarchy                                       | Level 2                           |
| Key assumptions:                                           |                                   |
| Long term real discount rate (ZAR) ("WACC")                | 15.65%                            |
| South African consumer price index (inflation rate)        | 5.4%                              |
| 4E Basket price (long term) <sup>(a)</sup>                 | USD2,144                          |
| Recoverable amount                                         | 101,517                           |
| Carrying amount                                            | 825,103                           |
| Impairment                                                 | 723,586                           |
| <b>Key assumption sensitivities:</b>                       |                                   |
| <b>Impact on calculation of Net Present Value ("NPV"):</b> |                                   |
| Current NPV                                                | 114,638                           |
| Increase in WACC rate of 1% (decrease in value)            | 79,595                            |
| Decrease in WACC rate of 1% (increase in value)            | 140,647                           |
| Increase in exchange rates of 5% (increase in value)       | 174,411                           |
| Decrease in exchange rates of 3% (decrease in value)       | 78,616                            |
| Increase in Platinum Price of 10% (increase in value)      | 185,163                           |
| Decrease in Platinum Price of 8% (decrease in value)       | 57,988                            |

(a) Same market research used for 4E basket price assumptions and ZAR: USD rate.

Global market conditions, the increased cost of debt and South African country risk resulted in a higher ZAR post-tax WACC of 15.65%.

Based on the assessment performed, a USD723,586 million impairment was recognised for the three-month period ended September 30, 2023, resulting in a USD759,298 million impairment for the nine-month period ended September 30, 2023.

In conclusion, the Group impairment for the three-month period ended comprised:

|                               | Sep 30,<br>2024<br>USD'000 | Sep 30,<br>2023<br>USD'000 |
|-------------------------------|----------------------------|----------------------------|
| Mining assets                 | -                          | 514,203                    |
| Intangible assets             | -                          | 11,470                     |
| Property, plant and equipment | -                          | 197,914                    |
| <b>Total impairment</b>       | <b>-</b>                   | <b>723,586</b>             |

### 3.3 Financial condition

Table 3. Financial condition as at September 30, 2024

|                                       | As at Sep 30,<br>2024<br>USD'000 | As at Dec 31,<br>2023<br>USD'000 |
|---------------------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents             | 3,030                            | 17,725                           |
| Other current assets                  | 16,500                           | 46,283                           |
| <b>Total current assets</b>           | <b>19,530</b>                    | <b>64,008</b>                    |
| Restricted investments and guarantees | 23,628                           | 19,507                           |
| Other non-current assets              | 129,954                          | 128,218                          |
| <b>Total non-current assets</b>       | <b>153,582</b>                   | <b>147,725</b>                   |
| <b>Total assets</b>                   | <b>173,112</b>                   | <b>211,732</b>                   |
| Current liabilities                   | 17,822                           | 41,212                           |
| Non-current liabilities               | 89,248                           | 83,552                           |
| <b>Total liabilities</b>              | <b>107,070</b>                   | <b>124,764</b>                   |
| Total shareholders' equity            | 75,785                           | 95,941                           |
| Non-controlling interests             | (9,743)                          | (8,973)                          |
| <b>Total equity</b>                   | <b>66,042</b>                    | <b>86,968</b>                    |
| <b>Other information</b>              |                                  |                                  |
| <b>Key financial ratios:</b>          |                                  |                                  |
| Current ratio <sup>(a)</sup>          | 1.10                             | 1.55                             |
| Working capital <sup>(b)</sup>        | 1,708                            | 22,796                           |
| Debt/equity ratio <sup>(c)</sup>      | 141.28%                          | 130.04%                          |

(a) Current ratio = current assets / current liabilities.

(b) Working capital = current assets - current liabilities.

(c) Debt to equity ratio = total liabilities / shareholders' equity.

SRL's non-current asset base comprises primarily of mining properties, plant and equipment and mine development, reflecting the capital-intensive nature of mining. Other assets include intangible assets, investments in joint venture, cash and cash equivalents, trade and other receivables and deferred tax assets. Trade receivables include the PGM sales pipeline, which reflected PGM and base metal deliveries to clients of up to three (3) to five (5) months.

Total assets decreased by USD38.619 million during the nine-month period ended September 30, 2024. The decrease can be attributed to:

- USD13.776 million decrease because of an 8.0% weaker ZAR used in the conversion from functional currency to presentation currency;
- Cash and cash equivalents decreasing by USD14.695 million, which is the combined result of (i) restructuring costs due to curtailment of operations and (ii) operational losses; and
- A USD31.704 million decrease in trade and other receivables, because of the curtailment of operations and the trade receivable winding down by May 2024;

Total liabilities decreased by USD17.694 million during the nine-month period ended September 30, 2024. The decrease can be attributed to:

- USD8.869 million decrease because of an 8.0% weaker ZAR used in the conversion from functional currency to presentation currency;
- A negative IFRS 9 fair value adjustment of USD8.980 million recognised on the stream for the nine-month period ended September 30, 2024;
- A USD14.266 million decrease in the Revolving Commodity Facility because of it winding down with the outstanding metal pipeline; and
- An decrease in trade and other payables of USD8.282 million because of the curtailment of operations.

The Group's working capital decreased from USD22.796 million as at December 31, 2023, to USD1.708 million as at September 30, 2024. The Group's current ratio decreased from 1.55 as at December 31, 2023, to 1.10 as at September 30, 2024. The decrease in both metrics is mainly a result of the decrease in cash and cash equivalents.

PPM historically breached certain covenants of its facilities with Nedbank and the IDC during 2023. The Nedbank facility was repaid in August 2023, while the IDC waived the breach of covenants until March 31, 2024, which was ultimately extended by 12 months to March 31, 2025. Prior to the expiry of this waiver, the IDC provided a separate waiver as set out in the WFL on 24 December 2024, as part of the Capital Raise and alongside other creditors (see section 1.6.1 *Industrial Development Corporation of South Africa Limited ("the IDC") credit facility*).

SRL's capital structure historically comprised of shareholders' equity and low levels of debt. During the 2022 financial year SRL entered into Stream agreements and credit facilities to fund the development of the East pit and the Sedibelo underground project. At September 30, 2024, the debt-to-equity ratio was 141.28% compared to 130.04% as at December 31, 2023. The increase is mainly a result of the loss recorded for the nine-month period ended September 30, 2024.

#### **3.4 Financial performance for the three-and nine-month periods ended September 30, 2024**

The Group recorded a net loss of USD18.786 million and USD72.885 million for the three- and nine-month periods ended September 30, 2024 due to its operations being curtailed. This compared to a net loss of USD710.497 million and USD714.846 million for the three and nine-month periods ended September 30, 2023, which included impairment charges of USD723.586 million and USD759.298 million respectively.

Table 4. Financial performance for the three- and nine-month periods ended September 30, 2024

|                                                                               | For the three months ended |                  | For the nine months ended |                  |
|-------------------------------------------------------------------------------|----------------------------|------------------|---------------------------|------------------|
|                                                                               | Sep 30, 2024               | Sep 30, 2023     | Sep 30, 2024              | Sep 30, 2023     |
|                                                                               | USD'000                    | USD'000          | USD'000                   | USD'000          |
| Revenue                                                                       | -                          | 41,562           | 607                       | 98,470           |
| Cost of operations                                                            | (3,755)                    | (25,855)         | (16,254)                  | (87,151)         |
| <b>Gross profit</b>                                                           | <b>(3,755)</b>             | <b>15,707</b>    | <b>(15,647)</b>           | <b>11,319</b>    |
| Administrative and general expenses                                           | (4,461)                    | (10,253)         | (21,617)                  | (36,507)         |
| Fair value gain                                                               | (17,735)                   | 5,048            | (1,530)                   | 66,653           |
| Foreign exchange (loss)/gain                                                  | 9,204                      | (178)            | (33,042)                  | (6,103)          |
| Impairment                                                                    | -                          | (723,586)        | -                         | (759,298)        |
| Other income/(expenses)                                                       | (1,721)                    | 161              | (704)                     | (628)            |
| <b>Operating loss</b>                                                         | <b>(18,468)</b>            | <b>(713,102)</b> | <b>(72,540)</b>           | <b>(724,565)</b> |
| Finance income                                                                | 1,211                      | 2,186            | 3,783                     | 7,600            |
| Finance costs                                                                 | (1,152)                    | (1,689)          | (3,355)                   | (4,900)          |
| Share of loss of investments accounted for using the equity method            | (377)                      | (255)            | (773)                     | (1,217)          |
| <b>Loss before income tax</b>                                                 | <b>(18,786)</b>            | <b>(712,859)</b> | <b>(72,885)</b>           | <b>(723,081)</b> |
| Income tax credit/(expense)                                                   | -                          | 2,362            | -                         | 8,235            |
| <b>Loss for the period</b>                                                    | <b>(18,786)</b>            | <b>(710,497)</b> | <b>(72,885)</b>           | <b>(714,846)</b> |
| Exchange difference on loans designated as net investments                    | (5,548)                    | (4,782)          | 9,355                     | 27,462           |
| Exchange difference on translation from functional to presentation currency   | 12,233                     | 18,175           | 33,994                    | (109,613)        |
| Other comprehensive share of investment accounted for using the equity method | (355)                      | 14               | (370)                     | (139)            |
| Movements in other reserves                                                   | -                          | 16               | -                         | 201              |
| Fair value gain/(loss) on stream prepayment                                   | -                          | 284              | 8,980                     | (33,670)         |
| <b>Other comprehensive income/(loss)</b>                                      | <b>6,330</b>               | <b>13,708</b>    | <b>51,959</b>             | <b>(115,758)</b> |
| <b>Total comprehensive loss</b>                                               | <b>(12,456)</b>            | <b>(696,790)</b> | <b>(20,926)</b>           | <b>(830,605)</b> |

**Revenue:**

Table 5. Disaggregation of revenue

|                                                    | For the three months ended |               | For the nine months ended |                |
|----------------------------------------------------|----------------------------|---------------|---------------------------|----------------|
|                                                    | Sep 30, 2024               | Sep 30, 2023  | Sep 30, 2024              | Sep 30, 2023   |
|                                                    | USD'000                    | USD'000       | USD'000                   | USD'000        |
| Platinum                                           | -                          | 17,822        | 1,357                     | 43,480         |
| Palladium                                          | -                          | 10,896        | 175                       | 21,998         |
| Rhodium                                            | -                          | 7,856         | (171)                     | 20,090         |
| Gold                                               | -                          | 1,206         | 44                        | 2,886          |
| <b>4E</b>                                          | <b>-</b>                   | <b>37,780</b> | <b>1,405</b>              | <b>88,454</b>  |
| Other minerals                                     | -                          | 7,866         | (143)                     | 15,240         |
| <b>Total revenue from contracts with customers</b> | <b>-</b>                   | <b>45,646</b> | <b>1,262</b>              | <b>103,694</b> |
| Commodity price adjustment                         | -                          | (4,084)       | (655)                     | (5,224)        |
| <b>Total revenue</b>                               | <b>-</b>                   | <b>41,562</b> | <b>607</b>                | <b>98,470</b>  |

The Company has historically generated revenues from sales of 6E metals (4E plus iridium and ruthenium) and other base metals (copper, nickel and chrome). No sales from new deliveries were recorded during the three- and nine-month periods ended September 30, 2024 due to the curtailment of Company operations during this period. During the nine months ended September 30, 2024 final adjustments to the metal pipeline for price and quantity contributed to revenue. Sales of 4E contributed 83% and 85% to the total revenue during the three- and nine-month periods ended September 30, 2023 with iridium, ruthenium and base metals making up the balance.

Revenue is recognised when the buyer, pursuant to a sales contract, obtains control of the product, which constitutes the performance obligation. The sales price and quantities are determined on a provisional basis at the date of delivery. Adjustments to the sales price occurs based on movements in the metal market price, metal content quantities and exchange rate, which represent variable transaction price components, up to the date of final pricing and assays. Final pricing under the Impala Offtake Agreement was based on the monthly average market price in the month of settlement, while the Northam Offtake Agreement pricing was based on the monthly average market price in the month

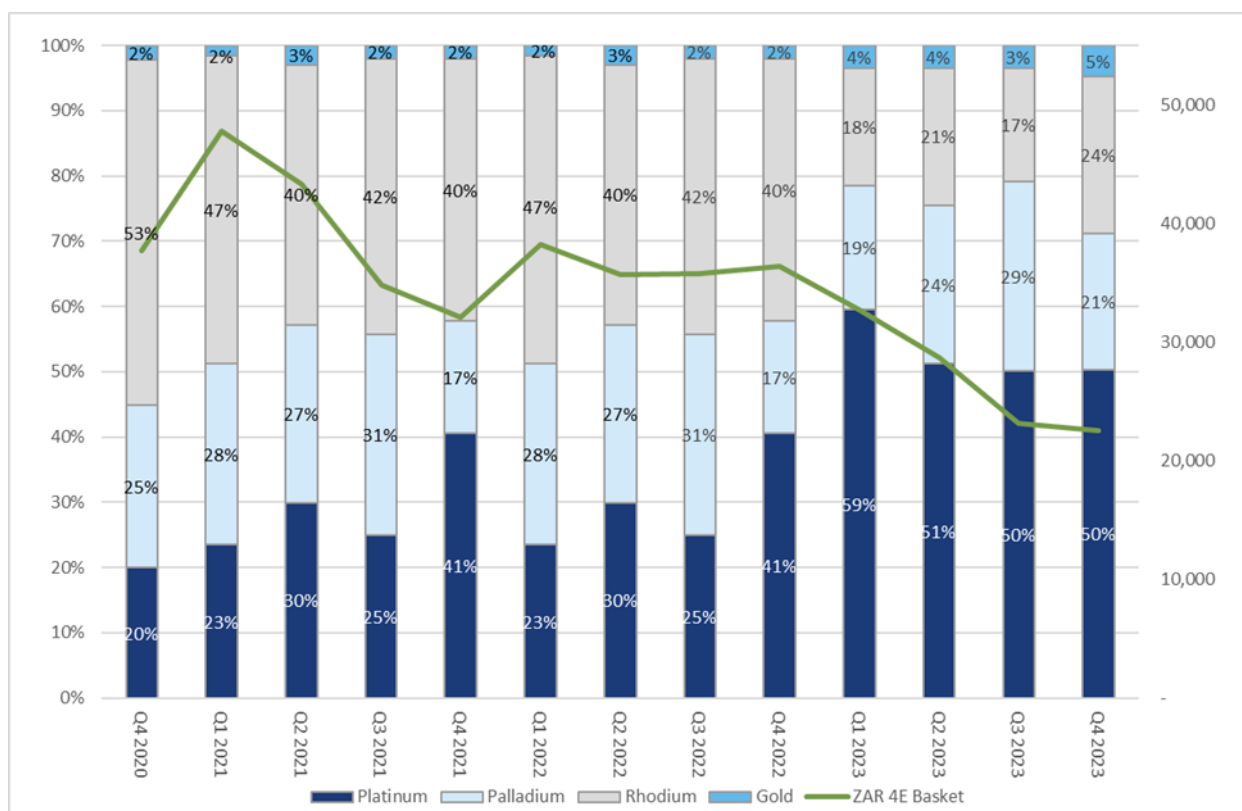
following delivery of concentrate. The period between provisional invoicing and final pricing was typically between three and five months under the Impala Offtake Agreement and one month under the Northam Offtake Agreement. Revenue on provisionally priced sales is initially recorded at the monthly average market price in the month of delivery and the assayed quantities. Adjustments in respect of final assayed quantities and/or prices arising between the date of initial recognition and the date of settlement are recognized in the period in which the adjustment arises and reflected through revenue and receivables.

*For the three and nine-months ended September 30, 2024:*

No revenue was recognised for the three months ended September 30, 2024 due to the curtailment of operations. The revenue recognised during the nine months ended September 30, 2024 comprised of final quantity and price adjustments to the outstanding metal pipeline for deliveries prior to the curtailment of operations. Revenues of USD41.562 million and USD98.470 million were generated for the three and nine-months ended September 30, 2023.

The figure below sets out the relative quarterly contribution to 4E revenue on a per metal basis for historical quarterly periods up until curtailment in Q4 2023, with the ZAR basket price per ounce also reflected on the right axis.

*Figure 10. Metal contribution to 4E revenue (including price adjustments)*



The average ZAR 4E basket decreased significantly during 2023, driven mainly by the decrease in the palladium price (37%) and rhodium price (58%). The decrease in metal prices was somewhat mitigated by the average ZAR weakening against the USD by 5%.

**Cost of operations:**

Table 6. Cost of operations summary

|                                                   | For the three months ended |                 | For the nine months ended |                 |
|---------------------------------------------------|----------------------------|-----------------|---------------------------|-----------------|
|                                                   | Sep 30, 2024               | Sep 30, 2023    | Sep 30, 2024              | Sep 30, 2023    |
|                                                   | USD'00                     | USD'000         | USD'000                   | USD'000         |
| Materials and mining costs                        | (402)                      | (4,951)         | (2,263)                   | (20,864)        |
| <b>Total on-mine operations costs</b>             | <b>(402)</b>               | <b>(4,951)</b>  | <b>(2,263)</b>            | <b>(20,864)</b> |
| <i>Concentrator plant operations</i>              |                            |                 |                           |                 |
| Materials and other costs                         | (268)                      | (6,376)         | (2,110)                   | (24,597)        |
| Utilities                                         | (921)                      | (6,384)         | (2,632)                   | (14,041)        |
| <b>Total concentrator plant operations</b>        | <b>(1,189)</b>             | <b>(12,760)</b> | <b>(4,742)</b>            | <b>(38,638)</b> |
| <i>Beneficiation</i>                              |                            |                 |                           |                 |
| Smelting and refining costs                       | (1)                        | (2,441)         | (70)                      | (5,673)         |
| <b>Total beneficiation costs</b>                  | <b>(1)</b>                 | <b>(2,441)</b>  | <b>(70)</b>               | <b>(5,673)</b>  |
| <i>Other costs</i>                                |                            |                 |                           |                 |
| Transportation                                    | -                          | (86)            | -                         | (315)           |
| Salaries                                          | (719)                      | (4,808)         | (4,167)                   | (14,556)        |
| Severance Pay                                     | (53)                       | -               | (3,820)                   | -               |
| Third party RoM material purchased <sup>(a)</sup> | -                          | -               | -                         | (2,942)         |
| <b>Total other costs</b>                          | <b>(772)</b>               | <b>(4,894)</b>  | <b>(7,987)</b>            | <b>(17,813)</b> |
|                                                   | <b>(2,364)</b>             | <b>(25,046)</b> | <b>(15,062)</b>           | <b>(82,988)</b> |
| Amortization and depreciation of operating assets | (1,306)                    | (933)           | (954) <sup>(b)</sup>      | (3,090)         |
| Inventory adjustments                             | (85)                       | 124             | (238)                     | (1,073)         |
| <b>Total cost of operations</b>                   | <b>(3,755)</b>             | <b>(25,855)</b> | <b>(16,254)</b>           | <b>(87,151)</b> |

(a) 67,362 UG2 tonnes were sourced from a third party to supplement the feed to the concentrator plant during the nine-month period ended September 30, 2023.

(b) Year-to-date amortization and depreciation balance includes the write-back of amortisation on mining assets corrected to consider the impairment that was passed on September 30, 2023.

For the three and nine-month periods ended September 30, 2024

Cost of operations in the three and nine-month periods ended 30 September 2024 decreased by 85% and 81% respectively, reflecting the curtailment of operations at the end of 2023.

Table 7. Administrative and general expenses breakdown

|                                                 | For the three months ended |                 | For the nine months ended |                 |
|-------------------------------------------------|----------------------------|-----------------|---------------------------|-----------------|
|                                                 | Sep 30, 2024               | Sep 30, 2023    | Sep 30, 2024              | Sep 30, 2023    |
|                                                 | USD'000                    | USD'000         | USD'000                   | USD'000         |
| Amortisation and depreciation                   | (167)                      | (459)           | (1,914)                   | (853)           |
| Audit fees                                      | (36)                       | (151)           | 48 <sup>(a)</sup>         | (543)           |
| Community projects                              | (195)                      | (929)           | (731)                     | (3,029)         |
| Consulting and professional fees                | (1,123)                    | (474)           | (2,404)                   | (7,597)         |
| Employee expenses                               | (1,102)                    | (4,736)         | (3,646)                   | (15,273)        |
| Employee benefit expense                        | (419)                      | -               | (5,152)                   | -               |
| Severance Pay                                   | (12)                       | -               | (865)                     | -               |
| Insurance fees                                  | (194)                      | (333)           | (595)                     | (948)           |
| IT related costs                                | (201)                      | (351)           | (561)                     | (1,137)         |
| Learnerships & bursaries                        | (15)                       | (147)           | (103)                     | (661)           |
| Senior debt costs                               | (27)                       | (661)           | (132)                     | (886)           |
| Other admin and general expenses                | (455)                      | (1,249)         | (3,946)                   | (3,500)         |
| Royalty expense                                 | (1)                        | (162)           | (102)                     | (486)           |
| Security                                        | (514)                      | (601)           | (1,514)                   | (1,594)         |
| <b>Total administrative and general expense</b> | <b>(4,461)</b>             | <b>(10,253)</b> | <b>(21,617)</b>           | <b>(36,507)</b> |

(a) Audit fees were accrued for at December 31, 2023. The accrual reversed during the 9-month period ending September 30, 2024.

*For the three and nine-month periods ended September 30, 2024*

Administrative and general expenses decreased by 56% and 41% respectively, reflecting the curtailment of operations and the Company's added focus on cost reduction.

#### **Fair value gain**

*For the three and nine-months ended September 30, 2024:*

A net positive fair value adjustment of USD7.447 million was recognised on the stream prepayment for the nine-month period ended September 30, 2024. The positive fair value adjustment comprises of the following:

- A negative fair value adjustment of USD1.438 million recognised in profit or loss for the period mainly because of the deferment of production as a result of the curtailment;
- A positive fair value adjustment of USD8.980 million recognised in other comprehensive income due to an increase in the Company's credit spread from 7% as at December 31, 2023 to 10% for the period ended September 30, 2024.
- USD98 thousand amortising of the day one fair value adjustment.

#### **Foreign exchange (loss)/gain**

*For the three- and nine-months ended September 30, 2024:*

A net foreign exchange loss was recorded in "foreign currency denominated loans", the stream prepayment and cash deposits held in USD accounts for the three- and nine-month periods ended September 30, 2024. The net movement is a result of the ZAR/USD rate depreciating by 0.1% and 5% during the three- and nine-month periods ended September 30, 2024, respectively, resulting in a foreign exchange loss recognised on the stream prepayment.

#### **Impairment**

*For the three- and nine-months ended September 30, 2024:*

No further impairments were raised during the three- and nine-month periods ended September 30, 2024.

Based on the assessment management performed, a USD723.586 million impairment was recognised in the three-month period ended September 30, 2023, resulting in a USD759.298 million impairment for the nine-month period ended September 30, 2023. Refer note 3.2 for more detail.

#### **Finance income**

*For the three- and nine-months ended September 30, 2024:*

Finance income totalled USD1.211 million and USD3.737 million for the three- and nine-month periods ended September 30, 2024, compared to USD2.186 million and USD7.600 million for the comparative periods. Finance income decreased by 45% for the three-month period ended September 30, 2024 and decreased by 50% for the nine-month period ended September 30, 2024.

The decrease in finance income for the three- and nine-month period ended September 30, 2024, is a result of lower average cash balances that interest is earned on because of the ongoing cost of curtailment.

#### **Finance costs**

*For the three- and nine-months ended September 30, 2024:*

Finance costs totalled USD1.152 million and USD3.355 million for the three- and nine-months ended September 30, 2024, compared to USD1.689 million and USD4.900 million for the comparative periods.

Finance costs for the three- and nine-months ended September 30, 2024, decreased by 32% and 32%, respectively, from the comparative period.

The increase for the three- and nine-month periods ended September 30, 2024, was due to the interest accrued and paid on the IDC credit facilities and an increase in the monthly accretion recognised on the decommissioning liability. The Nedbank facility was repaid on August 29, 2023.

***Loss for the period***

As a result of no impairment loss being recognised for the three-month period ended, the losses decreased by USD691.709 million during the three-month period ended September 30, 2024, from a loss of USD710.497 million for the three-month period ended September 30, 2023, to a loss of USD18.788 million for the three-month period ended September 30, 2024.

For the nine-month period ended September 30, 2024, the loss decreased by USD641.962 million, from a loss of USD714.846 million for the nine-month period ended September 30, 2023, to a loss of USD72.884 million for nine-month period ended September 30, 2024, as a result of no impairment loss being recognised for the nine-month period ended September 30, 2024.

***Exchange difference on loans designated as net investment***

The shareholder loan from SRL to Orkid S.à.r.l., had been used to fund the development of PPM and for the acquisition of PGM assets on the Western Limb in 2012. This loan is accounted for as a net investment. The Company adopted the accounting policy to account for these exchange differences in other comprehensive income.

The loan is denominated in ZAR and the functional currency of Orkid S.à.r.l. is the Euro. During the three- and nine-month periods ended September 30, 2024, an exchange loss of USD5.548 million and an exchange gain of USD9.355 million were recorded, respectively. This was a result of the ZAR/EURO exchange rate depreciating by 3.9% and appreciating by 1% during the three- and nine-month periods ended September 30, 2024, respectively.

***Exchange difference on translation from functional to presentation currency***

Exchange differences arising on the translation of equity from the functional currency to the presentation currency are recognised in other comprehensive income.

Shareholders' equity is measured at the historical exchange rate at the date of acquisition. Retained earnings are measured at the average historical exchange rate.

At the end of each reporting period, equity and retained earnings are remeasured at the period end closing exchange rate. The difference between the historical rates and the currency adjustment rate for the current year is recognised in the Foreign Currency Translation Reserve.

During the three-month period ended September 30, 2024, the USD/EUR and USD/ZAR foreign exchange rates depreciated..

During the nine-month period ended September 30, 2024, the USD/EUR foreign exchange rate appreciated, and USD/ZAR foreign exchange rate depreciated, resulting in a foreign exchange gain on translation from functional- to presentation currency.

## 4. Summary of quarterly results

Table 8. Summary of quarterly results

| USD'000 (except for per share information)                | Sep'24          | Jun'24         | Mar'24          | Dec'23           | Sep'23           | Jun'23        | Mar'23          | Dec'22          |
|-----------------------------------------------------------|-----------------|----------------|-----------------|------------------|------------------|---------------|-----------------|-----------------|
| Revenue                                                   | -               | 6              | 601             | 16,672           | 41,562           | 38,663        | 18,245          | 36,144          |
| Cost of operations                                        | (3,755)         | (4,599)        | (6,474)         | (33,315)         | (25,855)         | (28,727)      | (32,569)        | (42,933)        |
| <b>Gross profit/(loss)</b>                                | <b>(3,755)</b>  | <b>(4,593)</b> | <b>(5,873)</b>  | <b>(16,644)</b>  | <b>15,707</b>    | <b>9,936</b>  | <b>(14,324)</b> | <b>(6,789)</b>  |
| Other operating cost                                      | (3,022)         | (7,807)        | (49,811)        | (35,996)         | (10,270)         | (23,231)      | (9,737)         | (10,566)        |
| Impairment                                                | -               | -              | -               | 4,019            | (723,586)        | (35,712)      | -               | -               |
| Fair value gain/(loss)                                    | (17,735)        | 15,749         | 456             | (8,470)          | 5,048            | 65,403        | (3,798)         | (4,677)         |
| Net finance income                                        | 59              | 154            | 217             | 297              | 497              | 746           | 1,457           | 2,436           |
| (Loss)/profit from Associate                              | (377)           | (89)           | (307)           | (9,879)          | (255)            | (462)         | (500)           | (46)            |
| <b>(Loss)/profit before Taxation</b>                      | <b>(18,786)</b> | <b>3,413</b>   | <b>(55,320)</b> | <b>(66,676)</b>  | <b>(712,589)</b> | <b>16,680</b> | <b>(26,902)</b> | <b>(19,642)</b> |
| <b>(Loss)/profit for the Period</b>                       | <b>(18,786)</b> | <b>3,413</b>   | <b>(55,320)</b> | <b>(134,388)</b> | <b>(710,497)</b> | <b>16,366</b> | <b>(20,715)</b> | <b>(17,280)</b> |
| Total (loss)/profit attributable to owners of the Company | (18,517)        | 3,668          | (55,071)        | (134,220)        | (710,263)        | 16,588        | (20,507)        | 9,497           |
| Basic (loss)/earnings per share (cents)                   | (0.60)          | 0.12           | (1.78)          | (4.34)           | (22.95)          | 0.54          | (0.55)          | 0.31            |
| Diluted (loss)/earnings per share (cents)                 | (0.60)          | 0.12           | (1.78)          | (4.34)           | (22.95)          | 0.54          | (0.55)          | 0.31            |
| ZAR:USD                                                   | 17.06           | 18.47          | 18.94           | 18.71            | 18.65            | 18.65         | 17.74           | 17.63           |

Quarterly revenues have fluctuated from a high of USD41.562 million to a low of USD zero over the prior two-year period. These fluctuations are a result of the movements in the 4E basket price and increase/decrease in the ounces dispatched quarter-on-quarter. The (loss)/profit attributable to the owners of the Company fluctuated from a profit of USD16.588 million to a USD710.263 million loss (including an impairment of USD723.586 million). The movement is the result of revenue increasing/decreasing following an increase/decrease in ounces dispatched, coupled with the fluctuation in cost of operations, fair value gain or loss recognised on the stream prepayment and impairments recognised.

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim financial reporting and IFRIC ("International Financial Reporting Interpretations Committee") interpretations applicable to companies reporting under IFRS as issued by the International Accounting Standards Board ("IASB"). The financial information has been prepared using the historical cost basis, modified by the revaluation of financial assets and financial liabilities at fair value, and is presented in USD.

### Events or uncertainties during the three and nine-month period ended September 30, 2024

The basis of preparation of its financial statements for the three-months period ended September 30, 2024 will continue to be that of a going concern. Management has put in place action items to curtail cost, improve efficiencies and a drive for continuous operational improvements, renegotiate terms with debt funders, continue to engage other funding options and sell non-core assets, however, there is no certainty that any of these actions will be successful. The continued curtailment of operations and uncertainty of project funding and the timing thereof presents a material uncertainty on the ability of the Group to continue as a going concern.

## 5. Liquidity and Capital Resources

The Company is a holding company with no material assets other than its direct and indirect equity interests in its subsidiaries. The Company is, therefore, dependent on payments, dividends and distributions from its subsidiaries for funds to pay its operating and other expenses and to pay future cash dividends or distributions, if any, to holders of the ordinary shares. Deterioration in the financial condition, earnings or cash flow of the Company's subsidiaries for any reason could limit or impair their ability to pay such dividends or distributions, and the Company may have tax costs in connection with any dividend or distribution.

Additionally, the Company's principal subsidiary operates in South Africa, and as a result, the Company is currently subject to exchange controls enforced by the South African Reserve Bank ("SARB") that may restrict its ability to upstream funds. Furthermore, exchange rate fluctuation will affect the US dollar value of any distributions the

Company's subsidiaries make with respect to its equity interests in those subsidiaries. The Company currently anticipates that any such restrictions or fluctuations will not impact its ability to meet the Company's cash obligations.

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; accordingly, when considering going concern, Management and the Board considers key assumptions, such as exposure to Platinum Group Metal ("PGM") prices and the South African Rand ZAR:USD exchange rate, in their cash flow forecasts. There has been a 17% decrease in the average PGM basket price for PPM from Q3 2023 to Q3 2024. The continued negative PGM prices and its effect on investment in PGM projects continues to have a negative impact on the profitability and liquidity position of the Group as of September 30, 2024 and for subsequent periods, despite the limitation of losses as a result of the curtailment of operations. Due to the decline in the PGM basket price, the low grade, high-cost East pit could not be operated profitably under current market conditions. In response, Management and the Board curtailed all remaining PPM operations at the end of November 2023, with the West pit being curtailed earlier at the end of October 2023. This consisted of the suspension of all mining activities and related contracts at PPM as well as the commencement of phase 2 of a labour force restructuring process in December 2023. This process was concluded on January 29, 2024.

The Group's ability to continue operating as a going concern is dependent upon the Group's ability to limit cash outflows from its suspended operations in order for the current cash balances to sustain operating activities up until the outcome of the drilling activities in relation to the agreements with a South African Chrome Producer and Offtaker ("Chrome Producer") noted below have been confirmed. This is further dependent on the Group's ability to obtain adequate equity and/or debt funding, and/or, alternatively, to dispose of its non-core properties, being the Mphahlele mining rights, or to dispose of property, plant and equipment initially purchased for the underground development operations that are currently on hold. As a result of the impact that the outcome of the drilling activities noted below will have on the expected future cash inflow from the Chrome Producer related to the Mineral Processing and Offtake Agreement, a material uncertainty in relation to going concern has been identified.

#### Ability of the Group to continue as a going concern

In addition to the requirements of the Conceptual Framework noted above, IAS 1 - *Preparation of Financial Statements*, requires management to perform an assessment of the entity's ability to continue as a going concern. If Management and the Board are aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, IAS 1 requires these material uncertainties to be disclosed.

Set out below are the factors considered by Management and the Board in concluding that the Group is a going concern:

#### *Financial position*

The Group had cash and cash equivalents of USD3.030 million, net current assets of USD19.530 million and an accumulated loss of USD1.702 billion as of September 30, 2024. The Group recorded a net loss of USD72.885 million after tax for the nine-month period ended September 30, 2024. The Group's total assets of USD173.112 million exceed total liabilities of USD107.070 million as of September 30, 2024.

#### *Liquidity and profitability*

Management continues to monitor cash flows and liquidity daily across the Group, with oversight from the Board. This daily monitoring incorporates projections for the ensuing twelve months and is used to determine the actions required to optimise liquidity and minimise cash outflows on a timely basis. In assessing the appropriateness of preparing the consolidated interim financial statements on a going concern basis, Management and the Board analysed the Group's current commitments and planned cash flows to determine whether the Group will be able to meet its obligations as they become due and payable.

Curtailment budgets were prepared by Management and presented to the Board during December 2023, with the latest revision being in Q2 2025. These budgets and forecasts form the basis of Management and the Board's going concern assessment, and the emergency capital raise noted below. To ensure that all cash outflows are in line with planned expenditure, the Sedibelo Cost Committee ("SCC"), consisting of the CFO, CEO, Executive Director, and the Chairperson of the Board, was established. The SCC meets quarterly to review and approve expenditure ahead of the next quarter's expenses (including the approval of new contracts and the required instruction of current service providers). All unplanned expenditure needs to be submitted on an ad-hoc basis for the SCC's approval. Management also reports the Group's liquidity position with a liquidity analysis incorporated into a three month rolling cashflow forecast to Facility C lenders quarterly (*Refer to the debt section in the table below*) as well as providing cash and working capital balances of the Group monthly.

The budgets and forecasts are prepared using several estimates and judgements. The key estimates and judgements have been highlighted below:

- I. The timing of the settlement of creditors related to community agreements.
- II. The estimation of drilling costs related to drilling activities to be undertaken as part of the activities and conditions precedent to the Chrome Producer Contract Mining-, and Mineral Processing and Offtake Agreements. *Refer below for the details on the Chrome Producer term sheet and definitive agreements.*
- III. The current profit split to be received by the Group, which is based on net sales proceeds, for the contract mining services to be rendered by the Chrome Producer to the Group.

The planned ongoing cash outflows limits future spend to the following activities:

- Protection of assets, including mining and prospecting rights, while the mining operations are curtailed;
- Furthering and optimisation of the underground development plan including securing funding through equity and/or debt transactions; and
- Maintaining the corporate and governance structure.

### Mitigating actions

#### *Emergency capital raise*

To support the immediate liquidity of the Group, existing lenders and shareholders were approached for additional funding. On January 20, 2025 the Group announced the successful completion of an emergency capital raise of USD19.062 million, constituted by way of the issue of USD10.062 million of equity in the form of new ordinary Group shares (the "Equity Raise"), and a USD9 million senior secured debt facility agreement (the "Debt Raise", and together with the Equity Raise, the "Emergency Capital Raise"). The Emergency Capital Raise proceeds will be used for general working capital requirements and to progress the development of the Group. The proceeds have been fully received by the Group as at the date of the financial statements.

Set out below are the details of the above Emergency Capital Raise described:

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|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Equity Raise</b> | <p><i>The equity raise was subscribed to by certain existing and new shareholders of the Group residing outside of Canada by means of a private placement. The equity raise was executed at a price of USD0.00323 per Group ordinary share (the "Subscription Price"), valuing the Group (pre-raise) at a significantly discounted valuation of USD10 million. Equity raise participants have been granted underwriter options to subscribe to further Group shares, on the basis of one option issued for each share subscribed to. The pricing of the equity raise was determined following a series of consultations with the Group's significant shareholders.</i></p> <p><i>The options provided as part of the Equity Raise provide the holders the right to subscribe to shares of the Group at an amount equal to the Subscription Price, with the exercise period being dependent on the specific options and the conversion terms stipulated in the subscription agreements. As at the date of these financial statements, these options have not been exercised.</i></p> <p><i>In addition to the above noted raise, the Industrial Development Corporation of South Africa (the "IDC") agreed to convert ZAR50 million of the outstanding (ZAR200 million) senior secured revolving credit facility into ordinary shares of the Group. Refer below for the overall detail of the IDC participation.</i></p> <p><i>The Group is considering further capital raising activities, including the issuance of equity securities or rights to subscribe for equity securities, to shareholders of the Group that did not participate in the emergency capital raise.</i></p> |
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|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Debt Raise</b> | <p>On January 15, 2025, a senior secured loan agreement between Orion Blue Crane LLC ("Orion"), Pallinghurst PGM Limited ("PPGM"), and the IDC as lenders, the Group's wholly owned operating subsidiary PPM as Borrower, and other entities of the Group as Guarantors ("Facility C") became unconditional. Orion has committed USD8 million and PPGM USD1 million as USD Tranche Loans under Facility C, which amounts have been fully drawn down by PPM. Each of the lenders have been granted lenders' options to subscribe to the Group's shares at the Subscription Price for up to 50% of the amount of their loans drawn down under Facility C. As at the date of these financial statements, these options have not been exercised.</p> |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Facility C USD Tranche Loans have an annual interest rate of SOFR plus 13%, capped at 18%, with all interest and principal being due and payable at the end of the 2-year Facility C term,

being January 2027.

For the Group to meet its short-term payment obligations, PPGM entered into an unsecured loan agreement with the Group, in December 2024, for an amount of USD2 million, the repayment of which will be made by way of offset against PPGM's equity subscription under its equity subscription agreement.

#### *IDC's Participation*

The IDC, as both a shareholder and lender of the Group, has given its support to the Emergency Capital Raise by agreeing to convert the ZAR200 million principal amount outstanding under the existing Facility B secured facility as follows:

- I. ZAR50 million shall be converted into Group ordinary shares, such conversion being conditional on the IDC receiving South African Reserve Bank approval thereon, and
- II. the remaining ZAR150 million of principal debt and accrued interest, up to the transaction closing date, on Facility B will be rolled over into Facility C as a Facility C ZAR Tranche loan, which will bear an annual interest rate of JIBAR plus 13%, capped at 21%, with all principal and interest thereon to be repaid at the end of the 2-year term of Facility C, being January 2027.

Notwithstanding the actions above that have been implemented, the current cash outflow, available cash balances, and mitigating future actions indicate a material uncertainty that the Group may not be able to continue as a going concern due to the cash runway being forecasted as being depleted by December 2025. In response, Management is actively implementing the following mitigating future actions:

- Actively marketing plant and equipment;
- Continued work on the curtailment plan, which includes non-renewal, renegotiation and/or reduction of all contracts which become renewable, reaching out to suppliers to fund, defer or improve payment terms and further contain cost;
- Continued work on securing funding through a strategic partner for the underground development at PPM whilst continuing to refine the planning for the continuation of the underground project in the most effective manner;
- Restructuring and reducing operating and corporate cost;
- Concluding all outstanding settlement actions with contractors and service providers; and
- Delaying cost where possible to reduce cash outflows in the near term, which includes renegotiation of material agreements.

Underpinning the ability of Management and the Board to realise the Group's assets and discharge its liabilities in the normal course of business, two signed agreements have been entered into between PPM and the Chrome Producer. These agreements and their salient terms supporting the Group's assessment of going concern are highlighted below:

- Contract Mining and Offtake Agreement:
  - Under this agreement, the Chrome Producer will render mining and offtake services to PPM for a fee, pursuant to which PPM will retain 10% of the net proceeds from the Run of Mine ("ROM") chrome mined. In consideration for the exclusive right over the specified mining area, the Chrome Producer will pay PPM an aggregate amount of ZAR110 million. This amount will be used to complete the geotechnical and economic viability reports. Subject to the outcome and evaluation thereof, continued and additional services will be provided, subject to the provision of additional funding, set out in the Mineral Processing and Offtake Agreement. The remaining conditions precedent as at the date of the signing of this MD&A is (i) having the Senior Lenders enter into a support letter on terms to the reasonable satisfaction of both PPM and the Chrome Producer; and (ii) an abandonment agreement for Ruighoek, expected to be concluded on or about June 30, 2025.
- Mineral Processing and Offtake Agreement:
  - Under this agreement, the Chrome Producer will provide mineral processing services to PPM for a fee, pursuant to which PPM will retain 10% of the net proceeds from the sale of chrome by PPM to the Chrome Producer. Subject to the outcome of the above-mentioned drilling activities, reports and evaluation thereof, the Chrome Producer will pay PPM an additional exclusivity amount of USD75 million that may only be used for the purposes of undertaking and completing the construction work required for the establishment of the underground portal and related mining works contemplated in the geotechnical and economic viability reports. The Chrome Producer will, at its own cost, construct and commission a chromite tailings treatment plant when steady state production in respect of the mining operations for the underground ore is achieved.

As there is an expectation that the support letter will be entered into by the Senior Lenders, it is Management and the Board's view that the going concern risk has been sufficiently mitigated, however a material uncertainty remains in the form of the likely outcome of the geotechnical and economic viability report results that will determine if PPM and

the Group will receive the additional funding that will enable it to be able to continue operating as a going concern for the foreseeable future.

#### Conclusion in respect of the material uncertainty relating to going concern

A material uncertainty is an event or condition that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The ability of the Group to repay debt as it becomes due is dependent on the timing and quantum of cash flows from operations, the successful raising of equity, the ability to realise cash through disposals of assets, and the turnaround initiatives noted above. The current liquidity dependencies of the Group indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

Management and the Board are of the view that the actions that have been implemented under challenging circumstances to achieve the initial Emergency Capital Raise to date, and those actions that are currently underway, if successfully executed, are sufficient to mitigate the identified going concern risks, however a material uncertainty remains. There is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management and the Board have no intention to cease trading, or to liquidate the businesses, other than concluding orderly disposals that may be necessary to reduce debt. The Board remains focused on and committed to the turnaround strategy, the cost reduction plan, the successful completion of the required drilling activities for the Chrome Producer agreements, and a positive outcome to the geotechnical and economic viability reports, as well as further capital raises.

The Group's lenders and shareholders have over the last two years demonstrated commitment and ongoing support of the Group that is evidenced by the recent successful capital raise, updated Waiver and Forbearance letters approved and the signed agreements with the Chrome Producer. Management and the Board, after carefully considering the detail and mitigating actions described above, has concluded that the Group is able to discharge its liabilities in the normal course of business, and are therefore of the view that the going concern assumption is appropriate in the preparation of the financial statements and MD&A, although a material uncertainty exists in relation to the success of the geotechnical and economic viability reports described above and the ability to raise additional funds.

### **5.1 Working capital**

As at September 30, 2024, the Group's total working capital was USD1.708 million, composed of: (1) the sum of unrestricted investments and cash equivalents (USD3.030 million), inventory (USD10.972 million), non-current assets held for sale (USD3.405 million) and trade and other receivables (USD2.123 million); less credit facilities (USD11.722 million and trade payables and accrued liabilities (USD6.100 million).

The Company's cash and cash equivalents are held in short-term and liquid interest-earning deposits at reputable financial institutions within South Africa and in the United Kingdom.

#### *Orion Stream Agreements*

The Group entered into three stream agreements with affiliates of Orion. Orion is a USD7.8 billion global asset management firm (as at June 30, 2022) that specializes in institutional investment strategies in precious and base metals and minerals, many of which are currently leveraged to stimulus and infrastructure spend and the push to decarbonize.

The stream agreements are made up of platinum, rhodium and palladium and gold streams. Orion advanced the following stream prepayments to the Group:

1. Platinum stream: USD40.2 million;
2. Palladium and gold stream: USD28.7 million; and
3. Rhodium stream: USD31.1 million

In consideration for the stream prepayment, the Group has undertaken to sell and deliver to a metal account of Orion metal credits purchased on the London Bullion Market equal to the value of a certain percentage (designated metal percentage) of refined metals produced by the PPM OPM on a monthly basis. The Company is entitled to receive a monthly cash payment equal to 20% of the value of the metal credits delivered to Orion.

The following designated metal percentages are applicable to each stream:

1. Platinum stream: 4.55%
2. Palladium and gold stream: 5.75%
3. Rhodium stream: See table 1. below. Options A to H in table 1 will depend on the occurrence of certain stream events (buy-back; production total achieved, and production total achieved plus mining depth). Column A is currently applicable.

Management has elected to irrevocably designate this prepayment amount received from Orion as a Financial Liability at Fair Value through Profit or Loss ("FVTPL").

As the precious metals price and precious metal price volatilities and risk-adjusted discount rates are unobservable inputs, the financial liabilities above are classified within Level 3 of the fair value hierarchy.

The fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the platinum, palladium, rhodium and gold forward price curve, the long-term price volatility between 23% and 47%, and a discount rate which factors in the Company's credit spread of 7%, the life of mine production schedule and expectations including expansion plans.

*Table 9: Rhodium designated metal percentage*

| Monthly Avg. Rh Price (USD/oz)           | A               | B                | C                  | D                    | E               | F                | G                    | H                      |
|------------------------------------------|-----------------|------------------|--------------------|----------------------|-----------------|------------------|----------------------|------------------------|
| Less than or equal to 5,000              | 4.30%           | 2.15%            | 1.08%              | 0.54%                | 4.30%           | 2.15%            | 0.54%                | 0.27%                  |
| Linear interpolation between             |                 |                  |                    |                      |                 |                  |                      |                        |
| Greater than 5,000 and less than 10,000  | 4.30% and 2.11% | 2.15% and 1.055% | 1.075% and 0.5275% | 0.5375% and 0.26375% | 4.30% and 2.11% | 2.15% and 1.055% | 0.5375% and 0.26375% | 0.26875% and 0.131875% |
| Equal to 10,000                          | 2.11%           | 1.055%           | 0.5275%            | 0.26375%             | 2.11%           | 1.055%           | 0.26375%             | 0.131875%              |
| Linear interpolation between             |                 |                  |                    |                      |                 |                  |                      |                        |
| Greater than 10,000 and less than 15,000 | 2.11% and 1.44% | 1.055% and 0.72% | 0.5275% and 0.36%  | 0.26375% and 0.18%   | 2.11% and 1.44% | 1.055% and 0.72% | 0.26375% and 0.18%   | 0.131875% and 0.09%    |

The applicable designated metal percentage will decrease by the percentages and upon the occurrence of the following events:

- by 50% if the Company pays a buy back fee on any of the first five anniversaries of the date when the stream prepayment was received;
- by 75% after 4,664,704 ounces of the refined metals have been produced; and
- by 87.5% after 4,664,704 ounces of the refined metals have been produced and the mining area is below the depth of 700m from the surface.

The agreements will be effective for forty (40) years and thereafter shall automatically be extended for successive twenty (20) year periods unless there are no active mining activities, in which case these agreements shall terminate at the end of the initial term or such additional term, as applicable. The agreements may also be terminated by the Company or Orion on mutual written consent or by either party in the case of an event of default.

## 5.2 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 Exchange Control Regulations, 1961 (as amended from time to time) as promulgated in terms of section 9 of the South African Currency and Exchanges Act No. 9 of 1933 (the "Exchange Control Regulations") of the SARB. 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 SRL to PIC amounted to USD1.654 billion (ZAR28.224 billion) at September 30, 2024. The loan was used to fund the development and operational losses of PPM and the acquisition of PGM assets on the Western Limb in 2012.

### 5.3 Cash flows

The following table shows the generation and use of cash for the periods indicated:

*Table 10. Summarized cashflow statement*

|                                                                 | For the three-months ended |                 |
|-----------------------------------------------------------------|----------------------------|-----------------|
|                                                                 | Sep 30,<br>2024            | Sep 30,<br>2023 |
|                                                                 | USD'000                    | USD'000         |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>17,725</b>              | <b>89,256</b>   |
| Net cash (utilized in)/generated from operating activities      | (31,819)                   | 19,189          |
| Net cash utilized in investing activities                       | (896)                      | (35,342)        |
| Net cash utilized in financing activities                       | (2,144)                    | (31,967)        |
| <b>Net decrease in cash and cash equivalents</b>                | <b>(34,859)</b>            | <b>(48,120)</b> |
| Exchange loss on cash and cash equivalents                      | 20,164                     | (32)            |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>3,030</b>               | <b>41,104</b>   |

For the three-month period ended September 30, 2024:

#### Operating activities

Net cash utilised for operating activities decreased by USD51.008 million, from net cash generated of USD19.189 million during the three-month period ended September 30, 2023.

The movement is primarily due to significantly reduced revenues, an increase in cost of operations because of the winding down of activities, de-establishment of contractors and cost of severance paid to employees impacted by the restructuring. During the three-month period ended September 30, 2024, the East pit was in development phase and most cost relating was capitalised and therefor part of investing activities.

#### Investing activities

Net cash utilized in investing activities decreased to USD896 million for the three-month period ended September 30, 2024, compared to USD35.342 million during the three-month period ended September 30, 2023. The decrease was primarily due to:

- The curtailment of operations which stopped all investment activities apart from ongoing investments made on a monthly basis to Restricted Investments and Guarantees for the Lombard guarantee collateral for closure guarantees to the DMPR and credit guarantees to Eskom.

#### Financing activities

Net cash utilised in financing activities was USD2,144million in the three-month period ended 30 September 2024; this compared to net cash utilised of USD31.967 million during the three-month period ended September 30, 2023. The significant decrease between the two periods was due to the curtailment of operations.

### 5.4 Restricted Investments and Guarantees

The Group had total restricted investments and guarantees forming part of non-current assets of USD23.628 million as at September 30, 2024 (USD18.431 million as of September 30, 2023). The movement in the restricted investment balance was a result of a monthly contribution of USD0.088 million (ZAR1.5 million) in closure funds, the depreciation of the Rand/USD exchange rate used to convert to presentation currency and interest accrued on the amounts invested. The guarantees relate to collateral guarantees with Lombard. Lombard provides the Company with guarantees for both Eskom (credit guarantees) and the DMPR (environmental closure guarantees). This cash is held by Rand Merchant Bank on long-term deposits and ceded in favor of Lombard. The facility with Lombard is 61.6% cash backed as at September 30, 2024.

### 5.5 Indebtedness

As at September 30, 2024, the Company was indebted to the amount of USD58.786 million. The following table sets forth the Group's total borrowings outstanding, including comparatives:

*Table 11. Summary of indebtedness*

|                                               | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 |
|-----------------------------------------------|----------------------------|----------------------------|
| <b>Long-term borrowings:</b>                  |                            |                            |
| Corridor Mining Resources Proprietary Limited | 6,588                      | 5,554                      |
| Stream prepayment                             | 40,476                     | 47,763                     |
| <b>Total long-term borrowings</b>             | <b>47,064</b>              | <b>53,317</b>              |
| <b>Short-term borrowings</b>                  |                            |                            |
| IDC credit facility                           | 11,722                     | 10,789                     |
| Stream prepayment                             | -                          | -                          |
| Revolving commodity facility                  | -                          | 14,266                     |
| <b>Total short-term borrowings</b>            | <b>11,722</b>              | <b>25,054</b>              |
| <b>Total borrowings</b>                       | <b>58,786</b>              | <b>78,373</b>              |

#### **IDC facility agreement**

On March 27, 2023, PPM, as borrower, and the IDC, as lender entered into an agreement whereby it was granted a senior secured revolving credit facility for an aggregate amount equal to USD26.388 million (ZAR500 million) for a period of 5 (five) years. The facility was to be used for working capital purposes. Interest was calculated monthly on each advance at JIBAR plus a margin of 4%. There are no fixed repayment terms.

The IDC credit facility was subject to the Common Terms Agreement, entered into on July 15, 2022, between PPM as the borrower and Nedbank as the facility agent and lender amongst others. The IDC subscribed to the Common Terms Agreement on March 27, 2023. On March 31, 2023, a drawdown of USD10.912 million (ZAR200 million) was made. PPM breached certain covenants of the Common Terms Agreement during 2023; the IDC waived the breach of covenants until March 31, 2024, which was ultimately extended by 12 months to March 31, 2025. The IDC levied default interest during the period that PPM was in breach, which was 2% higher per annum than the rate initially applied. Subsequent to the end of September 30, 2024 but prior to the expiry of the extended waiver, the IDC rolled this facility into a new Facility C alongside Orion and Pallinghurst in the Capital Raise; the IDC provided a separate and more substantial waiver as set out in the Waiver and Forbearance Letter on 24 December 2024, as part of the Capital Raise and alongside other creditors (see section 1.6.1 Capital Raise).

#### **Intercreditor Agreement**

On July 15, 2022, PPM, Nedbank and the Orion Purchasers, amongst others, entered into an intercreditor agreement (the "Intercreditor Agreement") governing, amongst other things, the rights and interests of the various parties to the Common Security Package (as defined below) upon enforcement. In consideration for (i) the prepayments made under the Orion Stream Agreements; and (ii) senior debt facilities made available from time to time (including the revolving credit facility made available under the Nedbank facility Agreement) PPM and certain other entities within the Group, have granted certain security interests in favor of a special purpose company (the "Security SPV") to be held on a common basis to secure the obligations of PPM (and, where applicable, related affiliates, including Sedibelo Group Services Proprietary Limited ("SGS") as seller under the Orion Stream Agreements) owing to, as applicable, the Orion Purchasers, Nedbank, the IDC and any other relevant senior creditors under senior debt facilities from time to time (together, the "Common Security Package"). The Intercreditor Agreement was amended on 24 December 2024 to deal with the introduction of the new Facility C debt package as part of the Capital Raise.

The Common Security Package is structured on a shared basis governed by the Intercreditor Agreement terms. The Facility C which formed part of the Capital Raise in December 2024 has front-ranking security; the rights of Nedbank and other senior debt lenders party to the Common Terms Agreement are second ranking to the Facility C. The rights of the Orion Purchasers under the Orion Stream Agreements rank behind this. The Common Security Package, as at the date of this MD&A, is comprised of:

- a General Notarial Bond was provided by PPM in respect of its moveable assets;
- a Cession in Security was granted by PPM, Richtrau (Proprietary) Limited and SGS in respect of certain intangible assets;
- a Special Notarial Bond was granted by PPM in respect of certain specified assets;
- a Mining Rights Mortgage Bond was granted by PPM in respect of its mining rights;
- a Mortgage Bond was granted by PPM in respect of certain immovable property;
- a Security Assignment was granted by PPM and SGS in respect of certain intra-group agreements;
- an Obligor Cession and Pledge in Security was granted by PPM, *inter alia*, in respect of certain of the shares and claims held by the security providers; and
- any future security that forms part of the Common Security Package.

### Corridor Mining Resources Proprietary Limited

Corridor Mining Resources Proprietary Limited ("Corridor") is a wholly owned subsidiary of the Limpopo Economic Development Agency, an agency of the Limpopo Provincial Government, in the Republic of South Africa. The Limpopo Economic Development Agency holds a non-controlling interest in the company that holds the Mphahlele mining right. Corridor provided a loan to fund exploration costs of the Mphahlele project, with the first draw on the loan being made on February 28, 2007 and the last draw on April 3, 2009. This long-term loan bears interest at the South African prime overdraft rate until otherwise agreed by the parties. The loan is to be repaid from future proceeds generated by the Mphahlele project in Tameng Mining and Exploration Proprietary Limited, a subsidiary of Mahube Mining Proprietary Limited (a subsidiary of the Company) once Mphahlele is developed and producing positive cashflows.

### Investec RCF

On March 31, 2017, SRL and PPM as borrower entered into an amended and restated RCF with Investec, pursuant to which, inter alia, Investec made available a renewable 364-day revolving commodity financing facility in an aggregate amount not exceeding ZAR400 million, which facility would remain available until the date on which PPM ceased to be entitled to deliver the concentrate to Impala in terms of the Impala Offtake Agreement. In terms of the Investec RCF, Investec agreed to finance up to 89.3% of the expected quantity of platinum, palladium, gold, nickel and copper derived from the concentrate and which is delivered by PPM to Impala. PPM utilized the facility for financing of platinum, palladium and allowed rhodium deliveries. The aggregate amount available under the RCF was increased to USD26.388 million (ZAR500 million) on September 12, 2023, due to expected utilization needs and was extended to be available up to December 31, 2023.

On March 28, 2023, the Group entered into a RCF with Investec for deliveries of metal under the Northam Platinum Limited ("Northam") offtake agreement for an aggregate amount of USD10.555 million (ZAR200 million). On September 12, 2023, the facility was increased to an aggregate amount of USD21.532 million (ZAR408 million). This facility was available from April 1, 2023, up to March 31, 2024.

PPM was entitled to draw down on the facilities provided that, certain conditions contemplated in the RCF were met and interest on each advance was based on JIBAR (as defined herein) plus a margin. In consideration for this facility, PPM ceded: (1) all of its rights, title and interest in and to all payment rights under the Impala Offtake Agreement and Northam Offtake Agreement; and (2) all proceeds due to PPM arising from any hedging agreements entered into by PPM with Investec in respect of the forward price of the expected quantity of 6E's and base metals to be processed by Impala and Northam in respect, of such advance. In addition, the Company guaranteed PPM's obligations under the Investec RCF.

The outstanding balance on both facilities incurred interest at JIBAR plus 0.50%. The RCF Facility with Investec, the Northam Offtake Agreement and the Impala Offtake Agreement were all terminated in Q1 2024.

### Orion Stream Agreements

Refer to section 5.1 Working Capital.

## 5.6 Liquidity Risk

The Company's consolidated liquidity position is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-effective manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecast liquidity position. The Company invests excess funds in deposit structures and fixed income funds.

The contractual undiscounted cash flow maturity analysis of payables as of September 30, 2024, was as follows:

*Table 12. Contractual undiscounted cash flow maturity analysis of payables*

| Contractual cash flows<br>USD'000 | Less than 6 months<br>USD'000 | Between 6 - 12 months<br>USD'000 | Between 12 - 24 months<br>USD'000 | Between 25 - 60 months<br>USD'000 | > than 60 months<br>USD'000 |
|-----------------------------------|-------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------|
|-----------------------------------|-------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------|

**Balances as at September 30, 2024**

|                                        |                                   |                               |                                  |                                   |                                   |                             |
|----------------------------------------|-----------------------------------|-------------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------|
| Credit facility <sup>(a)</sup>         | 12,044                            | 336                           | -                                | 11,708                            | -                                 | -                           |
| Long-term borrowings <sup>(a)</sup>    | 7,346                             | -                             | -                                | -                                 | -                                 | 7,346                       |
| Revolving commodity facility           | -                                 | -                             | -                                | -                                 | -                                 | -                           |
| Stream prepayment <sup>(b)</sup>       | 420,398                           | -                             | -                                | 1,293                             | 27,588                            | 391,517                     |
| Trade payables and accrued liabilities | 6,097                             | 4,886                         | 1,211                            | -                                 | -                                 | -                           |
| <b>Total financial liabilities</b>     | <b>445,885</b>                    | <b>5,222</b>                  | <b>1,211</b>                     | <b>13,001</b>                     | <b>27,588</b>                     | <b>398,863</b>              |
|                                        | Contractual cash flows<br>USD'000 | Less than 6 months<br>USD'000 | Between 6 - 12 months<br>USD'000 | Between 12 - 24 months<br>USD'000 | Between 25 - 60 months<br>USD'000 | > than 60 months<br>USD'000 |

**Balances as at December 31, 2023**

|                                        |                |               |               |          |               |                |
|----------------------------------------|----------------|---------------|---------------|----------|---------------|----------------|
| Credit facilities <sup>(a)</sup>       | 12,151         | -             | 12,151        | -        | -             | -              |
| Long-term borrowings <sup>(a)</sup>    | 6,179          | -             | -             | -        | -             | 6,179          |
| Revolving commodity facility           | 14,266         | 14,266        | -             | -        | -             | -              |
| Stream prepayment <sup>(b)</sup>       | 829,599        | -             | -             | -        | 25,567        | 804,031        |
| Trade payables and accrued liabilities | 14,382         | 14,382        | -             | -        | -             | -              |
| <b>Total financial liabilities</b>     | <b>876,577</b> | <b>28,648</b> | <b>12,151</b> | <b>-</b> | <b>25,567</b> | <b>810,210</b> |

(a) Includes interest on all outstanding debt. Payments are estimated for variable rate and variable term debt based on effective interest rates as at September 30, 2024 and December 31, 2023 and expected payment dates.

(b) This commitment represents the contractual undiscounted cash flows which is linked to estimated future production inflows.

**Repayment of short-term obligations**

Management of the Company performed an assessment of the current liabilities as at September 30, 2024; sufficient working capital was on hand to meet near-term obligations, but a material uncertainty existed as to the Company's ability to settle all short-term obligations as and when they fell due in future. A capital raise was ongoing at September 30, 2024 which ultimately closed in January 2025, thereby improving the working capital balance of the Company.

**Capital expenditures**

The Company had no capital expenditures for the period ended September 30, 2024 as a result of the curtailment of operations.

The Company has deferred its capital expenditure plans for cash management reasons, which has been necessary due to current adverse PGM market conditions. Growth capital will be funded by additional capital or debt raised.

**5.7 Contractual obligations**

The Group's contractual obligations are as follows:

*Table 13. Commitments as at September 30, 2024*

| Contractual obligations<br>USD'000   | Total      | < 1 year   | 1-3 years | After 3 years |
|--------------------------------------|------------|------------|-----------|---------------|
| Mining costs <sup>(a)</sup>          | -          | -          | -         | -             |
| Open purchase orders                 | 293        | 293        | -         | -             |
| <b>Total contractual obligations</b> | <b>293</b> | <b>293</b> | <b>-</b>  | <b>-</b>      |

*Table 14. Commitments as at December 31, 2023*

| Contractual obligations<br>USD'000   | Total        | < 1 year     | 1-3 years | After 3 years |
|--------------------------------------|--------------|--------------|-----------|---------------|
| Mining costs <sup>(a)</sup>          | -            | -            | -         | -             |
| Open purchase orders                 | 2,463        | 2,463        | -         | -             |
| <b>Total contractual obligations</b> | <b>2,463</b> | <b>2,463</b> | <b>-</b>  | <b>-</b>      |

(a) 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 notice be given.

## 6. Related Party Transactions

Table 15: Related Party Transactions

|                                                                                         | Sep 30,<br>2024<br>USD'000 | Sep 30,<br>2023<br>USD'000 |
|-----------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <i>Related party transactions with:</i>                                                 |                            |                            |
| Kelltech Limited Group                                                                  | 2,046                      | 1,229                      |
| Kelltech <sup>(a)</sup>                                                                 | 882                        | 787                        |
| Kelltechnology SA RF Proprietary Limited <sup>(b)</sup>                                 | 67                         | 59                         |
| Kellplant Proprietary Limited <sup>(c)</sup>                                            | 1,097                      | 384                        |
| Lifezone <sup>(d)</sup>                                                                 | (319)                      | (525)                      |
| The Pallinghurst Group <sup>(e)</sup>                                                   | -                          | (17)                       |
| The IDC <sup>(f)</sup> (Shareholder loan to Kelltechnology South Africa (RF) (Pty) Ltd) | -                          | -                          |
| The IDC <sup>(g)</sup> (Credit facility to PPM)                                         | (1,091)                    | (11,781)                   |
|                                                                                         |                            |                            |
|                                                                                         | Sep 30<br>2024<br>USD'000  | Dec 31<br>2023<br>USD'000  |
| <i>Related party balances – amounts owing by/(to):</i>                                  |                            |                            |
| Kelltech Limited Group                                                                  | 27,898                     | 31                         |
| Kelltech <sup>(a)</sup>                                                                 | 16,871                     | -                          |
| Kelltechnology SA RF Proprietary Limited <sup>(b)</sup>                                 | 18                         | 28                         |
| Kellplant Proprietary Limited <sup>(c)</sup>                                            | 11,009                     | 3                          |
| Lifezone <sup>(d)</sup>                                                                 | (525)                      | (1,442)                    |
| The IDC <sup>(f)</sup> (Shareholder loan to Kelltechnology South Africa (RF) (Pty) Ltd) | (3,390)                    | (3,120)                    |
| The IDC <sup>(g)</sup> (Credit facility to PPM)                                         | (11,722)                   | (10,789)                   |

- a) Orkid S.á.r.l., a subsidiary of SRL, has a 50% shareholding in Kelltech. The Group provided loans to Kelltech for developmental and working capital purposes. The above transactions reflect interest accrued on these loans.
- b) Kelltech has a 66.7% shareholding in Kell SA. The Group provides Kell SA (if otherwise defined) with administration, management and other services for which it charges a monthly fee of USD5.576 thousand. In addition, audit fees paid on Kelltech's behalf was reimbursed.
- c) Kell SA has a 100% shareholding in Kellplant (Pty) Ltd ("Kellplant"). The Group provides Kellplant with administration, project management and other services for which it charged a monthly fee of USD80.972 thousand (excluding VAT) up to January 31, 2023. In addition, the Group provides Kellplant with an unsecured bridging loan (see note 9) on which interest is charged. Included in the 2024 transactions is interest of USD1.092 million on the outstanding loan and reimbursement of audit and secretarial fees. that was incurred by the Group on behalf of Kellplant.
- d) Lifezone Limited holds the remaining 50% shares in Kelltech. Lifezone is the holder of the Kell technology being implemented through the construction of a plant at PPM and provides the group with technical services related to this technology. On a monthly basis, Lifezone charges Kell SA and Kellplant a fee of USD53.173 thousand and USD129.679 thousand respectively for these services. In January 2023, the contract with Kellplant ended. Lifezone continued to provide marketing services in Quarter 1 of 2024 for a total amount of USD159.000 thousand. It also provided technical services for a specific project of USD160.000 thousand. The outstanding balance also includes a loan that Lifezone provided to Kell SA in 2014.
- e) On March 31, 2022, the Industrial Development Corporation of South Africa Limited ("IDC") entered into a commercial shareholders' loan agreement with Kell SA to fund the construction of the Kell Plant. The first amount of ZAR 57,809,291 (USD 3,389,965) was drawn down on April 4th, 2022.
- f) The Industrial Development Corporation of South Africa Limited (IDC) provided a loan of USD 11.352 million (ZAR 200 million) to PPM on March 30, 2023. The loan incurs interest and commitment fees which is paid quarterly in arrears. On March 31, 2022 the IDC entered into a commercial shareholders loan agreement with Kell SA to fund the construction of the Kell Plant. The first amount of USD 3.281 million (ZAR 57.809 million) was drawn down on April 4, 2022.

## 7. Quantitative and qualitative disclosures about market risk

The Company is exposed to credit and market risk in the ordinary course of its business. Credit risk represents risk that the Company will suffer a financial loss due to the other party of a financial instrument not discharging its obligation. Market risk represents the risk of loss that may impact the Company's financial position due to adverse changes in financial market prices and rates. The Company's market risk is primarily a result of fluctuations in foreign currency exchange rates, commodity prices and interest rates.

The Company's board of directors has the overall responsibility for the establishment and oversight of its risk management framework. The Company's executive officers are responsible for developing and monitoring its risk management policies. The Company's executive officers regularly report to the board of directors on their activities. From time to time, the Company may use derivative financial instruments to hedge certain identified risk exposures, as deemed necessary by its executive officers. The Company does not acquire, hold or issue derivative instruments for trading purposes.

For more information about the Company's financial risks, including its risk management policies, please refer to the notes to the Company's audited annual consolidated financial statements for the years ended December 31, 2023 and 2022, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Credit risk**

Credit risk is the risk that the financial asset counterparty may default or not meet its obligations timeously. The Group has reduced its exposure to credit risk by dealing with a limited number of approved counterparties. The Group approves these counterparties according to its risk management policy and ensures that they are of good credit quality.

The material concentration of credit risk typically lies within trade and other receivables with less material credit risk within cash & cash equivalents, restricted investments and guarantees or loans. The total carrying amount of trade-and other receivables, cash & cash equivalents, loans receivable and restricted investment and guarantees represents the Group's maximum credit exposure.

To maximize credit protection, cash and cash equivalents and restricted investments and guarantees are placed with a variety of good-quality financial institutions. The credit rating spread of these institutions can be summarized as follows:

|                                                                                  | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 |
|----------------------------------------------------------------------------------|----------------------------|----------------------------|
| AA+                                                                              | 23,959                     | 10,425                     |
| AA                                                                               | 392                        | 23,644                     |
| BBB+                                                                             | 2,306                      | 3,163                      |
| <b>Total cash and cash equivalents and restricted investments and guarantees</b> | <b>26,657</b>              | <b>37,232</b>              |

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, and interest rates will affect the value of the Company's financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximising long-term returns.

#### *Foreign currency exchange risk*

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Company's functional currency and the functional currency of most of its subsidiaries is ZAR.

Foreign exchange risk arises from future commitments, assets and liabilities that are denominated in a currency that is not the functional currency. Most of the Company's purchases are denominated in ZAR. The influence of the macro economic climate on currencies of emerging markets like South Africa, is evident in the historic volatility of the ZAR.

International commodity prices are quoted in USD which exposes the Company's revenue cash flows to foreign exchange variances.

The following significant exchange rates were applied as of the dates and during the periods indicated:

|                                 | At Sep 30,<br>2024 | Average<br>nine months<br>ended,<br>Sep 30,<br>2024 | Average<br>three months<br>ended,<br>Sep 30,<br>2024 | At Dec 31,<br>2023 | Average<br>nine months<br>ended,<br>Sep 30,<br>2023 | Average<br>three months<br>ended,<br>Sep 30,<br>2023 |
|---------------------------------|--------------------|-----------------------------------------------------|------------------------------------------------------|--------------------|-----------------------------------------------------|------------------------------------------------------|
| South African Rand<br>(USD:ZAR) | 17.06              | 18.34                                               | 17.70                                                | 18.54              | 18.35                                               | 18.65                                                |

The Group's exposure to foreign currency risk as of the following dates was as follows:

|                           | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 |
|---------------------------|----------------------------|----------------------------|
| Cash and cash equivalents | 3,030                      | 3,157                      |
| Loans receivable          | 341                        | -                          |
| <b>Total</b>              | <b>3,371</b>               | <b>3,157</b>               |

The following table summarizes the sensitivity of financial instruments held at the balance sheet date to movements in the exchange rate of the ZAR to the USD, with all other variables held constant. The USD-denominated instruments have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year, using the observed range of actual historical rates for the preceding two-years.

|                                                        | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 |
|--------------------------------------------------------|----------------------------|----------------------------|
| <b>Impact on statement of profit or loss (pre-tax)</b> |                            |                            |
| USD/ZAR strengthening by 10%                           | 7                          | 316                        |
| USD/ZAR weakening by 30%                               | (20)                       | (947)                      |

#### *Commodity price risk*

Commodity price risk arises from the effect on current and future earnings due to fluctuations in commodity prices, in particular the price of PGM's. All PGM prices are determined in USD and are internationally determined in the open market. The Company regularly measures exposure to commodity price risk by stress-testing its forecast financial position to changes in PGM prices. The Company reviews its exposure with reference to the 4E basket price. The Company does not actively hedge future commodity prices against price fluctuations. PPM recognizes revenue at month-end, during which delivery of concentrate has occurred at the month's average commodity price for the contained metal.

Revenue is recognized at the average commodity price for the month on the date of delivery and adjusted at each month end to the latest commodity price until revenue quantities are agreed with the customer (usually 3 to 5 months for sales made to Impala and 1 month for sales to Northam).

On March 31, 2017, the Company entered into the Investec Revolving Commodity Facility Agreements, whereby Investec agreed to finance up to 91% of the expected quantity of platinum, palladium, gold, nickel and copper derived from the concentrate and which is delivered by PPM to Impala and Northam. PPM utilized the facility for financing of platinum, palladium and allowed rhodium deliveries. The respective commodity prices and exchange rates were determined on each drawdown date and denominated in ZAR. This facility was repaid within two (2) to four (4) months. On settlement date, the drawdown was revalued using average commodity prices and exchange rates for the calendar month before settlement date. These fair value adjustments amounted to a loss of USD263 thousand during the nine-month period ended September 30, 2024 (a loss of USD61 thousand during the nine-month period ended September 30, 2023). The Investec Revolving Commodity Facility was settled on March 31, 2024 and after that date there has been no further exposure to commodity prices.

The following 4E basket prices were applied:

|                     | Average for the period/year ended |                            |
|---------------------|-----------------------------------|----------------------------|
|                     | Sep 30,<br>2024<br>USD'000        | Dec 31,<br>2023<br>USD'000 |
| 4E basket price USD | 1,322                             | 1,458                      |
| USD 1 = ZAR         | 17.06                             | 18.44                      |
| 4E basket price ZAR | 22,562                            | 26,774                     |

In addition to the Investec Revolving Commodity Facility Agreement, trade receivables of USD607 thousand for the period ended September 30, 2024 (December 31, 2023: USD22.066 million) were exposed to movements in commodity prices. Fair value adjustments on trade receivables are recognized in revenue, as commonly practiced in the metals industry.

The following table summarizes the sensitivity of financial instruments held at reporting date to movements in the relevant forward commodity price, with all other variables held constant. The sensitivities are based on reasonably possible changes, over a financial period, using observed ranges of actual historical rates.

|                                                        | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 |
|--------------------------------------------------------|----------------------------|----------------------------|
| <b>Impact on statement of profit or loss (pre-tax)</b> |                            |                            |
| Increase by 30% in 4E basket price                     | 112                        | 14,582                     |
| Decrease by 10% in 4E basket price                     | (77)                       | (4,861)                    |

#### *Interest rate risk*

Interest rate risk is the risk that the Group's financial position will be adversely affected by movements in interest rates.

The Group's main interest rate risk arises from short and long-term loans. Restricted investments and guarantees and cash holdings are subject to interest rate risk in the country in which they are held on deposit. All other financial assets and liabilities are non-interest bearing.

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk. In conjunction with external advice, management consideration is given on a regular basis to alternative financing structures with a view to optimizing the Group's funding structure.

Restricted investments and guarantees as well as cash and cash equivalents are exposed to movements in USD and ZAR cash deposit rates.

The following table summarizes the sensitivity of the financial instruments held at the reporting date, following a movement in variable interest rates, with all other variables held constant. The sensitivities are based on reasonably possible changes over a financial period, using the observed range of actual historical rates.

|                                                        | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 | Sep 30,<br>2023<br>USD'000 |
|--------------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Impact on statement of profit or loss (pre-tax)</b> |                            |                            |                            |
| Increase of 2% in South African prime overdraft rate   | 306                        | 129                        | 579                        |
| Decrease of 3% in South African prime overdraft rate   | (458)                      | (64)                       | (868)                      |

The impact is calculated on the net financial instruments exposed to variable interest rates as at reporting date and does not consider any repayments of long or short-term borrowings.

## 8. Critical accounting estimates

The Group's significant accounting principles and methods of application are disclosed in the notes to the condensed consolidated interim financial statements for the three- and nine months ended September 30, 2024. A discussion of the critical accounting policies and estimates, which management believes are important to understanding the Group's financial results follows below.

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:

#### *Amortization of mining assets*

Total mineral rights asset capitalised are divided into a depreciable and a non-depreciable component. The mineral rights are initially capitalised to the mineral rights asset as a non-depreciable component. Annually, as part of the preparation of the updated reserve and resource statement and preparation of the updated LoM plan, a portion of resources will typically be converted to reserves as a result of ongoing resource definition drilling, resultant geological

model updates and subsequent mine planning. Based on this conversion of resources to reserves, a portion of the historic cost is allocated from the non-depreciable component of the mineral rights asset to the depreciable component of the mineral rights asset. Therefore, the category of non-depreciable mineral rights asset is expected to reduce and will eventually be fully allocated within the depreciable component of the mineral rights asset. The mineral properties and rights are assessed for impairment annually. Mineral properties and rights are amortized based on the units-of-production method (ore tonnes mined basis). Mineral properties and rights are subsequently measured at cost less accumulated impairment losses and amortization.

### ***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 applies judgment in considering whether there is an impairment indicator by taking into consideration the following: operating results for operations, the availability of capital funds for maintenance, the volatility in the ZAR: USD exchange rate and the changes in metal price forecasts.

Management estimates and uses certain key assumptions in calculating the recoverable amount under the value in use model. This model relies on discounted cash flows, which uses key assumptions comprising both current and future PGM prices, ZAR: USD exchange rates, forecasted costs, discount rates, and inflation, which is based on the most recent information available in the market. On a periodic basis, management updates LoM plans to consider ways to optimize the value of projects over their lives which can impact the key assumptions. Specific assets relating to the West pit and East pit were impaired during the nine-month period ended September 30, 2023, because of economic indicators resulting in the operation of these assets being uneconomical, and these assets were put on care and maintenance until PGM prices improve. Management performed sensitivity analyses because of the following indicators of impairment:

- Continued losses from operations;
- Declining PGM market prices;
- Continued inflationary pressures resulting in higher operating cost; and
- Current inability to raise sufficient capital to fund growth projects.

Global market conditions, the increased cost of debt and South African country risk resulted in a higher ZAR post-tax WACC assumption for impairment testing purposes.

Based on this assessment, a USD723.586 million impairment was recognised for the three-month period ended September 30, 2023, resulting in a USD759.298 million impairment for the nine-month period ended September 30, 2023. Management will re-evaluate assets for impairment at December 31, 2024.

### ***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's judgement is applied to determine as accurately as possible at which stage of completion work in progress inventory is at each reporting date and estimates which costs should be included for valuation at the specific stage of completion.

### ***Decommissioning and rehabilitation provision***

The Group assess its mine rehabilitation provision annually in accordance with the requirements of National Environmental Management Act, No. 107 of 1998, as amended. 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 of the decommissioning required, and costs of rehabilitation activities, impact of technological changes, future regulatory changes, cost increases, and changes in discount rates. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, LoM estimates and discount rates could affect the carrying amount of this provision. Management exercises judgement in determining the remaining LoM at the date of reporting based on assumptions such as estimated future market prices for PGM's, the ZAR: USD exchange rate and choosing an appropriate discount rate. 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.

### ***Mineral Reserves and Mineral Resources***

The estimation of Mineral 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 Mineral Reserves and Mineral

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, 2016 Edition).

Factors impacting the determination of proved mineral reserves and probable mineral reserves are:

- variance in the grade of mineral reserves (i.e., differences between actual grades mined and grades modelled);
- differences between actual commodity prices and commodity price assumptions;
- unforeseen operational issues at mine sites; and
- changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates.

Expectations regarding future profitability would impact the decision to continue mining and consequently, the continued classification as proved and probable mineral reserves. These key estimates and judgments impact the Company's determination of its proved and probable mineral reserves and are reassessed and adjusted accordingly.

### ***Carrying value of property, plant, and equipment***

Management has elected to depreciate deferred stripping, decommissioning assets, and producing mines using the ore tonnes mined as the units of production ("UOP") methodology and plant and equipment using the ore tonnes processed UOP methodology. Mobile and other equipment are depreciated over the shorter of the estimated useful life of the asset or the estimate of mine life based on proved- and probable mineral reserves.

The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on proved- and probable mineral reserves. This would generally result from the extent that there are significant changes in any of the factors or assumptions used in estimating mineral reserves. Management uses judgment in revisions of the LoM of its operations by evaluating reputable forecasts of PGM market prices, the ZAR: USD exchange rate and in turn consults specialist consultants to assist with future mine planning which may impact the carrying value or rate of depreciation and amortization of property, plant, and equipment.

Changes in proved and probable mineral reserves will impact the useful lives of the assets depreciated on the UOP method. For purposes of calculating depreciation, the following LoM applies: West pit 7 years (December 31, 2022: 8 years) and East pit 7 years (December 31, 2022: 8 years).

The Group reviews and tests the carrying value of long-lived assets annually or when events or changes in circumstances suggest that the carrying amount may not be recoverable by comparing the recoverable amounts to these carrying values.

### ***Deferred taxation***

Management uses the guidance in IAS 12 — Income Taxes when assessing whether a deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Management estimates future taxable income using assumptions such as production volume, PGM prices, ZAR: USD exchange rates, and inflation are based on the most recent information available from technical work undertaken and in the market.

### ***Joint arrangements***

The Group has applied IFRS 11 — Joint Arrangements to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The economic substance of the arrangement arising from the contractual terms agreed between the parties and other facts and circumstances plays a key role in determining the classification of a joint arrangement.

Kelltech is the Company's primary joint arrangement, for which management has applied judgment in determining that it should be accounted for as a joint venture under IFRS 11. Kelltech holds exclusive rights to use and sub-license certain technology for the processing of PGMs within the South African Development Community Region. The other 50% interest in Kelltech is held by Lifezone Limited, the developer and exclusive owner of the technology.

Under the joint arrangement, any plant that is developed using the technology will be used by the Company to process its concentrate (which it has committed to provide) as well as the concentrate from other third-party mining operations. Kelltech's current activities are in the research and development phase relating to the use of this technology including the design and commissioning of an integrated processing plant. The Group advanced a loan to Kelltech to fund feasibility studies, test work and other development costs. The joint arrangement with Kelltech is structured through a separate vehicle, and the right to use the technology belongs to Kelltech. The creditors of Kelltech would not have recourse to the joint venture parties. Joint ventures are accounted for using the equity method.

### Stream prepayment

As the precious metals price and precious metal price volatilities and risk-adjusted discount rates are unobservable inputs, the financial liabilities above are classified within Level 3 of the fair value hierarchy.

The fair value of the stream obligation was valued using a Monte Carlo simulation model. Refer to section 5.1 under the heading *Orion Stream Agreements* for the detailed inputs and assumptions used.

The valuation of the stream prepayment was prepared by an independent valuation specialist under the direct oversight of the Group Reporting Manager of the Company. Discussions of valuation processes and results are held between the Group Reporting Manager, the Chief Financial Officer, and reported to the audit committee at least once every three months, in line with the Company's quarterly reporting periods.

The following table summarises the sensitivity of the stream prepayment held at the balance sheet date to movements in the commodity prices and risk-free rate used as the discount rate, with all other variables held constant. The USD denominated instruments have been assessed using the sensitivities indicated in the table. These are based on reasonably possible changes, over a financial year.

|                                                  | Sep 30,<br>2024<br>USD'000 | Dec 31,<br>2023<br>USD'000 | Sep 30,<br>2023<br>USD'000 |
|--------------------------------------------------|----------------------------|----------------------------|----------------------------|
| <b>Impact on Statement of financial position</b> |                            |                            |                            |
| 5% increase in commodity prices                  | (3,895)                    | (4,302)                    | (5,957)                    |
| 7.5% decrease in commodity prices                | 5,871                      | 5,895                      | 8,945                      |
| 1% increase in the risk-free rate                | 9,207                      | 9,810                      | 13,372                     |
| 1% decrease in the risk-free rate                | (10,638)                   | (11,377)                   | (15,497)                   |

## 9. Other

### 9.1 Off-balance sheet arrangements

As at September 30, 2024, the Group had USD33.074 million in guarantees to the DMPR and Eskom, of which USD23.628 million was funded. The Group has restricted investments held by Rand Merchant Bank in long-term deposits and ceded in favour of Lombard. Lombard provides the Group with guarantees for both Eskom and the DMPR. The facility with Lombard was 61.6% cash backed as at September 30, 2024.

### 9.2 Proposed transactions

The Company continues to evaluate strategic options for its assets on the Western Limb and its current focus is on securing the necessary capital to restart operations. The Company has commenced a sales process for its Eastern Limb assets as these assets are considered non-core to the Company.

### 9.3 Financial instruments and other instruments

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

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

### 9.4 Changes in accounting policies, including initial adoption

*New and amended standards adopted by the Group:*

The Group applied the following amended standard for the first time for their annual reporting period commencing January 1, 2024:

- Amendment to IAS 1 – 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

- Amendments to IAS 1 – 'Non-current liabilities with covenants'

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

### 9.5 Long-term incentive scheme ("LTIP")

On March 24, 2021, the Board of directors of SRL approved the adoption of the Sedibelo Resources Long-term Incentive 2021 Plan (the "2021 Plan") with effect from July 1, 2021. The 2021 Plan was designed to: (1) compensate eligible employees with long-term awards linked to the success and growth of the Company; (2) incentivize eligible employees to meet the Company's strategic objectives; (3) align the interests of eligible employees and stakeholders; and (4) retain skilled employees. Full-time salaried employees of the Company and its subsidiaries, including executive directors and non-executive directors, are eligible for the 2021 Plan.

In June 2022 the Board of directors approved the issuance of cash-settlement units to non-executive directors under the Sedibelo Resources Limited Long-Term Incentive Plan 2022. Non-executive directors are eligible to receive annual awards, based on the annual base fee payable to non-executive directors provided that the non-executive has served as a non-executive for the Board for a continuous period of twelve (12) months. The base fee was USD105 thousand per annum, for the 2023 and 2024 financial year (although non-executive directors voluntarily reduced their fees as part of the curtailment process). Base fees are reviewed annually by the Executive Directors considering prevailing US inflation, market practice and the specific circumstances of the Company.

#### 9.5.1 Forfeitable units ("Bonus Units") – as part of the short-term incentive scheme

Historically, the Remuneration Committee granted awards of Bonus Units annually to match 50% (fifty percent) of the annual Short-Term bonus awarded to participating employees.

The total annual bonus is determined by reference to the actual performance rating of the individual and the Company against predetermined targets for the preceding cycle and is comprised of cash. The number of bonus units awarded are calculated as a percentage of the prior years annual bonus divided by the grant date fair value per unit. The Bonus Units vest after a three-year period, subject to continued employment.

On December 5, 2023, the scheme rules changed to measure the cash-settled instruments at a fixed value of ZAR8.68 per unit, although all payments are currently suspended in accordance with the scheme rules due to Company cash flow conditions not being met.

#### 9.5.2 Conditional units ("Performance Units" and "Milestone Awards") – for the long-term incentive scheme

The Remuneration Committee grants an award of Performance Units annually to eligible employees as part of its long-term incentive scheme. The number of Performance Units awarded to an employee is based on the employee's annual guaranteed pay and job grade combined with a factor related to the Company's assessed performance rating over a three-year period and using the relevant grant price calculation (as for the Bonus Units) at the award date, with ultimate vesting of those awards subject to performance conditions as approved by the Remuneration Committee.

##### *Performance conditions applicable to Performance Units*

The number of units that vest depends on the extent to which the Company has performed over the intervening three-year period relative to five performance criteria. These performance criteria are among the most widely acceptable vesting performance measures suited to aligning the outcome of long-term incentive awards with shareholders' interests.

The number of the Performance Units awarded that will finally vest three years after the award date will range between 0% (zero percent) and 150% (one-hundred and fifty percent) depending on the extent to which the performance criteria have been met.

The performance conditions are listed below:

| Condition                                       | % Weighting |
|-------------------------------------------------|-------------|
| Relative total shareholder return               | 30%         |
| Absolute total shareholder return               | 30%         |
| Operating cash flow/Equity                      | 30%         |
| Improvement in B-BBEE                           | 5%          |
| CO <sub>2</sub> , water usage and tailings dams | 5%          |

The Remuneration Committee awarded additional Conditional Units to eligible Key Management Personnel ("Milestone awards") to reflect and reward the closing of strategic transactions. The number of units awarded to an employee is based on the employee's annual guaranteed pay and job grade using the relevant grant price calculation (as for the Bonus Units) at the award date. These units will vest on a pro-rata basis depending on the extent to which the

Performance Condition has been fulfilled, with ultimate vesting of these awards subject to performance conditions, a maximum vesting limit and weighting as approved by the Remuneration Committee.

The milestones are listed below:

| <b>Milestone</b>                                                                    |
|-------------------------------------------------------------------------------------|
| Capital raise > USD 100 million; and/or                                             |
| Listing by independent Initial Public Offering or merger with listed entity; and/or |
| Merger with unlisted entity.                                                        |

## 9.6 Employee Benefits

Until December 5, 2023 the Group operated a cash-settled compensation plan in which certain employees of the Group participated. The cash-settled instruments entitled the employees to a cash payment. The right must be exercised on vesting date and will expire if not exercised on that date. On December 5, 2023, the scheme rules changed to measure the cash-settled instruments at a fixed value of R8.68 per unit. This change resulted in a change in accounting policy and all outstanding units at December 31, 2023 were reported and measured as employee benefits in terms of IAS19.

## 10. Outstanding share data

As at September 30, 2024, the Company had 3,095,401,663 common shares issued and outstanding. Subsequent to September 30, 2024, the Company issued an additional 3,115,446,749 shares as part of the Capital Raise.

## 11. Legal Proceedings

### *Diesel rebates*

PPM has submitted a total of USD29.195 million (ZAR498.100 million) diesel rebate claims to the South African Revenue Services ("SARS") that remain unpaid. USD3.632 million (ZAR61.965 million) is claimed from PPM by SARS on refunds they allowed before 2011.

At September 30, 2024, the Company was in the process of finalising a 'pilot document' ("PPM's Logbook") based upon which an expert witness will issue a report. Once the expert witness's report is finalised, external legal counsel will approach SARS to discuss a settlement.

### *Rietfontein tailings dam*

The Company previously contested a decision by the DMPR to approve a mining right for Rustenburg Chrome Mines (previously Lanxess Chrome Mining) for PGMs, as Platmin South Africa (Pty) Ltd ("PSA"), a subsidiary of SRL was the holder of a registered prospecting right for all minerals (excluding chrome) and tailings on the farm Rietfontein 338 JQ.

PSA's prospecting right expired on February 9, 2024. PSA decided not to pursue the right any further.

### *Kruidfontein*

Further to meetings with the Regional Office of the Department of Mineral and Petroleum Resources during February 2025, C&L Mining, a Group company, has updated and refiled its Kruidfontein Mining Right application on 22 April 2025.

## 12. 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 rates and PGM price fluctuations have put significant strain on the Group's liquidity position.

Management and the Board are of the view that the actions that have been implemented under challenging circumstances to achieve the Capital Raise to date, and those actions that are currently underway, if successfully executed, are sufficient to mitigate the identified going concern risks. There is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management and the Board have no intention to cease trading, or to liquidate the businesses, other than concluding orderly disposals that may be necessary to reduce debt. The Board remains focused on and committed to the turnaround strategy, the cost reduction plan, amongst other initiatives. The Group's lenders and shareholders have over the last two years demonstrated commitment and ongoing support of the Group that is evidenced by the recent successful capital raise, updated Waiver and Forbearance Agreements and other strategic initiatives. Management and the Board, after carefully considering the detail and mitigating actions described above, has concluded that the Group is able to

discharge its liabilities in the normal course of business, and are therefore of the view that the going concern assumption is appropriate in the preparation of the financial statements, although a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern in future.

### 13. Internal control over financial reporting

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision, disclosure controls and procedures and internal control over financial reporting, each as defined under National Instrument 52-109 – 'Certification of Disclosure in Issuers' Annual and Interim Filings. Under the supervision and with the participation of management, including its CEO and CFO, the Company carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting. In connection with this evaluation, the Company has identified material weaknesses in the design of its internal control over financial reporting and, as a result, has concluded that the design and operation of the Company's internal control over financial reporting were ineffective as of the end of the nine-months ended September 30, 2024. A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim condensed consolidated financial statements will not be prevented or detected on a timely basis.

As previously disclosed in Annual MD&A, the material weaknesses identified relate to the Company's insufficient accounting resources and processes necessary to comply with the reporting and compliance requirements of a public company and include the following:

- (a) that the Company does not yet have a formally designed, documented and tested control framework over all of its key processes;
- (b) the Company requires a greater level of supervision in relation to financial reporting for a public company;
- (c) that the Company has inadequate levels of segregation of duties across business processes and individuals;
- (d) that the Company has inadequate supply chain management process, including sufficient policies and procedures based on industry benchmarking; and
- (e) that the Company has inadequate information systems and associated infrastructure, including but not limited to:
  - i. managing access to the Company's systems and data;
  - ii. end-user computing controls; and
  - iii. computer operations controls.

As at September 30, 2024, there has been no progress made since what was reported in the Annual MD&A. The curtailment of operations and further loss of human resources with no further investment in systems has exacerbated the status of compliance.

These material weaknesses did not result in a misstatement to Company's interim condensed consolidated financial statements for the periods ended September 30, 2024 and September 30, 2023. Each of the material weaknesses described above could have resulted in misstatements of one or more account balances or disclosures that would result in a material misstatement to the annual or interim condensed consolidated financial statements that would not be prevented or detected, and, accordingly, the Company determined that these control deficiencies constitute material weaknesses.

The Company curtailed its operations from November 30, 2023. Staff reductions were mandated by the curtailment, resulting in a change in the control environment where segregation of duties and oversight has changed to accommodate the new resource structure. The loss of personnel with intimate knowledge due to further attrition has limited the knowledge of key systems used in the financial accounting and reporting process. The Company is working with its ERP consultants to remediate the deficiency in reporting.

The Company cannot provide an estimate of the time required or costs expected to be incurred in connection with implementing a remediation plan. Remediation measures and ongoing reporting obligations may be time consuming, costly, and might place significant demands on the Company's financial, operational resources and systems and the Company may be unable to complete the Company's evaluation testing and any required remediation in a timely manner. Recent labour reductions also increase the risk of insufficient controls, with a greater need of management oversight. Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### 14. Emerging Markets Disclosure

Please refer to Appendix "B" to the Annual MD&A for such disclosure with respect to the Company's operations in South Africa.