UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☒ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **August 31, 2026** Commission File Number **001-33562**

PLATINUM GROUP METALS LTD.

(Exact name of registrant as specified in its charter)

British Columbia
(Province or Other Jurisdiction of Incorporation or Organization)

1099
(Primary Standard Industrial Classification Code Number)

Not Applicable
(I.R.S. Employer Identification Number)

1100 Melville Street, Suite 838
Vancouver, BC
Canada V6E 4A6
(604) 899-5450
(Address and telephone number of Registrant's principal executive offices)

DL Services Inc.
Columbia Center, 701 Fifth Avenue, Suite 6100
Seattle, WA 98104-7043
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act"):

Title of Each Class:	Trading Symbol	Name of Each Exchange on Which Registered:
Common Shares, no par value	**PLG**	**NYSE American**

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

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

For annual reports, indicate by check mark the information filed with this form:

Annual information form ☒ Audited annual financial statements ☒

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

127,885,112 Common Shares outstanding as of August 31, 2026

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Exchange Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed as Exhibits 99.1, 99.2, 99.3, and 99.14 to this Annual Report on Form 40-F of Platinum Group Metals Ltd. (the "Registrant" or the "Company"), are hereby incorporated by reference into this Annual Report:

(a) Annual Information Form for the fiscal year ended August 31, 2026 ("AIF");

(b) Audited Consolidated Financial Statements as at August 31, 2026 and 2025, and for the two years in the period ended August 31, 2026 and the related notes, Management's Annual Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm with respect thereto;

(c) Management's Discussion and Analysis for the fiscal year ended August 31, 2026 ("MD&A"); and

(d) Waterberg Definitive Feasibility Study Update, Bushveld Igneous Complex, Republic of South Africa dated October 9, 2024, and with an effective date of August 31, 2024

EXPLANATORY NOTE

The Company is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Exchange Act on Form 40-F. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Accordingly, the Company's equity securities are exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

The Company is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States.

FORWARD LOOKING STATEMENTS

This Annual Report and the Exhibits incorporated by reference herein contain "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws, respectively, which may include, but are not limited to, statements with respect to possible events, conditions, acquisitions, or results of operations that are based on assumptions about future conditions and courses of action and include future oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection, and also include, but are not limited to, statements with respect to our future financial and operating performance and estimates of reserves and resources. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "proposes", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "projects", "intends", "targets", "aims", "anticipates", or "believes" or variations (including negative variations) of such words or phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. As a result, actual actions, events or results may differ materially from those described in the forward-looking statements, and there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended including, without limitation, those referred to in our AIF (incorporated by reference as Exhibit 99.1 to this Annual Report) under the heading "Risk Factors" and elsewhere.

Although forward-looking statements contained in the Exhibits incorporated by reference into this Annual Report are based upon what our management believes are reasonable assumptions, we cannot assure investors that actual results will be consistent with the forward-looking statements. Our forward-looking statements contained in the Exhibits incorporated by reference into this Annual Report are made as of the respective dates set forth in such Exhibits. In preparing this Annual Report, we have not updated such forward-looking statements to reflect any change in circumstances or in management's beliefs, expectations or opinions that may have occurred prior to the date hereof, and we disclaim any obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise, except as required by law. 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. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

RESOURCE AND RESERVE ESTIMATES

The information provided under the heading "Cautionary Note to U.S. Investors" contained in the Company's AIF is incorporated by reference herein.

CONTROLS AND PROCEDURES

The information provided under the heading "Disclosure Controls and Internal Control Over Financial Reporting" contained in the

Company's MD&A is incorporated by reference herein.

The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP (Vancouver, British Columbia, PCAOB ID No 271) has audited our management's assessment of our internal control over financial reporting. PricewaterhouseCoopers LLP's report is located with our Audited Consolidated Financial Statements, which are incorporated herein by reference to Exhibit 99.2.

NOTICES PURSUANT TO REGULATION BTR

The Company did not send any notices required by Rule 104 of Regulation BTR during the year ended August 31, 2026 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT COMMITTEE AND AUDITOR INFORMATION

The Company has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The information provided under the headings "Audit Committee - Audit Committee Composition and Background", "Audit Committee - External Auditor Service Fees (By Category)" and "Audit Committee - Pre-Approval Policies and Procedures" contained in the Company's AIF is incorporated by reference herein.

CODE OF ETHICS

The information provided under the heading "Social and Environmental Policies - Environmental, Social and Governance - Governance Matters - Code of Conduct and Business Ethics" contained in the Company's AIF is incorporated by reference herein.

The Company's current Code of Business Conduct and Ethics is incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

The information provided under the heading "Discussion of Operations and Financial Condition - Off-Balance Sheet Arrangements" contained in the Company's MD&A is incorporated by reference herein.

MATERIAL CASH REQUIREMENTS FROM KNOWN CONTRACTUAL AND OTHER OBLIGATIONS

The information provided under the heading "Discussion of Operations and Financial Condition - Contractual Obligations" contained in the Company's MD&A is incorporated by reference herein.

MINE SAFETY DISCLOSURE

The Company was not an operator and did not have a subsidiary that was an operator, of a coal or other mine, as defined in Section 3 of the Federal Mine Safety and Health Act of 1977, in the United States during the year ended August 31, 2026.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

NYSE AMERICAN STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES

The Company's common shares are listed for trading on the NYSE American LLC ("NYSE American"). Section 110 of the NYSE American Company Guide permits the NYSE American to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE American listing criteria, and to grant exemptions from NYSE American listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE American standards is provided on the Company's website at platinumgroupmetals.net.

UNDERTAKINGS

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly when requested to do so by the Commission staff, information relating to the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or to transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company has previously filed with the Commission a written consent to service of process and power of attorney on Form F-X. Any change to the name or address of the Company's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

PLATINUM GROUP METALS LTD.

/s/ Frank Hallam
Frank R. Hallam

President, Chief Executive Officer and Director

Date: November 24, 2026

EXHIBIT INDEX

The following documents are being filed with the Commission as exhibits to this annual report on Form 40-F.

Exhibit Number	Description
97	Clawback Policy (incorporated by reference to Exhibit 97 to the Registrant's Annual Report on Form 40-F filed November 26, 2025)
99.1	Annual Information Form for the year ended August 31, 2026
99.2	Audited Consolidated Financial Statements for the year ended August 31, 2026, and the Report of Independent Registered Public Accounting Firm with respect thereto
99.3	Management's Discussion and Analysis for the year ended August 31, 2026
99.4	Certification of Chief Executive Officer as Required by Rule 13a-14(a) under the Exchange Act
99.5	Certification of Chief Financial Officer as Required by Rule 13a-14(a) under the Exchange Act
99.6	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of PricewaterhouseCoopers LLP
99.9	Consent of Charles J. Muller
99.10	Consent of Gordon I. Cunningham
99.11	Consent of Michael Murphy
99.12	Consent of Robert van Egmond
99.13	Code of Business Conduct and Ethics (incorporated by reference to Exhibit 99.13 to the Form 40-F filed by the Company on November 26, 2025)
99.14	Waterberg Definitive Feasibility Study Update, Bushveld Igneous Complex, Republic of South Africa dated October 9, 2024, with an effective date of August 31, 2024 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 6-K furnished to the Commission on October 9, 2024)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page for Company's Annual Report on Form 40-F for the year ended August 31, 2026, formatted in Inline XBRL

2026

ANNUAL INFORMATION FORM





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ITEM 1 DEFINITIONS

In this Annual Information Form all units are presented in accordance with the International System of Units (i.e., metric) unless otherwise noted. Capitalized terms and abbreviations used in the AIF but not otherwise defined have the meanings set out below unless the context otherwise indicates:

1.1 GENERAL

"**2015 FP Regulations**" refers to the Financial Provision Regulations in regard to rehabilitation published under the Constitution and National Environmental Management Act, No. 107 of 1998, on November 20, 2015, South Africa.

"**2023 Draft EIA Regulations**" means the draft regulations to further amend the 2014 EIA Regulations, that were published for public comment by the DFFE in August 2023.

"**2024 Registration Statement**" means the Company's registration statement on Form F-10 filed on October 31, 2024, and amended on November 13, 2024, with the SEC under the Multijurisdictional Disclosure System established between Canada and the United States.

"**2024 Shelf Prospectus**" refers to the Company's short form base shelf prospectus filed on November 13, 2024, with the securities regulatory authorities in each of the provinces and territories of Canada.

"**2025 ATM**" refers to the at-the-market equity program to sell from time-to-time common shares of the Company for up to $50.0 million in aggregate sales proceeds pursuant to an Equity Distribution Agreement entered into with BMO Canada, Beacon, and BMO U.S. on December 5, 2024.

"**2026 AGM**" refers to the annual general meeting of shareholders of the Company dated February 24, 2026.

"**2026 ATM**" refers to the at-the-market equity program to sell from time-to-time common shares of the Company for up to $60.0 million in aggregate sales proceeds pursuant to an Equity Distribution Agreement entered into with BMO Canada, Beacon, and BMO U.S. on March 10, 2026.

"**2026 Management Information Circular**" means the management information circular of the Company dated January 15, 2026.

A

"**Accounting Concerns**" means, under the Whistleblower Policy, compliance with applicable government laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to fraud against shareholders which the Company must comply with that may be the subject of a submission by a Covered Person.

"**AEL**" means atmospheric emission license.

"**Africa Wide**" refers to Africa Wide Mineral Exploration and Prospecting (Pty) Ltd., a wholly owned subsidiary of Wesizwe Platinum Ltd., that held a 17.1% interest in Maseve at the time of the Maseve Sale Transaction.

"**Agents**" refer to BMO Canada, Beacon and BMO U.S.

"**AIF**" means this Annual Information Form dated November 24, 2026.

"**Ajlan**" refers to Ajlan & Bros Mining and Metals Co.

"**AMR**" refers to Alta Mesa Resources, Inc.

"**ANC**" refers to the African National Congress of South Africa.

"**Anti-Bribery Conduct Policy**" means the Company's Commitment to Anti-Bribery Conduct adopted in December 2021 to complement and expand on the existing Code of Business Conduct and Ethics.

"**AQA**" refers to the National Environmental Management Air Quality Act, No. 39 of 2004 of South Africa.

"**AQA Listed Activities**" refers to the list of activities, including certain mining related and processing activities, that are prohibited to be undertaken under the AQA.

"**ASC**" refers to the Alberta Securities Commission.

B

"**BCEA**" means the Basic Conditions of Employment Act, No. 75 of 1997, South Africa.

"**BCSC**" refers to the British Columbia Securities Commission.

"**Beacon**" refers to Beacon Securities Limited.

"**BEE**" refers to Broad-Based Black Economic Empowerment.

"**BEE Act**" means the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, South Africa.

"**BEE Amendment Act**" means the Broad-Based Black Economic Empowerment Amendment Act, No. 46 of 2013, which came into operation on October 24, 2014.

"**BMO Canada**" refers to BMO Nesbit Burns Inc.

"**BMO U.S.**" refers to BMO Capital Markets Corp.

"**BMR**" means base metal refinery.

"**Board**" refers to the board of directors of Platinum Group.

"**Bushveld Complex**" means the Bushveld Igneous Complex located in South Africa and contains the world's largest reserves of PGMs or PGEs.

C

"**CAPEX**" means capital expenditures.

"**Carbon Bill**" means the South African Second Draft Carbon Tax Bill 2017 published in December 2017.

"**Carbon Tax Act**" means the South African Carbon Tax Act, No. 15 of 2019.

"**CCIAs**" means climate change impact assessments.

"**CCMA**" refers to the Commission for Conciliation, Mediation and Arbitration, South Africa.

"**CDM**" means the clean development mechanism projects issued under national registries to be eligible for listing as eligible South African carbon offsets.

"**CFC**" means Controlled Foreign Company.

"**CIPC**" means the Companies and Intellectual Property Commission, an agency of the Department of Trade, Industry and Competition in South Africa.

"**Clawback Policy**" means the policy adopted by the Company, as revised with an effective date of October 2, 2023, for the cancelation or recovery of excess payment of performance-based compensation issued or paid to an executive officer of the Company in the event of a restatement of the financial statements.

"**Climate Bill**" means the South African Climate Change Bill first published for comment in June 2018.

"**Climate Change Act**" means the South African Climate Change Act, No. 22 of 2024.

"**CMA**" means the Common Monetary Area of South Africa, Namibia, Lesotho and Eswatini (formerly Swaziland).

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Code of Conduct**" refers to the Company's Code of Business Conduct and Ethics.

"**Common Shares**" means the common shares of the Company listed for trading on the TSX under the symbol "PTM" and on the NYSE American under the symbol "PLG".

"**Company**" **or** "**Platinum Group**" refers to Platinum Group Metals Ltd., a company organized under the laws of British Columbia, Canada, formed by way of an amalgamation on February 18, 2002, under the Company Act (British Columbia) and transitioned under the Business Corporations Act (British Columbia) on January 25, 2005.

"**Companies Act**" refers to the South African Companies Act, No. 71 of 2008, which came into force on May 1, 2011.

"**Constitution**" means the Constitution of the Republic of South Africa, 1996.

"**Cooperation Agreement**" means the Cooperation Agreement entered between the Company and Ajlan in December 2023.

"**Covered Persons**" means directors, officers, employees, consultants and, as appropriate, certain third parties of the Company who make submissions under the Whistleblower Policy regarding Accounting Concerns.

"**COVID-19 Pandemic**" means the global outbreak of coronavirus, an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus, as declared by the World Health Organization on March 11, 2020.

"**CTC**" means Contributed Tax Capital.

"**CTOs**" means Cease Trade Orders.

D

"**Deepkloof**" means Deepkloof Limited, a wholly owned subsidiary of HCI.

"**Deferred Share Unit Plan**" means the Company's deferred share unit plan that permits directors who are not salaried officers or employees of the Company or a related corporation to convert into DSUs the fees that would otherwise be payable by the Company to them relating to future services for their participation on the Board and on committees of the Board.

"**DFFE**" means the South African Department of Forestry, Fisheries and the Environment.

"**Digbee**" means Digbee Ltd., provider of the Digbee ESG.

"**Digbee ESG**" means the Digbee free-to-access online ESG disclosure and ratings tool and communications platform designed specifically for the mining sector.

"**DMPR**" means the South African Department of Mineral and Petroleum Resources.

"**Draft Guideline**" means the South African Draft National Guideline for Consideration of Climate Change Implications.

"**Draft NWA Regulations**" means the draft regulations published by the DWS for comment in May 2023.

"**DRA**" refers to South African engineering firm DRA Projects SA (Pty) Ltd.

"**DSUs**" means Deferred Share Units, consisting of notional units, each equal in value to one Common Share, recorded as a bookkeeping entry for eligible non-employee directors on a deferred basis under the Deferred Share Unit Plan.

"**DTC**" means the Davis Tax Committee, consisting of the members of the South Africa Tax Review Committee as well as the Committee's Terms of Reference.

"**DWS**" means the South African Department of Water and Sanitation.

E

"**EA**" means Environmental Authorization.

"**EBIT**" means a royalty rate in respect of refined minerals calculated by dividing earnings before interest and taxes by the product of 12.5 times gross revenue, calculated as a percentage, plus an additional 0.5%.

"**EDGAR**" means Electronic Data Gathering, Analysis, and Retrieval, the primary system for companies and others submitting documents under the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, and the Investment Company Act of 1940.

"**EE Amendment Act**" means the South African Employment Equity Amendment Act, No. 4 of 2022, which came into force on January 1, 2025.

"**EEA**" means the South African Employment Equity Act, No. 55 of 1998.

"**EHSSR Policies**" refers to the Company's Environmental, Health, Safety, and Social Responsibility Policies.

"**EHST Committee**" means the Company's Environmental, Health, Safety and Technical Advisory Committee.

"**EIA**" means Environmental Impact Assessment.

"**EIA Listing Notices**" refers to the South African government assessment notices under NEMA's EIA Regulations that identify activities that require an environmental authorisation prior to the commencement of those activities.

"**EMP**" means Environmental Management Plan.

"**EMPs**" means the EMP and Environmental Management Programs.

"**Environmental Minister**" means the Minister of the DFFE.

"**ESG**" means Environmental, Social and Governance.

"**ESKOM**" refers to ESKOM Holdings SOC Limited, South Africa's state electricity utility company.

"**Explanatory Memorandum**" means the Carbon Bill, together with an Explanatory Memorandum in respect of the Carbon Bill.

"**Expropriation Act**" means the Expropriation Act, No. 13 of 2024, South Africa.

F

"**Financial Statements**" refers to the Consolidated audited financial statements of Platinum Group for the year ended August 31, 2026.

"**FinSurv**" refers to the South African Reserve Bank, more specifically the Financial Surveillance Department.

"**FIU**" refers to Florida International University.

"**Forward-Looking Statements**" means the "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and the "forward-looking information" within the meaning of applicable Canadian securities legislation.

"**Fraser McGill**" refers to Fraser McGill (Pty) Ltd.

"**Future Rehabilitation**" means the remediation of latent or residual environmental impacts which may become known in the future including the pumping and treatment of polluted or extraneous water.

G

"**Generic BEE Codes**" means the Broad-Based Black Economic Empowerment Codes of Good Practice published under the BEE Act, as amended from time to time.

"**GHG emissions**" means greenhouse gas emissions.

"**GNU**" refers to a government of national unity formed by a broad coalition government consisting of a number of political parties in order to promote national unity and political stability.

H

"**Hanwa**" refers to Hanwa Co. Ltd.

"**HCI**" refers to Hosken Consolidated Investments Limited, a black empowerment investment holding company which is listed in the financial sector on the JSE Securities Exchange South Africa.

"**HCI Agreement**" means the amended and restated subscription agreement dated May 10, 2018, between the Company and HCI.

"**HDPs**" means historically disadvantaged South Africans.

"**High Court**" means the High Court of South Africa.

"**HJM**" refers to HJ Platinum Metals Company Ltd., a special purpose company established in June 2023, and owned by JOGMEC and Hanwa, to hold an aggregate 21.95% interest in Waterberg JV Co. and fund their future equity investments in the Waterberg Project on a 75% / 25% funding basis.

"**HMP**" stands for Heritage Management Plan, a document that sets out how heritage resources will be identified, protected, managed and monitored, particularly in connection with a development or mining project.

"**Human Rights Policy**" refers to the Company's human rights policy.

I

"**IFRS Accounting Standards**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Implats**" refers to Impala Platinum Holdings Ltd.

"**Implats Transaction**" refers to the transaction dated November 6, 2017, whereby the Company sold Implats an 8.6% interest in Waterberg JV Co. for $17.2 million, JOGMEC sold Implats a 6.4% interest for $12.8 million, Implats acquired an option to acquire a controlling interest in the Waterberg Project, which was later terminated in June 2020, and Implats acquired the Offtake ROFR.

"**Initial Budget**" refers to the Waterberg Project initial budget of approx. $2.49 million that was scheduled to be spent by March 31, 2023, as approved by the directors of Waterberg JV Co. on September 1, 2022.

"**Investment Company Act**" means the U.S. Investment Company Act of 1940, as amended.

"**IT**" means information technology.

"**ITA**" means the South African Income Tax Act, No. 58 of 1962.

J

"**JOGMEC**" refers to Japan Organization for Metals and Energy Security (formerly Japan, Oil, Gas and Metals National Corporation).

L

"**Labour Court**" refers to the court that adjudicates labour law cases in South Africa.

"**Land Claims Commissioner**" means the Regional Land Claims Commissioner of South Africa.

"**Land Reform Minister**" means the Minister of Land Reform and Rural Development of South Africa.

"**LED**" means Local Economic Development.

"**LEDS**" means South Africa's first Low Emission Development Strategy, 2050.

"**Limpopo Provincial Government**" refers to the Limpopo Province of South Africa's provincial government, established in accordance with the Constitution and responsible for social services; economic functions; and provincial governance and administration.

"**Lion Battery**" means Lion Battery Technologies Inc., a company founded by Platinum Group in partnership with an affiliate of Valterra Platinum Limited (formerly Anglo Platinum Limited) to research the use of palladium and platinum in lithium battery applications.

"**Listed Activities**" refers to certain activities that are incidental to mining, listed in a series of EIA Regulations published under the Constitution and National Environmental Management Act, No. 107 of 1998, South Africa.

"**LRA**" means the Labour Relations Act, No. 66 of 1995, South Africa.

M

"**Mark-to-Market Election**" refers to the mark-to-market election for marketable stock under Section 1296 of the Code.

"**Maseve**" refers to Maseve Investments 11 (Proprietary) Limited.

"**Maseve Sale Transaction**" refers to the April 2018 closing of the 100% sale of the Maseve Mine to RBPlat in a transaction valued at approximately $74.0 million.

"**MHSA**" means the Mine Health and Safety Act, No. 29 of 1996, South Africa.

"**MHSA Bill**" means the Mine Health and Safety Amendment Bill, which was published for comment in June 2022, as amended and republished on October 14, 2024, and as amended and republished on April 7, 2026.

"**Minerals Council Judgment**" means the judgment handed down by the High Court of South Africa on September 21, 2021, in the matter between Minerals Council South Africa vs Minister of Mineral Resources and Energy and thirteen others [Case No.20341/19], in relation to the challenge to the Mining Charter 2018.

"**Mining Charter**" refers to the South African Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry.

"**Mining Charter 2018**" refers to the amended South African Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018.

"**Mining Codes**" refers to the Codes of Good Practice for the South African Minerals Industry, 2009.

"**Minister**" means the Minister of the Department of Mineral and Petroleum Resources of South Africa.

"**Minister of Finance**" means the Minister of Finance of South Africa.

"**Minister of Employment and Labour**" means the Minister of Employment and Labour of South Africa.

"**MISA**" means the Ministry of Investment of Saudi Arabia.

"**Mnombo**" refers to Mnombo Wethu Consultants Proprietary Limited, a South African BEE company.

"**Mnombo Shareholders Agreement**" refers to the shareholders agreement in respect to Mnombo, entered between PTM RSA, Mlibo Gladly Mgudlwa, Luyanda Mgudlwa and Mnombo on or about March 30, 2012.

"**MPRDA**" means the Mineral and Petroleum Resources Development Act, No. 28 of 2002, of South Africa.

"**MPRDA Amendment Act, 2008**" means the Mineral and Petroleum Resources Development Amendment Act, No. 49 of 2008, sections of which became effective in 2013.

"**MRD Bill**" means the draft South African Mineral Resources Development Bill, 2025, aimed at comprehensively amending the MPRDA, published for public comment on May 20, 2025.

"**MTRA**" means the Mining Titles Registration Act, No. 16 of 1967, South Africa.

N

"**NCOP**" means the National Council of Provinces, the upper house of the Parliament of South Africa under the (post-apartheid) Constitution which came into full effect in 1997.

"**NEMA**" means the Constitution and National Environmental Management Act, No. 107 of 1998, of South Africa.

"**NEMA Bill**" means the National Environmental Laws Amendment Bill B14D-2017.

"**NEMLAA3**" means the National Environmental Management Laws Amendment Act, No. 25 of 2014.

"**NEMLAA4**" means the National Environmental Management Laws Amendment Act, No. 2 of 2022, published on June 24, 2022.

"**NEMWA**" means the National Environmental Management: Waste Act, No. 59 of 2008, of South Africa.

"**Nextraction**" refers to Nextraction Energy Corp.

"**NGOs**" refers to non-governmental organisations.

"**NI 43-101**" refers to National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*, effective as of June 9, 2023, as adopted by the Canadian Securities Administrators.

"**NI 51-102**" refers to National Instrument 51-102 - *Continuous Disclosure Obligations*, effective as of June 9, 2023, as adopted by the Canadian Securities Administrators.

"**NI 52-110**" refers to National Instrument 52-110 - *Audit Committees*, effective as of November 17, 2015, as adopted by the Canadian Securities Administrators.

"**NWA**" means the National Water Act, No. 36 of 1998, of South Africa.

"**NYSE American**" refers to the NYSE American LLC, an American stock exchange located in New York City, where the Common Shares are traded under the symbol "PLG".

O

"**OECD**" refers to the Organisation for Economic Cooperation and Development.

"**Offtake ROFR**" means Implats' Right of First Refusal to enter into an offtake agreement, matching third party commercial arms-length terms offered to Waterberg JV Co., for the smelting and refining of mineral products from the Waterberg Project.

"**Options**" means the options to purchase Common Shares of the Company granted to certain eligible persons under the Share Compensation Plan.

P

"**PAJA**" refers to the Promotion of Administrative Justice Act, No. 3 of 2000, South Africa.

"**Paris Agreement**" means the legally binding international treaty on climate change adopted by 196 Parties at the United Nations Climate Change Conference (COP21) in Paris, France on December 12, 2015, and entered into force on November 4, 2016.

"**PCC**" refers to the Presidential Climate Commission of South Africa.

"**Plans**" means the Share Compensation Plan and the Deferred Share Unit Plan.

"**Precious Metals Act**" means the Precious Metals Act, No. 37 of 2005, of South Africa.

"**Pre-MPRDA Amendment Act Environmental Provisions**" means the majority of the MPRDA's environmental regulation provisions which were deleted from the environmental mining legislation as a result of the transition of the primary environmental regulation of mining from the MPRDA to NEMA.

"**PTM RSA**" refers to Platinum Group Metals (RSA) Proprietary Limited, a wholly owned South African subsidiary of Platinum Group.

Q

"**QEF Election**" refers to a qualified electing fund election that may be done by a U.S. taxpayer to mitigate certain tax consequences under the Internal Revenue Code of 1986, as amended.

R

"**RBPlat**" refers to Royal Bafokeng Platinum Limited.

"**Rehabilitation and Closure Liability**" means the MPRDA provision pursuant to which a mineral right holder remains liable for any environmental liability, pollution, ecological degradation, the pumping and treatment of extraneous water, compliance to the conditions of the EA and the management and sustainable closure of a mine, until the Minister has issued a closure certificate.

"**Restitution Act**" means the Restitution of Land Rights Act, No. 22 of 1994, South Africa.

"**Restitution Amendment Act**" refers to the Restitution of Land Rights Amendment Act, No. 15 of 2014, South Africa.

"**Restoration**" means the return of dispossessed land in South Africa that may be granted to a successful claimant pursuant to the Restitution Act.

"**Royalty Act**" collectively means the Mineral and Petroleum Resources Royalty Act, No. 28 of 2008, and Mineral and Petroleum Resources Royalty (Administration) Act, No. 29 of 2008, of South Africa.

"**RSUs**" means Restricted Share Units, rights awarded to certain eligible persons to receive Common Shares that become vested in accordance with the Share Compensation Plan.

S

"**SAHRA**" refers to the South African Heritage Resources Agency, the national statutory body responsible for protecting and managing South Africa's heritage resources under the National Heritage Resources Act, No. 25 of 1999.

"**SARB**" refers to the South African Reserve Bank.

"**SEC**" refers to the Securities and Exchange Commission, a U.S. government oversight agency responsible for regulating the securities markets and protecting investors.

"**SEDAR+**" means the System for Electronic Data Analysis and Retrieval System for Electronic Data Analysis and Retrieval +, Canada's official, web-based national system used by market participants to file, disclose, and search for public company and investment fund information in Canada's capital markets.

"**SETs**" refers to the sectoral emission targets under the Paris Agreement.

"**Share Compensation Plan**" means the Company's Share Compensation Plan (as amended) to provide for the award of RSUs and grant of Options to the directors, executive officers, key employees and consultants of the Company and its subsidiaries.

"**S-K 1300**" means Subpart 229.1300 of Regulation S-K, Disclosure by Registrants Engaged in Mining Operations, and Item 601(b)(96) Technical Report Summary, of Regulation S-K.

"**SLP**" refers to Social and Labour Plan, a document which South Africa's DMPR requires and approves when a company wishes to apply for and maintain a right to mine in any given area within South Africa.

"**SPLUMA**" refers to the Spatial Planning and Land Use Management Act, No. 16 of 2013, South Africa.

"**SRA**" refers to the Sponsored Research Agreement between Lion Battery, and the FIU Board of Trustees dated July 12, 2019 (as amended).

"**Stage Five Budget**" means the stage five budget for fiscal year 2025 of approximately $2.60 million for continued work on the Waterberg Project as approved by the directors and shareholders of Waterberg JV Co. on February 18, 2025.

"**Stage Four Budget**" means the stage four budget of approximately $1.35 million for continued work on the Waterberg Project as approved by the directors and shareholders of Waterberg JV Co. on April 3, 2024.

"**Stage Six Budget**" means the stage six budget for fiscal year 2026 of approximately $5.71 million for continued work on the Waterberg Project as approved by the directors on September 17, 2025, and the requisite majority shareholders of Waterberg JV Co. on September 26, 2025.

"**Stage Three Budget**" refers to the stage three budget of approximately $1.65 million for continued work on the Waterberg Project as approved by the directors and shareholders (with Implats abstaining) of Waterberg JV Co. on December 11, 2023.

"**Stantec**" refers to Stantec Consulting International Ltd.

"**Stipulated Distribution**" means, for purposes of the Mining Charter 2018:

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

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

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

"**Supplemental Budget**" means the supplemental budget of R27.4 million (approx. $1.69 million) approved by Waterberg JV Co's shareholders on May 8, 2026, for funding of the fiscal 2026 portion of the T-Zone Study aimed at assessing the viability of developing the Waterberg Project in stages, beginning with a smaller, lower cost T-Zone mine.

T

"**Tax Act**" refers to the *Income Tax Act (Canada)*.

"**TBIC**" refers to The Battery Innovation Center.

"**Trumping Provision**" means the provisions in section 3(2) set out in the BEE Amendment Act.

"**TSX**" refers to the Toronto Stock Exchange, a Canadian stock exchange located in Toronto, Ontario, where the Common Shares are traded under the symbol "PTM".

"**T-Zone Study**" means the internal study for additional metallurgical drilling, floatation testing, and plant design engineering to assess the viability of a staged approach to Waterberg Project development beginning first with a smaller T-Zone mine.

U

"**Updated NDC**" means Updated Nationally Determined Contributions.

V

"**Valterra**" means Valterra Platinum Marketing Limited (formerly Anglo Platinum Marketing Limited) an affiliate of Valterra Platinum Limited (formerly Anglo American Platinum Limited).

"**VAT Act**" means the South African Value Added Tax Act, No. 89 of 1991.

W

"**Waterberg DFS**" means the NI 43-101 technical report entitled "Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa" dated October 4, 2019, with an effective date of resources and reserves of September 4, 2019.

"**Waterberg DFS Update**" means the NI 43-101 and S-K 1300 technical report entitled "Waterberg Definitive Feasibility Study Update, Bushveld Igneous Complex, Republic of South Africa" dated October 9, 2024, with an effective date of resources and reserves of August 31, 2024.

"**Waterberg JV Co.**" refers to Waterberg JV Resources Proprietary Limited, a subsidiary of PTM RSA.

"**Waterberg Memorandum of Incorporation**" refers to the memorandum of incorporation of Waterberg JV Co.

"**Waterberg Mining Right**" refers to the mining right for the Waterberg Project granted by the DMPR on January 28, 2021.

"**Waterberg Project**" refers to the deposit area discovered by the Company on the Waterberg property located on the Northern Limb of the Bushveld Complex, approximately 85 km north of the town of Mokopane, South Africa.

"**Waterberg Shareholders Agreement**" refers to the Shareholders Agreement in respect to Waterberg JV Co. concluded on or about October 16, 2017, between Implats, Platinum Group, PTM RSA, Mnombo, JOGMEC, Tiger Gate Platinum (RF) Proprietary Limited and acceded to by Hanwa on December 19, 2018, and by HJM on July 7, 2023.

"**Waterberg SLP**" refers to the Waterberg Social and Labour Plan granted on January 28, 2021, and registered on July 6, 2021.

"**Whistleblower Policy**" means the policy which outlines procedures for the confidential, anonymous submissions by Covered Persons regarding Accounting Concerns, without fear of retaliation of any kind.

"**WML**" means waste management licence.

"**WUL**" means water use licence.

"**WVM**" refers to West Vault Mining Inc.

1.2 ABBREVIATIONS AND GLOSSARY OF MINING TERMS

The following is a list of abbreviations and a glossary of certain mining terms used in this AIF:

"**3E**" refers to platinum, palladium and gold, collectively.

"**4E**" refers to platinum, palladium, rhodium and gold, collectively.

"**anorthosite**" is an intrusive igneous rock characterized by a predominance of plagioclase feldspar (90-100%), and a minimal mafic component (0-10%). Pyroxene, ilmenite, magnetite, and olivine are the mafic minerals most commonly present.

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

"**Au**" refers to gold.

"**cm**" is an abbreviation for centimetres.

"**CO_2-eq**" is an abbreviation for carbon dioxide equivalent.

"**Cu**" refers to copper.

"**deposit**" is a mineralized body, which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.

"**diamond drill**" is a type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock that is covered in long cylindrical sections, an inch or more in diameter.

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

"**felsites**" refers to an igneous rock that contains a group of light-colored silicate minerals, including feldspar, feldspathoid, quartz, and muscovite.

"**fracture**" is a break in a rock, usually along flat surfaces.

"**g/t**" refers to grams per tonne.

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

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

"**ha**" is an abbreviation for hectare.

"**harzburgite**" is a variety of peridotite consisting mostly of the two minerals, olivine and low-calcium (Ca) pyroxene (enstatite). It commonly contains a few percent chromium-rich spinel as an accessory mineral.

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

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

"**km**" refers to kilometres.

"**kriging**" is the numerical modeling by applying statistics to resource calculations (or other earth sciences problems). The method recognizes that samples are not independent and that spatial continuity between samples exists.

"**m**" refers to metres.

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

"**magmatic**" means pertaining to magma, a naturally occurring silicate melt, which may contain suspended silicate crystals, dissolved gases, or both; magmatic processes are at work under the earth's crust.

"**Merensky**" means the Merensky Reef, a distinct layer or reef comprising the Bushveld Complex which occurs around the Western Limb of the Bushveld Complex.

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

"**ML/day**" refers to megalitre/day.

"**MVA**" refers to megavolt ampere.

"**MW_R**" refers to megawatts refrigeration.

"**Ni**" is an abbreviation for nickel.

"**olivine**" is a mineral silicate of iron and magnesium, principally $(Mg, Fe)_2SiO_4$, found in igneous and metamorphic rocks and used as a structural material in refractories and in cements.

"**ounce**" or "**oz**" refers to a troy ounce having a weight of 31.103 grams.

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

"**Pd**" refers to palladium.

"**pegmatoid**" is an igneous rock that has the coarse-grained texture of a pegmatite but that lacks graphic intergrowths or typically granitic composition.

"**PGE**" refers to mineralization containing platinum group elements, i.e., platinum, palladium, rhodium and gold.

"**PGM**" refers to platinum group metals, i.e., platinum, palladium, rhodium and gold.

"**plagioclase**" is a form of feldspar consisting of aluminosilicates of sodium and/or calcium, common in igneous rocks and typically white.

"**Platreef**" means the Platreef, a distinct layer or reef comprising the Bushveld Complex found within the Northern Limb of the Bushveld Complex.

"**Pt**" refers to platinum.

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

"**Qualified Person**" or "**QP**" as used in this AIF means a Qualified Person as that term is defined in NI 43-101 and S-K 1300.

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

"**quartzite**" is an extremely compact, hard, granular rock consisting essentially of quartz. It often occurs as silicified sandstone, as in sarsen stones.

"**Rh**" refers to rhodium.

"**stope**" is an underground excavation from which ore has been extracted.

"**tailings**" is the material that remains after all metals considered economic have been removed from ore during milling.

"**tonne**" refers to a metric tonne having a weight of 1,000 kilograms or 2,205 pounds.

"**troctolite**" is a gabbro made up mainly of olivine and calcic plagioclase, often having a spotted appearance likened to a trout's back.

"**UG2**" refers to Upper Group 2 Chromitite Layer or Reef, a distinct layer or reef comprising the Bushveld Complex which occurs around the Eastern Limb of the Bushveld Complex.

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

ITEM 2 PRELIMINARY NOTES

2.1 DATE OF INFORMATION

All information in this AIF is as of August 31, 2026, unless otherwise indicated.

2.2 FINANCIAL INFORMATION

All financial information in this AIF is derived from the Financial Statements which have been prepared in accordance with IFRS Accounting Standards. A copy of the Financial Statements may be obtained online at www.sedarplus.ca.

2.3 CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This AIF and the documents incorporated by reference herein contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**Forward-Looking Statements**"). All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future are Forward-Looking Statements. The words "expect", "anticipate", "estimate", "forecast", "may", "could", "might", "will", "would", "should", "intend", "believe", "target", "budget", "plan", "strategy", "goals", "objectives", "projection" or the negative of any of these words and similar expressions are intended to identify Forward-Looking Statements, although these words may not be present in all Forward-Looking Statements. Forward-Looking Statements included or incorporated by reference in this AIF include, without limitation, statements with respect to:

- the use of proceeds from the 2026 ATM and our plans and objectives with respect to the 2026 ATM;
- the timely completion of additional required financings and potential terms thereof;
- the completion of appropriate contractual smelting and/or refining arrangements with Implats or another third-party smelter/refiner;
- the projections set forth or incorporated into, or derived from, the Waterberg DFS Update, including, without limitation, estimates of mineral resources and mineral reserves, and projections relating to future prices of metals, commodities and supplies, currency rates, capital and operating expenses, production rate, grade, recovery and return, and other technical, operational and financial forecasts;
- the approval of a WUL and environmental permits for, and other developments related to, a deposit area discovered by the Company on the Waterberg Project;
- the potential alternatives to the existing Waterberg Project development plan and any related economic analysis;
- the Company's expectations with respect to the outcome of a review application in the High Court to set aside a decision by the Environmental Minister to refuse condonation for the late filing of the appeal by individuals from a community group against the grant of an EA for the Waterberg Project;
- the Company's expectations with respect to the outcome of an application in the High Court seeking to declare invalid the DMPR's grant of the Waterberg Mining Right on January 28, 2021;
- the negotiation and execution of long-term access agreements, on reasonable terms, with communities recognized as titled landowners of three farms where surface and underground mine infrastructure is planned, and rezoning for mining use;
- the development of performance indicators to measure and monitor key environmental, social sustainability and governance activities at the Waterberg Project;

- risks related to geopolitical events and other uncertainties, such as Russia's invasion in Ukraine and conflicts in the Middle East;
- the adequacy of capital, financing needs, and the availability of and potential for obtaining further capital;
- the ability or willingness of the shareholders of Waterberg JV Co. to fund their *pro rata* portion of the funding obligations for the Waterberg Project;
- impacts of current and future tariffs and duties;
- risk relating to relations between South Africa and the United States;
- revenue, cash flow and cost estimates and assumptions;
- future events or future performance;
- development of next generation battery technology by Lion Battery, the Company's battery technology joint venture;
- governmental and securities exchange laws, rules, regulations, orders, consents, decrees, provisions, charters, frameworks, schemes and regimes, including interpretations of and compliance with the same;
- developments in South African politics and laws relating to the mining industry;
- anticipated exploration, development, construction, production, permitting and other activities on the Company's properties;
- Waterberg Project economics;
- future metal prices and currency exchange rates;
- the identification of several large-scale water basins that could provide mine process and potable water for the Waterberg Project and local communities;
- the Company's expectations with respect to the outcomes of litigation;
- mineral reserve and mineral resource estimates;
- potential changes in the ownership structures of the Company's projects;
- the Company's ability to license certain intellectual property; and
- the potential use of alternative renewable energy sources for the Waterberg Project.

Forward-Looking Statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-Looking Statements in respect of capital costs, operating costs, production rate, grade per tonne and concentrator and smelter recovery are based upon the estimates in the technical report referred to in this AIF and in the documents incorporated by reference herein and ongoing cost estimation work, and the Forward-Looking Statements in respect of metal prices and exchange rates are based upon the three year trailing average prices and the assumptions contained in such technical report and ongoing estimates.

Forward-Looking Statements are subject to a number of risks and uncertainties that may cause the actual events or results to differ materially from those discussed in the Forward-Looking Statements, and even if events or results discussed in the Forward-Looking Statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things:

- future sales of Common Shares under the 2026 ATM;

- the Company's additional financing requirements;
- the effect of future debt financing on the Company and its financial condition;
- the Company's history of losses and expectations that will continue to incur losses until the Waterberg Project reaches commercial production on a profitable basis, which may never occur;
- the Company's negative operating cash flow;
- uncertainty of estimated mineral reserve and mineral resource estimates, production, development plans and cost estimates for the Waterberg Project;
- the Company's ability to bring properties into a state of commercial production;
- the potential impact of international conflict and geopolitical tensions and events on the Company;
- the impact of tariffs or trade barriers on the Company particularly a potential reduction in demand for platinum and palladium;
- adverse changes in relations between South Africa and the United States, affecting the Company's business;
- discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production;
- fluctuations in the relative values of the U.S. Dollar, the Rand and the Canadian Dollar;
- volatility in metal prices;
- the possibility that the Company may become subject to the Investment Company Act;
- Implats or another third party may not enter into appropriate contractual smelting and/or refining arrangements with Waterberg JV Co.;
- the ability of the Company to acquire the necessary surface access rights on commercially acceptable terms or at all;
- the ability of South Africa's state-owned electricity utility ESKOM to supply sufficient power to the Waterberg Project;
- the failure of the Company or the other shareholders of Waterberg JV Co. to fund their pro rata share of funding obligations for the Waterberg Project;
- any disputes or disagreements with the Company's other shareholders of Waterberg JV Co. or Mnombo;
- the Company is subject to assessment by various taxation authorities, who may interpret tax legislation in a manner different from the Company, which may negatively affect the final amount or the timing of the payment or refund of taxes;
- the Company's ability to attract and retain its key management employees;
- contractor performance and delivery of services, changes in contractors or their scope of work or any disputes with contractors;
- conflicts of interest among the Company's officers and directors;
- any designation of the Company as a "passive foreign investment company" for its current and future tax years and potential adverse U.S. federal income tax consequences for U.S. shareholders;
- litigation or other legal or administrative proceedings brought against or relating to the Company, including the review application in the High Court to set aside a decision by the Environmental Minister to refuse condonation for the late filing of the appeal by individuals from a community group against the grant of an EA for the Waterberg Project and an application brought by a group within two local communities, claiming they represent those communities, seeking to declare invalid the grant of the Waterberg Mining Right by the DMPR;

- information systems and cyber security risks;
- actual or alleged breaches of governance processes or instances of fraud, bribery or corruption;
- exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, cave-ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties;
- property zoning and mineral title risks including defective title to mineral claims or property;
- changes in national, provincial and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future;
- equipment shortages and the ability of the Company to acquire the necessary infrastructure for its mineral properties;
- environmental regulations and the ability to obtain and maintain necessary permits, including EAs and WULs;
- extreme competition in the mineral exploration industry;
- delays in obtaining, or a failure to obtain, permits necessary for current or future operations or failures to comply with the terms of such permits;
- any adverse decision in respect of the Company's mineral rights and projects in South Africa under the MPRDA;
- risks of doing business in South Africa, including but not limited to, labour, economic and political instability and potential changes to and failures to comply with legislation;
- the failure to maintain or increase equity participation by historically disadvantaged South Africans in the Company's prospecting and mining operations and to otherwise comply with relevant BEE laws and the Mining Charter 2018;
- certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire Common Shares of the Company;
- socio economic instability in South Africa or regionally, including risks of resource nationalism;
- labour disruptions and increased labour costs;
- interruptions, shortages or cuts in the supply of electricity or water and annual increases in usage costs;
- characteristics of and changes in the tax and royalties systems in South Africa;
- a change in community relations;
- opposition from local and international groups, and/or the media;
- South African foreign exchange controls impacting repatriation of profits;
- land restitution claims or land expropriation;

- restriction on dividend payments;
- the risk that the Common Shares may be delisted;
- volatility in the price of the Common Shares;
- the exercise or settlement of Options, RSUs, DSUs or warrants resulting in dilution to the holders of Common Shares;
- future sales of equity securities decreasing the value of the Common Shares, diluting investors' voting power, and reducing our earnings per share;
- enforcing judgments based on the civil liability provisions of United States federal securities laws;
- pandemics and other public health crises;
- global financial conditions;
- government imposed shutdowns or expense increases;
- water licence risks; and
- other risks disclosed under Item 5.5 Risk Factors in this AIF.

These factors should be considered carefully, and investors should not place undue reliance on the Company's Forward-Looking Statements. In addition, although the Company has attempted to identify important factors that could cause actual actions or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

Any Forward-Looking Statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any Forward-Looking Statement, whether as a result of new information, future events or results or otherwise.

2.4 RESERVE AND MINERAL RESOURCE DISCLOSURE

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Confidence in an inferred mineral resource estimate is insufficient to allow meaningful application of the technical and economic parameters to enable an evaluation of economic viability sufficient for public disclosure, except in certain limited circumstances set out in NI 43-101. The mineral resource and mineral reserve figures referred to in this AIF and the documents incorporated herein by reference are estimates and no assurances can be given that the indicated levels of platinum, palladium, rhodium and gold will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

Units of Conversion

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

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

2.5 CAUTIONARY NOTE TO U.S. INVESTORS

The Waterberg DFS Update has been prepared in accordance with NI 43-101 and S-K 1300. The technical and scientific information contained in this AIF has been prepared in accordance with NI 43-101, which differs from the standards adopted by the SEC in S-K 1300. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the mineral reserve disclosure requirements of the SEC. Accordingly, the technical and scientific information contained in this AIF, including mineral reserve and mineral resource information included and incorporated by reference in this AIF, may not be comparable to similar information disclosed by U.S. companies subject to the disclosure requirements of the SEC in S-K 1300.

2.6 CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

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

The daily rate of exchange on August 31, 2026, as reported by the Federal Reserve Bank of New York for the conversion of South African Rand into one U.S. Dollar was 16.1159.

The following table sets forth the rate of exchange for the U.S. Dollars expressed in Canadian Dollars in effect at the end of each of the indicated periods, the average of the exchange rates in effect during each of the periods indicated, and the high and low exchange rates during each of the periods indicated based on the average daily rate of exchange reported by the Bank of Canada for the conversion of U.S. Dollars into Canadian Dollars.

U.S. Dollar to Canadian Dollars	Year Ended August 31,		
	2026	**2025**	**2024**
Rate at end of period	C$1.3866	C$1.3742	C$1.3491
Average rate for period	C$1.3865	C$1.3963	C$1.3608
High for period	C$1.4234	C$1.4603	C$1.3875
Low for period	C$1.3515	C$1.3462	C$1.3205

The closing rate of exchange on November 23, 2026, as reported by the Bank of Canada for the conversion of U.S. Dollars into Canadian Dollars was $1.00 equals C$1.4369.

The following table sets forth the rate of exchange for the South African Rand expressed in Canadian Dollars in effect at the end of each of the indicated periods, the average of the exchange rates in effect during each of the periods indicated, and the high and low exchange rates during each of the periods indicated based on the average daily rate of exchange as reported by the Bank of Canada for the conversion of South African Rand into Canadian Dollars.

Canadian Dollars to South African Rand	Year Ended August 31		
	2026	2025	2024
Rate at end of period	R11.6279	R12.8568	R13.1700
Average rate for period	R12.0131	R12.9597	R13.7049
High for period	R12.8584	R13.8870	R14.2980
Low for period	R11.4103	R12.4938	R12.9971

The closing rate of exchange on November 23, 2026, as reported by the Bank of Canada for the conversion of South African Rand into Canadian Dollars was C$1.00 equals R12.1168.

The following table sets forth the rate of exchange for the U.S. Dollars expressed in South African Rand in effect at the end of each of the indicated periods, the average of the exchange rates in during each of the periods indicated, and the high and low exchange rates during each of the periods indicated based on the average daily rate of exchange as reported by the Federal Reserve Bank of New York for the conversion of U.S. Dollars into Rand.

U.S. Dollars to South African Rand	Year Ended August 31		
	2026	2025	2024
Rate at end of period	R16.1159	R17.6519	R17.7910
Average rate for period	R16.6553	R18.0938	R18.6465
High for period	R17.7615	R19.8177	R19.5380
Low for period	R15.8167	R17.0992	R17.7007

The rate of exchange on November 20, 2026, as reported by the Federal Reserve Bank of New York for the conversion of U.S. Dollars into South African Rand $1.00 equals R17.450.

Terms used and not defined in this AIF that are defined in NI 51-102 shall bear that definition. Other definitions are set out in National Instrument 14-101 - *Definitions*.

2.7 NOTICE REGARDING NON-IFRS ACCOUNTING STANDARDS MEASURES

This AIF may include certain terms or performance measures that are not defined by IFRS Accounting Standards, such as cash costs and all-in sustaining costs. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, certain investors use this information to evaluate the Company's performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. These non-IFRS Accounting Standards measures should be read in conjunction with the Financial Statements.

ITEM 3 CORPORATE STRUCTURE

3.1 NAME, ADDRESS AND INCORPORATION

The Company is a company organized under the laws of the Province of British Columbia, Canada. The Company was formed by way of an amalgamation on February 18, 2002, under the *Company Act* (British Columbia) pursuant to an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. On January 25, 2005, the Company was transitioned under the *Business Corporations Act* (British Columbia). The Company's British Columbia incorporation number is BC0642278.

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

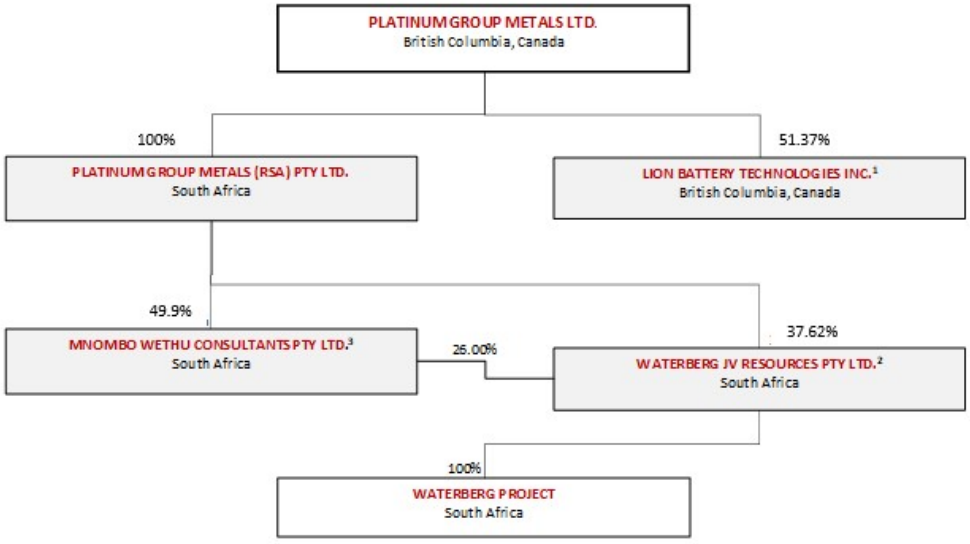
Since its formation, the Company has been engaged in the acquisition, exploration and development of platinum and palladium properties. The Company currently holds interests in platinum properties in the Northern Limb of the Bushveld Complex in South Africa. The Company's business is currently conducted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

At present, the Company's sole material mineral property is the Waterberg Project. Results of the Waterberg DFS Update targeting a large, thick PGM resource with the objective to model a large-scale, fully-mechanized mine was announced by the Company on September 16, 2024.

In 2019, the Company founded Lion Battery in partnership with Valterra to research the use of palladium and platinum in lithium battery applications.

3.2 PLATINUM GROUP METALS LTD. AND ITS SUBSIDIARIES

The Company's material subsidiaries are comprised of one wholly owned company, a 49.9% indirect holding in a second company and an indirect 50.59% holding in a third company, all of which are incorporated under the company laws of the Republic of South Africa and a 51.37% holding in a fourth company incorporated in British Columbia. The following chart represents the Company's corporate organization as at the date of this AIF:



Notes

1. Remaining 48.63% interest owned by Valterra.
2. Remaining interest owned as to 14.43% by Implats and 21.95% directly and indirectly by JOGMEC and Hanwa, through HJM (of which 11.56% is owned by JOGMEC, 9.25% is owned by Hanwa, and 1.15% is owned through HJM).
3. Remaining 50.1% interest owned by Mlibo Gladly Mgudlwa and Luyanda Mgudlwa. Qualified BEE company.

As at the date of filing of this AIF, the Company's only material mineral property is the Waterberg Project, which is comprised of two adjacent project areas formerly known as the Waterberg Joint Venture Project and the Waterberg Extension Project. The Waterberg Project is held by Waterberg JV Co. in which the Company is the largest owner, with a 50.59% beneficial interest, of which 37.62% is held directly by the Company's wholly owned South African subsidiary, PTM RSA, and 12.97% is held indirectly through PTM RSA's 49.90% interest in Mnombo, a BEE company which holds 26.00% of Waterberg JV Co. The remaining interests in Waterberg JV Co. are held as to 14.43% by Implats, and 21.95% by HJM, being an aggregate of 1.15% owned by HJM directly, 11.56% owned by JOGMEC and 9.25% by Hanwa. JOGMEC and Hanwa established HJM, a special purpose corporation, in June 2023 to hold and fund their future equity interests in the Waterberg Project. JOGMEC is expected to fund 75% of future equity investments into HJM and Hanwa the remaining 25%, with their relative interests in HJM being adjusted accordingly as such funding occurs. On May 15, 2023, the Waterberg JV Co. shareholders concluded a Shareholder Variation and Consent Letter Agreement to record the restructuring of the respective Japanese shareholder interests in Waterberg JV Co. On July 7, 2023, HJM signed a Deed of Adherence, agreeing to be bound by the Waterberg Shareholders Agreement and the Waterberg Memorandum of Incorporation.

PTM RSA is the manager of Waterberg JV Co. Waterberg JV Co., and its shares are governed by the Waterberg Shareholders Agreement and the Waterberg Memorandum of Incorporation. To cause the board of directors of Waterberg JV Co. to take action, PTM RSA must generally obtain the approval of the board representatives of at least one other shareholder, which may be Mnombo. In addition, certain matters must be approved by a majority, 80% or 90% vote of the Waterberg JV Co. shareholders, depending on the matter, or, in certain cases, by specific shareholders or all the shareholders collectively. The Waterberg Shareholders Agreement confirms the principles of BEE compliance and contemplates the potential transfer of equity and the issuance of additional equity to one or more BEE partners, at fair value in certain circumstances, including a change in law or imposition of a requirement upon Waterberg JV Co. In certain circumstances, Mnombo may be diluted with equity transferred or issued to different BEE shareholders.

ITEM 4 GENERAL DEVELOPMENT OF THE BUSINESS

4.1 THREE-YEAR HISTORY

The following is a summary of the Company's noteworthy developments over the last three fiscal years ending August 31.

Fiscal 2024 Developments

September 2023 ***Non-Brokered Private Placement Announced***

On September 18, 2023, the Company closed a non-brokered private placement of 2,118,645 Common Shares at a price of $1.18 per Common Share with HCI, through its subsidiary Deepkloof, resulting in proceeds to the Company of $2.5 million. The private placement allowed HCI to return to a near 27% interest in the Company.

October 2023 ***Supreme Court of Appeal of South Africa dismisses Africa Wide's Application for Reconsideration***

On October 6, 2023, the Supreme Court of Appeal of South Africa dismissed with costs an application by Africa Wide for the reconsideration of the November 10, 2022, ruling by the South Africa Supreme Court of Appeal dismissing Africa Wide's earlier application seeking leave to appeal a ruling of the High Court Ruling of South Africa dated June 14, 2022, dismissing the challenge brought by Africa Wide to set aside the Maseve Sale Transaction. Africa Wide was again ordered to pay costs. On November 23, 2023, the High Court determined that Africa Wide owed the Company a total of R2.99 million in costs (approximately $159,000 on that date), which was paid by Africa Wide in February 2024.

December 2023 ***Waterberg JV Co. Approves Stage Three Budget***

On December 11, 2023, the board of directors of Waterberg JV Co. unanimously approved a work program in the amount of R29.8 million (approximately $1.65 million) the Stage Three Budget covering a six-month period from September 2023 to February 2024. The shareholders of Waterberg JV Co. also approved the Stage Three Budget, with Implats abstaining. On December 12, 2023, Implats advised that in the current operating environment and following their own restrictions to capital allocation across their portfolio, Implats could not fund their pro rata share of currently approved Waterberg budgets. As a result, Implats' interest in Waterberg JV Co. was diluted. Platinum Group alone elected to fund all of Implats' funding shortfall for the Stage Three Budget. The Stage Three Budget funded continued work activities, including the Waterberg DFS Update, and normal project maintenance.

Platinum Group Announces Cooperation Agreement with Ajlan & Bros Mining & Metals

On December 20, 2023, the Company entered into a Cooperation Agreement with Ajlan to evaluate the establishment of a standalone PGE smelter and BMR in Saudi Arabia. The proposed project assumed the export of Waterberg PGE concentrate to Saudi Arabia. However, before Waterberg Project concentrate could be exported to Saudi Arabia for processing, the Company would require approval from the South African government for the long-term export of unrefined precious metals in concentrate. Platinum Group has engaged with the South African government regarding local beneficiation opportunities and the possible impact of concentrate export. The government has expressed a preference for, and support of, beneficiation within South Africa.

March 2024 ***Application filed in the High Court against the grant of the Waterberg Mining Right***

On March 7, 2024, a group claiming to be the rightful leadership of two host communities filed an application in the High Court seeking to set aside the January 28, 2021, grant of the Waterberg Mining Right by the DMPR. Many of the applicants participated in the earlier unsuccessful appeals and court actions described above. The applicants requested condonation for the late filing of this appeal, claimed informal rights to two farms overlaying a portion of the Waterberg Mining Right area, objected to the grant of the Waterberg Mining Right, and objected to the DMPR dismissing their appeals on or about October 13, 2022. The two farms in question are not expected to host any significant mine infrastructure. Attorneys acting on behalf of Waterberg JV Co. filed a notice of opposition and an answering affidavit. A notice of opposition and an answering affidavit were also filed by the State Attorneys on the Minister and DMPR's behalf. The Land & Accountability Research Centre, at the University of Cape Town, filed an application to be admitted as Amicus Curiae on July 23, 2026. It is their intention to provide evidence to the court of local customs and practices.

April 2024 ***Waterberg JV Co. Approves Stage Four Budget***

On April 3, 2024, the directors, and shareholders of Waterberg JV Co. approved the Stage Four Budget consisting of $1.35 million for continued work on the Waterberg Project to allow the continuation of work programs underway while the Waterberg DFS Update was finalized. The Stage Four Budget covered the period from March 1, 2024, to August 31, 2024. On May 9, 2024, Implats advised that in the current operating environment and following their own approach to capital allocation across their portfolio, Implats could not fund their pro rata share of the Stage Four Budget. As a result, Implats' interest in Waterberg JV Co. was diluted. Platinum Group alone elected to fund all of Implats' funding shortfall for the Stage Four Budget. Implats stated that it would consider the funding of subsequent cash calls as future circumstances allowed.

Fiscal 2025 Developments

September 2024 ***Independent Definitive Feasibility Study Update for the Waterberg Mine Announced***

On September 16, 2024, the Company announced positive results from the Waterberg DFS Update for the Waterberg Project completed by a team of independent specialists including international engineering firm Stantec and South African engineering firm DRA. Engineering oversight and project management for the Waterberg DFS Update was provided by South African engineering firm Fraser McGill.

The Waterberg DFS Update is an update to the original Waterberg DFS published in September 2019. The Waterberg DFS and the Waterberg DFS Update were completed by the same authors and QPs. See "Item 5.3 Mineral Property Interests, Material Mineral Property Interest - Waterberg Project, Technical Report - Waterberg DFS Update, Waterberg Project Summary" for additional information on the Waterberg DFS Update.

October 2024

Independent Definitive Feasibility Study Update for the Waterberg Mine Filed

The Company announced the filing of the Waterberg DFS Update, which is incorporated herein by reference. The Waterberg DFS Update may be accessed on the Company's website at www.platinumgroupmetals.net, on SEDAR+ at www.sedarplus.ca or on EDGAR at www.sec.gov.

November 2024

2024 Shelf Prospectus and 2024 Registration Statement Filed

On November 13, 2024, the Company filed the 2024 Shelf Prospectus with the securities regulatory authorities in each of the provinces and territories of Canada and the corresponding 2024 Registration Statement with the SEC under the Multijurisdictional Disclosure System established between Canada and the United States.

Pursuant to the 2024 Shelf Prospectus and the 2024 Registration Statement, the Company may offer and sell Common Shares, debt securities, warrants, subscription receipts or a combination thereof up to an aggregate initial offering price of $250 million (or its equivalent in Canadian Dollars) from time to time, separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the offering and as set out in an accompanying prospectus supplement, during the 25-month period that the 2024 Shelf Prospectus and the 2024 Registration Statement remain effective.

Memorandum of Understanding with Ajlan & Bros Mining and Metals and the Ministry of Investment of Saudi Arabia

On November 26, 2024, the Company entered a memorandum of understanding with Ajlan, and MISA under the Global Supply Chain Resilience Initiative to support the proposed PGM smelter and BMR in Saudi Arabia, with MISA to provide strategic guidance and evaluation of potential financial support.

December 2024

At-The-Market Equity Distribution Agreement

On December 5, 2024, the Company entered into an Equity Distribution Agreement with BMO Canada, Beacon, and BMO U.S. establishing the 2025 ATM equity program to distribute up to $50.0 million (or the equivalent in Canadian Dollars) of Common Shares. The 2025 ATM was completed on January 23, 2026, with the Company issuance of 22,726,804 Common Shares at an average price of $2.20 for gross proceeds of $50.0 million and net proceeds of $48.7 million after the deduction of fees paid to the US Agent.

February 2025

Waterberg JV Co. Approves Stage Five Budget

On February 18, 2025, the board of directors and shareholders of Waterberg JV Co. approved the Stage Five Budget in the amount of R42.0 million (approximately $2.60 million) for fiscal year 2025, to allow for the continuation of work programs underway. Implats did not fund their pro rata share of the Stage Five Budget and as a result, Implats' interest in Waterberg JV Co. was diluted. Platinum Group alone elected to fund all of Implats' funding shortfall for the Stage Five Budget. Implats stated that it would consider the funding of subsequent cash calls as future circumstances allowed.

April 2025

Lion Battery Granted Sixth Patent

On April 9, 2025, FIU was granted Japanese Patent No. 7663988,B entitled "Battery Cathodes for Improved Stability". This patent introduces a new platinum group metal component for improving batteries, potentially making them more efficient and longer lasting. The invention focuses on the materials, construction, and processes used in next-generation batteries such as Lithium-air and lithium-sulfur batteries. This has the potential to benefit various consumer and industrial products where reliable and advanced batteries are crucial.

May 2025

Non-Brokered Private Placement

On May 29, 2025, the Company closed a non-brokered private placement of 800,000 Common Shares at a price of $1.26 per Common Share with HCI, through its subsidiary Deepkloof, resulting in proceeds to the Company of $1,008,000. The private placement allowed HCI to return to approximately a 26% interest in the Company at the time.

July 2025

Lion Battery Granted Seventh Patent

On July 3, 2025, FIU was granted Japanese Patent No. 7706186,B entitled "Solid-State Electrolyte for Improved Battery Performance". This patent introduces new composite materials combining lithium palladium sulfide (LPS) battery components. The goal of the invention is to improve conductivity, stability, and overall performance in advanced batteries such as lithium-ion and solid-state batteries using lithium metal anodes. The development addresses key challenges in battery materials, aiming to enhance durability and efficiency for both consumer electronics and larger industrial energy storage systems.

Lion Battery granted Eighth Patent

On July 29, 2025, the U.S. Patent and Trademark Office issued FIU Patent, No. 12,374,695 B2, entitled "Battery Comprising a Metal Interlayer" whereby the metal interlayer acts as a conductor while also preventing or inhibiting the transport of other species that would otherwise produce byproduct films and cause capacity degradation in the battery (e.g., a Li-based battery). The metal interlayer can prolong the life of the battery by reducing the capacity drop in the battery that would otherwise occur due to the formation of byproduct layers in the surface of the anode (e.g., the lithium anode) in the battery (e.g., in a Li-ion, Li-air, or Li-sulfur (Li-S) battery).

Under the SRA, Lion Battery has exclusive rights to certain intellectual property being developed by FIU including the patents granted.

Fiscal 2026 Developments

September 2025

Waterberg JV Co. Approves Stage Six Budget

On September 17, 2025, the board of directors of Waterberg JV Co. approved the Stage Six Budget in the amount of R92.05 million (approximately $5.71 million) for fiscal year 2026, to allow for the continuation of work programs underway. The Stage Six Budget was subsequently approved by a consent resolution of the requisite majority shareholders on September 26, 2025. Cash call letters were sent to the Shareholders on October 2, 2025, requesting them to fund their pro rata share of the Stage Six Budget for the first 6 months of fiscal year 2026, through February 28, 2026. Under the Waterberg Shareholders Agreement, shareholders have 90 days from the day of the letter to make payment of their respective cash calls. Implats did not fund their pro rata share of the Stage Six Budget for the first 6 months of fiscal year 2026, and as a result, Implats' interest in Waterberg JV Co. was diluted.

March 2026

At-The-Market Equity Distribution Agreement

On March 10, 2026, the Company entered into the 2026 ATM pursuant to a new Equity Distribution Agreement with BMO Canada, Beacon, and BMO U.S. for an at-the-market equity program to distribute up to $60.0 million (or the equivalent in Canadian Dollars) of Common Shares. Pursuant to the 2026 ATM, the Company offered, sold and issued Common Shares to the public from time to time, through the Agents, at the Company's discretion until the expiration of the 2024 Shelf Prospectus on December 13, 2026. During the period ended August 31, 2026, to the date of this AIF (with no further offer, selling and issuing of Common Shares anticipated to December 13, 2026), pursuant to the 2026 ATM, the Company sold 1,059,233 Common Shares at an average price of $1.90 for gross proceeds of $2.01 million and net proceeds of $1.96 million after deducting fees and expenses paid to BMO U.S. No offers or sales of Common Shares were made in Canada, to anyone known to be a resident of Canada or on or through the facilities of the TSX or other trading markets in Canada.

April 2026

Second Cash Call for Waterberg JV Co. Stage Six Budget

Cash call letters were sent to the Shareholders of Waterberg JV Co. on April 9, 2026, requesting them to fund their pro rata share of the Stage Six Budget for the second 6 months of fiscal year 2026, through August 31, 2026. Under the Waterberg Shareholders Agreement, shareholders have 90 days from the day of the letter (until July 8, 2026) to make payment of their respective cash calls. Implats did not fund their pro rata share of the Stage Six Budget for the second 6 months of fiscal 2026, and as a result, Implats' interest in Waterberg JV Co. was diluted. Platinum Group alone elected to fund all of Implats' funding shortfall for the Stage Six Budget.

Heritage Management Plan

On April 14, 2026, SAHRA, granted final approval of the HMP draft submitted by Waterberg JV Co. on March 9, 2026. Following the granting, Waterberg JV Co. received a formal appeal challenging SAHRA's approval. On May 29, 2026, SAHRA appointed a panel to review the appeal, and a hearing before the panel was held on July 21, 2026. As of the date of this AIF, the panel has not yet issued its finding or ruling in respect of the appeal. The implementation of a HMP does not affect the validity of either the Waterberg Mining Right or the approved EA.

May 2026

Supplemental Budget

On May 8, 2026, the shareholders of Waterberg JV Co. approved the Supplemental Budget in the amount of R27.4 million (approximately $1.69 million) for additional metallurgical drilling, flotation testing, and plant design engineering work for an internal study to assess the viability of a staged approach to Waterberg Project development, beginning first in the T-Zone. The Supplemental Budget had been approved earlier by the board of directors of Waterberg JV Co. at a meeting held on March 27, 2026. The Supplemental Budget is in addition to the Stage Six Budget described above.

July 2026

Drilling Program

On July 31, 2026, Waterberg JV Co. and Discovery Drilling (Pty) Ltd. completed a T-Zone metallurgical drilling program consisting of twenty-eight deflections drilled within twelve existing NQ boreholes drilled in earlier campaigns. A total of 703 kg of mineralized T-Zone material was recovered, logged, and recorded. From the collected core, a number of representative and suitably variable samples were selected. Laboratory samples were composited for a comprehensive metallurgical testing program, totalling 370kg of the original 703kg core. Metallurgical testing is currently being conducted by SGS Laboratories in South Africa and consists of bench scale tests, lock cycle tests, MF2 circuit recoveries, MF1 circuit recoveries and the amenability of the float results to the use of Jameson Cell technology. The metallurgical drilling campaign successfully collected the target number of T-Zone kgs under budget and with fewer deflections than expected.

October 2026 ***Lion Battery Advances Lithium-Sulfur Battery Technology***

On October 1, 2026, the Company announced completion of the first phase of independent testing and scale-up of Lion Battery's platinum- and palladium-based lithium-sulfur battery technology. TBIC testing validated Lion Battery's proprietary electrode technology in prototype lithium-sulfur cells, supporting further development toward pilot-scale manufacturing and commercial demonstration. Platinum Group and Valterra have approved funding for the next stage focused on manufacturing and testing pouch-cell prototypes, catalyst optimisation and evaluating performance in target applications. The resulting data will inform further commercialisation plans.

4.2 SIGNIFICANT ACQUISITIONS

The Company has not made any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of NI 51-102.

ITEM 5 DESCRIPTION OF THE COMPANY'S BUSINESS

5.1 OVERVIEW

The Company is a platinum and palladium focused exploration and development company conducting work primarily on mineral properties it has staked or applied for in the Republic of South Africa.

The Company's sole material mineral property is the Waterberg Project, which is the subject of the Waterberg DFS Update as described in this AIF. The Company's key business objective is to advance the Waterberg Project to a development and construction decision. Before a construction decision can be undertaken, arrangements will be required for project financing and concentrate offtake or processing. The Company and Waterberg JV Co. are assessing commercial alternatives for mine development, concentrate offtake and financing. The Company continues to evaluate exploration opportunities both on currently owned properties and on new prospects.

The Company currently conducts no product sales, does not distribute any product, and does not have any source of operating revenues. The Company will be required to source additional financing by way of private or public offerings of equity or debt or the sale of project or property interests in order to have sufficient working capital for continued exploration and development on the Waterberg Project, as well as for general working capital purposes.

Waterberg JV Co. is presently in process with pre-construction permitting, engineering work, including road upgrade engineering and traffic studies, finalization of power and water infrastructure design and construction camp design. Waterberg JV Co. continues to work with regional and local communities and their leadership on how the mine can be developed to provide optimal outcomes and best value to all stakeholders.

Principal Product

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

Implats Transaction

On November 6, 2017, the Company, along with Waterberg JV Co., JOGMEC and Mnombo completed the first phase of the Implats Transaction whereby Implats purchased an aggregate 15.0% equity interest in Waterberg JV Co. for $30 million. The Company received consideration of $17.2 million from Implats for the sale of an 8.6% interest in the Waterberg Project and JOGMEC received $12.8 million for the sale of a 6.4% interest in the Waterberg Project.

Pursuant to the Implats Transaction, Implats acquired a Purchase and Development Option to increase its stake in Waterberg JV Co. to 50.01% by purchasing an additional 12.195% equity interest from JOGMEC for $34.8 million and earning into the remaining interest by making a firm commitment to an expenditure of $130.0 million in development work. In 2020, Implats elected to not execute the Purchase and Development Option.

Pursuant to the Implats Transaction, Implats also acquired the Offtake ROFR to enter into an offtake agreement, matching third party commercial arms-length terms offered to Waterberg JV Co., for the smelting and refining of mineral products from the Waterberg Project. JOGMEC retained a right to receive platinum, palladium, rhodium, gold, ruthenium, iridium, copper and nickel in refined mineral products at market price and at volumes produced from the Waterberg Project. This right was later acquired by Hanwa in March 2019.

Since December 2023, Implats has not funded their pro rata share of approved Waterberg Project budgets. As a result, Implats' interest in Waterberg JV Co. has diluted to approximately 14.43% as of August 31, 2026, with the Company acquiring Implats' diluted share by electing to fund Implats' share of approved cash calls. Implats has stated they will consider the funding of subsequent cash calls based on future circumstances.

Specialized Skill and Knowledge

Various aspects of our business require specialized skills and knowledge, including the areas of geology, engineering, operations, drilling, metallurgy, permitting, logistical planning and implementation of exploration programs as well as legal compliance, finance and accounting. We face competition for qualified personnel with these specialized skills and knowledge, which may increase our costs of operations or result in delays. The Company has found that it has been able to locate and retain employees or engage consulting experts with the required skills as described above when needed.

Competitive Conditions

The global mineral exploration, development and mining business is competitive. Almost all South African platinum and palladium supply comes from the geographic constraints of the Western, Northern and Eastern Limbs of the Bushveld Complex, resulting in a high degree of local competition for mineral rights and projects. The Company competes with numerous other companies and individuals in the search for, and the acquisition of, financially and geologically attractive mineral properties, as well as prospective land for exploration activities. The Company has historically been successful in identifying these mineral properties and prospective land for exploration in South Africa, but this cannot be assured in the future, and the Company may not be successful in such activities in the future. See "Item 5.5 Risk Factors".

Employees and Contractors

The Waterberg Project is operated in South Africa by the Company utilizing its own staff and personnel. Contract drilling, geotechnical, engineering and support services are utilized as required. Operations at the Waterberg Project are funded by Waterberg JV Co. and its shareholders. The Company's current complement of officers and employees in Canada consists of 4 individuals. The Company's complement of managers, employees, contractors, consultants, security and casual workers in South Africa consists of approximately 60 individuals, inclusive of 15 contractors, 37 consultants and 8 employees in PTM RSA, including 3 employees active at the Waterberg Project conducting site administration, exploration and engineering activities related to the advancement of the project and the execution of recommendations of the Waterberg DFS Update.

Foreign Operations

The Company conducts its business in South Africa which hosts a large and well-developed mining industry. This, among other factors, means the infrastructure in many areas is well-established, with well-maintained roads and highways as well as electricity distribution networks, water supply and telephone and communication systems. Electrical generating capacity has been strained by demand and aging infrastructure in recent years in South Africa, but additional capacity is currently under construction. Additional water infrastructure will also be required. See "Item 5.5 Risk Factors".

There is also access to materials and skilled labour in South Africa due to the existence of many PGM, chrome, gold and coal mines. Smelter complexes and refining facilities are also located in South Africa. South Africa has an established government, police force and judiciary as well as financial, health care and social institutions, although such institutions underwent significant change following the fall of apartheid and free elections in 1994 and are continuing to be developed. The system of mineral tenure was overhauled by new legislation in 2002, which came into force in 2004. Since 1994, South Africa has been considered an emerging democracy. See "Item 5.5 Risk Factors".

5.2 SOCIAL AND ENVIRONMENTAL POLICIES

Being a responsible corporate citizen means protecting the natural environment associated with our business activities, providing a safe workplace for our employees and contractors, and investing in infrastructure, economic development, and health and education in the communities where we operate so that we can enhance the lives of those who work and live there beyond the life of such operations. We take a long-term view of our corporate responsibility, which is reflected in the policies that guide our business decisions, and in our corporate culture that fosters safe and ethical behaviour across all levels of Platinum Group. Our goal is to ensure that our engagement with our stakeholders, including our workforce, industry partners, and the communities where we operate, is continued, mutually beneficial and transparent. By building such relationships and conducting ourselves in this manner, we can address specific concerns of our stakeholders and work cooperatively and effectively towards achieving this goal.

Environmental, Social and Governance Practices

ESG Commitment

The Company and Waterberg JV Co. are committed to conducting business in a responsible and sustainable manner. We recognize that effective ESG practices are fundamental to the long-term sustainability of our operations and the creation of value for our stakeholders.

Our core ESG framework is guided by the following core principles:

- **Responsible operations**: Maximizing the positive effect of our projects and operations for all stakeholders.
- **Environmental stewardship**: Protecting the environment in which we operate and minimizing our footprint.
- **Community development**: Contributing to both the short-term and long-term development of our host communities.
- **Health and safety**: Ensuring safe and secure workplaces for our employees and local communities.
- **Social responsibility**: Supporting initiatives that contribute to the welfare of our employees and local communities.
- **Corporate governance**: Promoting good corporate governance, through openness, transparency, and accountability.

We are committed to continuously strengthening our stakeholder engagement process, particularly in relation to mining activities and environmental matters. We recognize the importance of meaningful and ongoing engagement with all stakeholders, including host communities, and seek to ensure that their interests, concerns and grievances are appropriately considered and addressed. We reaffirm our commitment to safeguarding the health and safety of our employees and surrounding communities.

ESG Objectives and Priorities

To support these commitments, the Company through Waterberg JV Co., has established the following ESG objectives and priorities, which will continue to be monitored, reviewed and refined as appropriate in light of operational developments, applicable regulatory requirements and evolving stakeholder expectations:

- **Water conservation**: Reducing planned water consumption through improved resource efficiency and responsible management.
- **Climate change and GHG emissions**: Maintaining full compliance with applicable regulatory requirements and reporting of GHG emissions.
- **Biodiversity protection**: Minimizing impacts on vegetation and supporting the conservation, protection and enhancement of local biodiversity.
- **Waste management**: Reducing planned industrial waste generation and promoting responsible waste management practices.
- **Community relations**: Addressing and resolving individual community members' grievances in a timely manner.
- **Stakeholder engagement**: Maintaining and improving stakeholder communication and engagement programs to promote constructive relationships.
- **Environmental performance**: Striving to achieve zero significant environmental incidents through effective environmental management and operational controls.
- **Energy efficiency**: Reducing planned power consumption through improved energy efficiency and responsible resource utilization.

ESG Reporting and Assessment

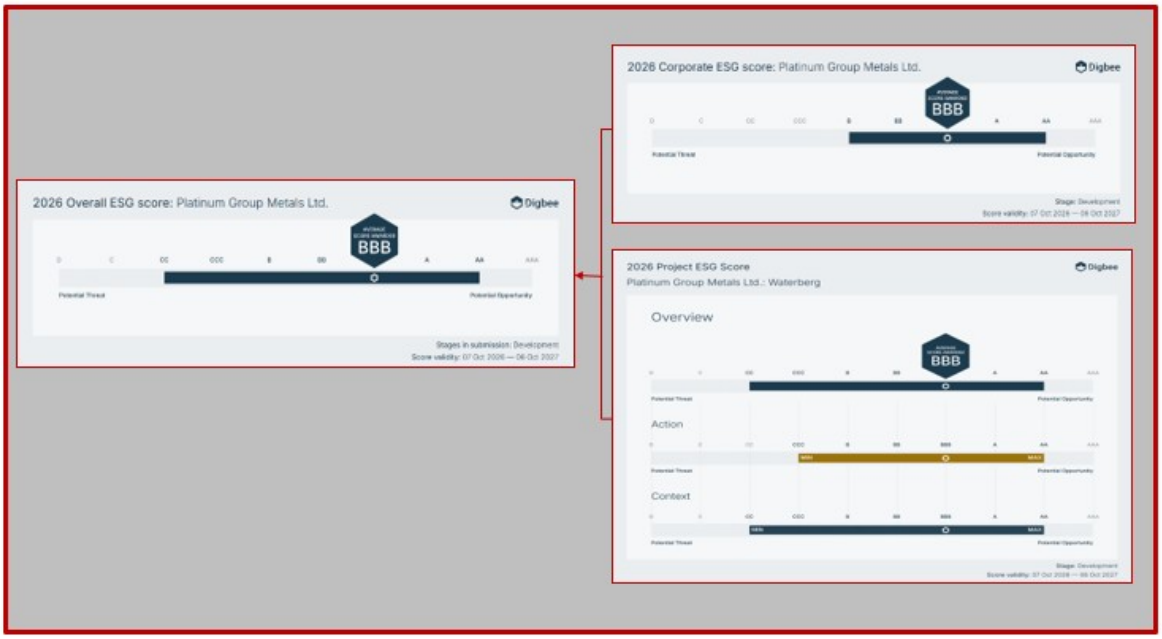
The Company's ongoing ESG analysis continues to refine the set of performance indicators used to measure and monitor key environmental, social sustainability and governance activities at the Waterberg Project. The Company aims to foster a high level of awareness, understanding and commitment from those who carry out our day-to-day activities. Our social performance indicators focus on social risk management, grievance management, community investment and human rights. Environmental performance indicators address environmental impact mitigation, audits, water and energy management, GHG emissions, and environmental remediation and rehabilitation. Health and safety indicators are also recorded and monitored to assess performance and support continuous improvement.

The Company has worked with Digbee since 2021 to independently assess and benchmark its ESG development and disclosure at both the corporate and project level as the Waterberg Project progresses toward the pre-construction phase. The Digbee ESG platform is aligned with more than 25 internationally recognised reporting standards and provides an appropriate ESG assessment framework tailored to development stage mining companies, with a focus on identifying, assessing and addressing material ESG risk.

As part of the Waterberg Mining Right application process, the Company developed a wide-ranging set of studies and plans in relation to potential ESG impacts. These studies and plans provided the foundation for the Company's Digbee ESG assessment and subsequent findings and recommendations.

For 2026, an independent team of Digbee ESG experts evaluated the Company's ESG submission against a set of rigorous and standardized scoring criteria. To ensure accuracy and credibility, these scores were finalized after being peer reviewed. As of October 2026, Platinum Group achieved an overall score of BBB with a range of CC to AA based on the information provided.

Awarded ESG Ratings (October 2026)



The total score shown above is the calculated average of the corporate and project scores which are displayed on the right. While there is little that can be done to influence project context scores, they reflect the inherent risk of the environment in which we operate. In contrast, project action scores reflect the steps we have taken to mitigate these risks.

Overarching Results

Positive Outcomes	Potential Risks and Opportunities
• The project has progressed from care and maintenance to active pre-development, supported by a proposed phased implementation approach. Initial works are in progress covering roads, water and power infrastructure, and accommodation for Phase 1. • The Company is making incremental progress in governance and Sustainability Integration. Key developments include enhanced documentation practices, sustainability-related performance indicators, a sustainability budget allocation of 8.3%, regular sustainability reporting, and independent audits of intercompany transactions in Canada and South Africa. • The use of dry-stack tailings and a closed-loop water system has lowered the surface infrastructure footprint by 46% and reduced water consumption requirements by 36%. The DMPR has confirmed the changes, and the Mining Right remains secured. • A revised five-year SLP covering 2026-2030, informed by community consultation, has been submitted to the DMPR. Annual SLP and Mining Charter reports were lodged on May 21, 2026. Planned and ongoing initiatives include 49 portable skills programmes, 15 tertiary bursaries, upgrades to a local clinic and sports facilities and improvements to rural water infrastructure.	• The Company has yet to establish a company-wide risk management framework to systematically identify and address strategic and operational risks and opportunities. • Implementation risks such as local procurement expectations, complex B-BBEE obligations, potential population influx, and municipal capacity constraints are recognised. However, some of the related responses, such as a detailed procurement plan, are still being developed as the project moves toward construction. • Sustainability is clearly a stated focus for the Company, and the Company has adopted project and corporate commitments (e.g., human rights, stakeholder engagement, environmental management, and heritage protection). However, it has not yet committed to industry standards beyond Human Rights, so further formal alignment with recognised frameworks could strengthen stakeholder confidence and market perception as the project advances. • Population growth associated with project-related influx, combined with limited municipal administrative capacity, presents a risk. Appropriate influx management and engagement with regional authorities will be necessary to manage additional demands on municipal infrastructure.

Environmental Management and Sustainability

The Company has commissioned independent environmental site inspections and environmental management programme compliance assessments covering the Waterberg Project's current Waterberg Mining Right area. Annual environmental reports are submitted to the relevant regulatory authorities. Since exploration commenced in 2011, no significant environmental incidents have been recorded at the Waterberg Project.

The Waterberg Mining Right was granted following an extensive environmental assessment and stakeholder engagement process spanning approximately ten years. An EIA and EMP were submitted to the relevant governmental authorities, supported by independent, third-party specialist studies and consultations with local communities, regulators, environmental institutions and other stakeholders. The EIA and EMP, including subsequent amendments, were approved by the relevant regulators.

The results of the Waterberg DFS Update incorporated dry stack tailings technology to improve water use efficiency. This design reduced the estimated steady state make up water requirement by approximately 36%, bringing the Waterberg Project's water requirements substantially below those reported by other PGM and diamond mines located in the Limpopo Province. This reduction is expected to decrease the Waterberg Project's long-term demand on groundwater resources.

Environmental monitoring, initiated in 2023, currently covers climatic conditions, surface water quality, groundwater and air quality. As the Waterberg Project progresses, the monitoring programme is expected to expand to include noise pollution, heritage sites and biodiversity studies. Appropriate environmental management and mitigation measures will be implemented to address identified impacts and support responsible development.

The Waterberg Project hosts recoverable platinum group metals, mainly palladium, platinum, and rhodium, which are important to emissions-controlled technologies that reduce harmful emissions from internal combustion engines. Platinum also plays a critical role in fuel cell technology and the broader "hydrogen economy" highlighting the Waterberg Project's potential to contribute to a cleaner future.

The Waterberg Project also contains gold, copper and nickel resources. Copper and nickel are particularly important metals for battery electric vehicles, energy storage systems and electrical infrastructure. Collectively, the metals targeted at the Waterberg Project have applications across established industrial markets and technologies supporting the global energy transition.

Social Responsibility, Stakeholder Engagement and Community Development

To date, activities at the Waterberg Project have primarily involved exploration, early-stage development and engineering. The project has maintained a strong safety performance, supported by the implementation and enforcement of strict health and safety protocols.

The Company is committed to maintaining transparent, constructive and ongoing engagement with communities located near the Waterberg Project. Concerns raised by community members regarding water resources, road infrastructure, heritage sites and planned infrastructure locations are investigated through stakeholders consultations, meetings with community leaders and site inspections. These engagements, where appropriate, involve independent consultants, NGOs, government agencies and regulatory authorities. Investigations conducted to date have identified no material issues or events of regulatory non-compliance by the Company. Nevertheless, the Company remains committed to addressing community concerns responsibly, professionally and in accordance with applicable legislation.

To strengthen stakeholder engagement and accountability, the Company has developed a more formalized grievance mechanism, translated into the local Sepedi language, for accessibility by all community members. The Company also developed and implemented a Public Participation Guideline, Stakeholder Engagement and Management Policy, and Stakeholder Communication Plan to provide a more structured framework for ongoing community engagement.

During 2026, the Company continued to support meaningful community representation by funding the costs of legal representation for the communities. The Limpopo Provincial Government and the Regional DMPR Office in Limpopo are preparing to facilitate workshops with community leadership and other stakeholders to support and build their understanding of the mining legal framework and their rights and obligations in respect thereto. The Company expects to benefit from these initiatives through improved stakeholder awareness, engagement and collaboration.

The Company has also supported a local skills audit and the development of host community profiles. These assessments will inform future community development initiatives and help align the Company's social investment activities with local needs. In addition, a specialist consultant has been appointed to support stakeholder engagement and implementation of the Waterberg SLP.

Community development initiatives continued during the year, with planning progressing for local school upgrades and a contractor appointed to support the work. An upgrade to a local clinic has been completed, while Waterberg JV Co. also assisted a host community with the completion of the second phase of its water infrastructure upgrades. These initiatives reflect the Company's ongoing commitment to supporting access to essential services and contributing to sustainable community development.

Based on feedback received through community meetings and direct engagement, the Company believes that most of the local communities positively support the development of the Waterberg Project. The Company recognises that maintaining this support requires continued transparent engagement, responsiveness to community concerns and tangible contributions to local socioeconomic development.

Corporate Governance Oversight

The Company is committed to maintaining a strong corporate governance framework that promotes transparency, accountability, ethical business practices, and responsible decision-making across all aspects of its operations. This framework is supported by the Board of Directors and its committees, which play an important role in overseeing the Company's ESG priorities, managing potential risks, and ensuring that appropriate policies and practices are in place to support sustainable and responsible business operations.

The Company's governance framework is supported by two key independent Board committees: the EHST Committee and the Governance and Nomination Committee. The EHST Committee advises the CEO and CFO on significant capital projects and material transactions, while overseeing environmental, technical, financial, and scheduling considerations. The Committee also monitors the Company's environmental, health, safety, and social responsibility performance, including sustainability initiatives, human rights commitments, regulatory compliance, workplace safety, and community relations.

The Governance and Nomination Committee provides oversight and leadership on corporate governance matters. Its responsibilities include developing and monitoring governance guidelines and principles, reviewing the effectiveness of corporate policies, and ensuring alignment with applicable regulatory requirements and evolving governance best practices. The Committee also oversees key policies, including the Code of Conduct and the Commitment to Anti-Bribery Conduct.

In support of these committees, the Company has implemented a comprehensive range of policies designed to establish clear expectations and promote responsible conduct among directors, officers, employees, contractors, and consultants. These include the EHSSR Policies, which reinforce the Company's commitments to workplace health and safety, environmental stewardship, human rights, and sustainable development. The Human Rights Policy further integrates human rights considerations into the Company's risk assessment and due diligence processes, emphasizing respect for individuals and meaningful engagement with stakeholders affected by its operations.

The Company's commitment to ethical business practices is further demonstrated through its Code of Conduct and Business Ethics and its Anti-Bribery Conduct Policy, which establish standards for integrity, legal compliance, accountability, and the prevention of bribery and improper business incentives. In addition, the Clawback Policy strengthens executive accountability by allowing the recovery of incentive-based compensation in circumstances involving material financial restatements. The Whistleblower Policy provides confidential and anonymous reporting mechanisms for individuals to raise concerns regarding potential misconduct, fraud, accounting irregularities, or regulatory non-compliance, while protecting individuals who report concerns in good faith from retaliation.

Collectively, these committees and policies form an integral part of the Company's governance structure and demonstrate its commitment to maintaining high standards of corporate responsibility. Through ongoing Board oversight, policy monitoring, regulatory compliance, and stakeholder engagement, Platinum Group seeks to foster a safe, respectful, and ethical working environment, protect stakeholder and shareholder interests, and promote long-term sustainability and responsible business practices.

Copies of the Company's Charters and relevant policies may be found on the Company's website at www.platinumgroupmetals.net.

Waterberg Social and Labour Plan

The initial Waterberg SLP was developed pursuant to DMPR guidelines for SLPs and submitted in accordance with Section 46 of the MPRDA together with the Waterberg Mining Right, which was granted on January 28, 2021, and registered on July 6, 2021. The objective of the Waterberg SLP is to align the Company's social and labour principles with the related requirements established under the Mining Charter, as applicable from time to time. These requirements include promoting employment and avoiding retrenchments, advancement of the social and economic welfare of all South Africans, contributing towards the transformation of the mining industry and contributing towards the socio-economic development of the communities proximal to the Waterberg Project. Contractors will be required to comply with the Waterberg SLP and policies, including commitment to employment equity and BEE, proof of competence in terms of regulations, commitment to undertake training programs, compliance with all policies relating to recruitment, training, health and safety, etc. In terms of human resources training, the Waterberg SLP establishes objectives for adult-based education training, learnerships and development of skills required by the mining industry, portable skills training for transition into industries other than mining, education bursaries and internships. The initial Waterberg SLP also envisages a plan to establish local economic development objectives for projects such as infrastructure and educational support to local schools, the equipping and extension of a clinic/health facility, water and reticulation projects, housing development, and various other localized programs for small scale industry, agriculture, entrepreneurship and health and education.

To support the Waterberg SLP for affected communities near the Waterberg Project, Waterberg JV Co. has budgeted expenditures amounting to an aggregate R428.9 million (approx. $26.6 million at August 31, 2026) over a five-year period. Expenditures are subject to the grant of all required permits and the commencement of development activities on site. Waterberg JV Co. is in the process of closing the current five-year Waterberg SLP (2021 - 2025). However, certain LED and human resources development programs under this SLP will have to continue in parallel with the second Waterberg SLP (2026 - 2030) until Waterberg JV Co. has complied with the full plan. Certain infrastructural (LED) programs have been discussed with the DMPR, and once the DMPR has provided its formal suggestions, the extent of these programs may amended and only be implemented fully once a construction decision has been made (e.g. the full bulk water reticulation and road upgrade programs).

As indicated, at the end of each five-year period a new SLP must be established, considering actual expenditures to date and changes to adjust for community feedback, needs and preferences. Waterberg JV Co. finalized its draft new 5-year, second Waterberg SLP (2026 - 2030) subsequent to discussions with the local communities. Waterberg JV Co. consulted with the DMPR on December 11, 2025, and submitted the draft second Waterberg SLP to the DMPR for review and comment. A resolution letter from the Blouberg Local Municipality was received on June 29, 2026, whereby the Municipality formally endorses the second Waterberg SLP. Waterberg JV Co. is awaiting feedback from the DMPR regarding their progress in reviewing the draft. The draft second Waterberg SLP is simpler and less monetary spend will be committed under it, until such time as construction of the Waterberg Project commences. As indicated, obligations under the initial Waterberg SLP and second Waterberg SLP will have to be executed concurrently.

Components making up the initial Waterberg SLP budget provisions are:

- *Human Resource Development*

  Waterberg JV Co. is aware of the importance of human resources to accomplish its business objectives. Skills development is the foundation for attaining competent and productive employees who can contribute to meeting the mine's business objectives and also contribute to the upliftment of their communities through their own personal economic success. The human resources development plan for the Waterberg Project budgets R13.3 million ($0.8 million at August 31, 2026) for the achievement of future career development opportunities within the mining industry and beyond the needs of the mine's operational requirements. The skills development plan seeks to achieve portable skills through accredited qualification by certified training providers and programs. An emphasis is applied on employment equity and to participation HDPs and women. Learnership, internship, bursary and youth training programs are planned and will continue under the second Waterberg SLP. Targets have been established for procurement and employment levels for women and for people from the local community. Less monetary spend for human resources development will be committed under the second Waterberg SLP.

- *Local Economic Development*

  The LED programs will seek to enable local communities to become economically stronger by improving infrastructure, business skills, entrepreneurship, job creation and income. An amount of R405.6 million ($25.2 million at August 31, 2026) has been budgeted for LED projects seeking to amplify opportunities as well as alleviate poverty within the surrounding communities of the mine. Programs include infrastructure and educational support to local schools, mine and community bulk water supply and reticulation, extension and equipping of existing clinic/health facilities (which has been completed), and road construction. As indicated, these programs will continue in parallel with new LED programs under the second Waterberg SLP, which will include community upliftment; Small, Medium and Micro-Enterprise development; and agricultural LED programs.

- *Management of Downscaling*

  A budget of R10.0 million ($0.6 million at August 31, 2026) has been established for training and skills development. We conducted a social audit and needs and skills assessment of the communities near the Waterberg Project to learn about these communities and to help direct our efforts towards the matters of importance to them. This work will guide our long-term training programs intended to increase skilled employment opportunities for local community members. Investment in human resource development and facilitation of training during the lifetime of the Waterberg Project intends to sustain skills that will support employment for workers beyond the life of the mine. The mine intends to comply with the Basic Conditions of Employment Act, No. 75 of 1997, and the Social and Labour Plan Guidelines with the goal of establishing skills that will be of value to employees at a future time of downscaling and retrenchment. Less monetary spend for downscaling will be committed under the second Waterberg SLP as we are focusing on development of the mine.

Labour in South Africa

The gold and platinum mining industries in South Africa have witnessed labour unrest in past years, including demands for higher wages by certain labour groups. In June 2014, the Association of Mineworkers and Construction Union accepted a negotiated wage settlement to end a five-month long strike affecting a significant proportion of the PGM industry. In 2022, over 30,000 gold sector workers at one of the biggest mining houses downed tools for three months before a wage settlement was reached. In 2022, several PGM mining companies negotiated and entered into five-year term wage settlement agreements. To date, the Company has seen no adverse labour action on its operations in South Africa. See "Item 5.5 Risk Factors".

Environmental Compliance

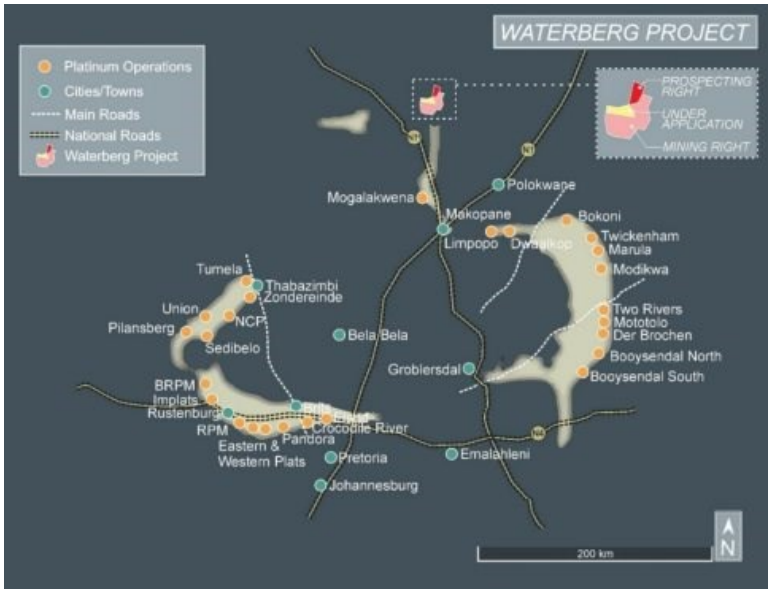
The Company's current and future exploration and development activities, as well as future mining and processing operations, if warranted, are subject to various state, provincial and local laws and regulations in the countries in which the Company conducts its activities. These laws and regulations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

5.3 MINERAL PROPERTY INTERESTS

Under IFRS Accounting Standards, the Company capitalizes all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production; or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

The Company's key development project is located in the Bushveld Complex. The Bushveld Complex comprises a series of distinct layers or reefs, three of which contain the majority of the economic concentrations of PGMs, and the subset of 4E PGMs consisting of platinum, palladium, rhodium and gold, (or the subset of 3E PGMs consisting of platinum, palladium and gold) within the Bushveld Complex: (i) Merensky, which occurs around the Western Limb of the Bushveld Complex, (ii) UG2, which occurs around the Eastern Limb of the Bushveld Complex, and (iii) Platreef, found within the Northern Limb of the Bushveld Complex. These reefs exhibit extensive geological continuity and predictability and have an established history of economic PGM production. The Merensky, UG2 and Platreef have been producing PGMs commercially since the 1920s, 1970s and 1990s, respectively.

Overview of the Bushveld Complex
(Map not drawn to scale)



Material Mineral Property Interest - Waterberg Project

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

The Waterberg Project is located 85 km north of the town of Mokopane (formerly Potgietersrus) in the province of Limpopo, South Africa, approximately 330 km NNE from Johannesburg. Elevation ranges from approximately 880 to 1365 metres above sea level.

The project area is located approximately centred on UTM coordinates (Latitude 23°21′53" S, Longitude 28°48′ 23" E).

As of August 31, 2026, the Waterberg Project covered an area of 24,971 hectares consisting of the 20,482 hectare Waterberg Mining Right and one application for the incorporation of two adjacent farms covering 4,489 hectares into the Waterberg Mining Right. One prospecting right consisting of approximately 4,190 hectares located adjacent to the north of the Waterberg Mining Right was allowed to expire during fiscal 2025 and a closure application has been filed with the DMPR.

The Waterberg Project was derived from a regional target initiative by the Company in 2007 and 2008. The Waterberg prospect targeted a previously unproven extension to the Northern Limb of the Bushveld Complex that was overlain by a sequence of the Waterberg sedimentary formation. Detailed geophysical and other work indicated potential for a package of Bushveld Complex rocks beneath the Waterberg formation. Previous mineral exploration activities in the area were limited due to the extensive sedimentary cover. Exploration by the Company progressed through preliminary exploration activities, to delineation of initial drill targets in 2010, to primarily drilling in 2011 and later, and then to feasibility work in 2017 to 2019 once a deposit had been discovered.

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

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

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

On November 6, 2017, the Company, JOGMEC and Mnombo closed the Initial Purchase with Implats and Implats acquired the Purchase and Development Option.

On March 8, 2018, JOGMEC signed a memorandum of understanding for the transfer of 9.755% of its 21.95% interest in Waterberg JV Co. to Hanwa, which was the result of Hanwa winning JOGMEC's public tender held on February 23, 2018. In March 2019, JOGMEC completed a transfer of 9.755% of its 21.95% interest in Waterberg JV Co. to Hanwa. Under the terms of the transaction, Hanwa also acquired the exclusive right to purchase some, or all of the metals produced from the Waterberg Project at market prices.

On May 10, 2022, JOGMEC confirmed a decision to maintain JOGMEC's interests in the Waterberg Project and to support funding contributions for project development to the extent possible.

In June 2023, JOGMEC and Hanwa established HJM, a special purpose corporation, to hold and fund their equity interests in the Waterberg Project, being an aggregate of 12.195% from JOGMEC and 9.755% from Hanwa, with JOGMEC to fund 75% of future equity investments into HJM and Hanwa the remaining 25%. Consequently, JOGMEC and Hanwa's current shareholding percentages will dilute going forward as the combined funding obligations attributable to their aggregated shareholdings of 21.95% will be funded by HJM, to which commensurate equity will be issued.

As of the date of filing of this AIF, Waterberg JV Co. owns 100% of the Waterberg Mining Right comprising the entire Waterberg Project area. Waterberg JV Co. is owned 37.62% by PTM RSA, 21.95% by HJM, 26% by Mnombo and 14.43% by Implats, giving the Company total direct and indirect ownership of 50.59% of the Waterberg Project.

Technical Report - Waterberg DFS Update

Technical information in this AIF regarding the Waterberg Project is derived from the Waterberg DFS Update technical report entitled "Waterberg Definitive Feasibility Study Update, Bushveld Igneous Complex, Republic of South Africa" dated October 9, 2024, with an effective date of resources and reserves of August 31, 2024. The Independent Qualified Persons for the Waterberg DFS Update are Charles Muller, B. Sc. (Hons) Geology, Pri. Sci. Nat. of Protek Consulting (Pty) Ltd.; Gordon Cunningham, B. Eng. (Chemical), Pr. Eng., FSAIMM of Turnberry Projects (Pty) Ltd.; and Michael Murphy, P. Eng. of Stantec Consulting Ltd.

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

The Waterberg DFS Update has been evaluated and prepared in accordance with NI 43-101 to comply with the requirements for a technical report and definitive feasibility study and in accordance with S-K 1300 to comply with the requirements for a technical report summary and definitive feasibility study. The Waterberg DFS Update complies with disclosure and reporting requirements set forth in the TSX Company Manual, NI 43-101, Companion Policy 43-101CP to NI 43-101, and Form 43-101F1 of NI 43-101 and S-K 1300. The Waterberg DFS Update includes measured, indicated and inferred mineral resources. Only measured and indicated resources have been incorporated into the Waterberg DFS Update mine plan and financial model.

The Waterberg DFS and the Waterberg DFS Update were completed by the same authors and QPs, within the meaning of NI 43-101 and S-K 1300.

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

Waterberg Project Summary

(Excerpted from the Waterberg DFS Update)

1. Executive Summary

1.1 Introduction

This Technical Report was compiled for Waterberg JV Resources (Pty) Ltd. (Waterberg JV Resources), a company owned by Platinum Group Metals Ltd. (PTM), through Platinum Group Metals (RSA) (Pty) Ltd. (PTM RSA), Impala Platinum Holdings Ltd. (IMPLATS), HJ Platinum Metals Company Ltd. (HJM), a Japanese special purpose corporation owned by Japan Organization for Metals and Energy Security (JOGMEC) and Hanwa Co. Ltd. (Hanwa), and Mnombo Wethu Consultants (Pty) Ltd. (Mnombo), and also for PTM (Registrant). PTM is listed on the Toronto Stock Exchange under the symbol "PTM" and on the NYSE American under the symbol "PLG".

The purpose of this Technical Report is to provide an update to the mineral resource estimate, update to the mineral reserve, and publish the results of an updated definitive feasibility study (DFS Update) for the Waterberg Project. The Waterberg Project is the development of a platinum group metals (PGM) mine and concentrator plant in the Province of Limpopo, South Africa.

This Technical Report was prepared in accordance with disclosure and reporting requirements set forth in National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101), Companion Policy 43-101CP to NI 43-101, and Form 43-101F1 of NI 43-101 and the United States Securities and Exchange Commission's (SEC) Modernized Property Disclosure Requirements for Mining Registrants as described in Subpart 229.1300 of Regulation S-K, Disclosure by Registrants Engaged in Mining Operations and Item 601(b)(96) Technical Report Summary (S-K 1300).

The estimated mineral resources, including reserves, for the Waterberg Project at a 2.5 g/t (FZ-Central and FZ-South at 2.0 g/t) platinum (Pt), palladium (Pd), rhodium (Rh), and gold (Au) (4E) cutoff grade include a combined 345.03 million tonnes (Mt) at an average grade of 3.04 g/t 4E, 0.09% copper (Cu) and 0.18% nickel (Ni) in the Measured and Indicated (M&I) categories, and an additional 89.70 Mt at an average grade of 2.96 g/t 4E, 0.08% Cu, and 0.15% Ni in the Inferred category.

The estimated mineral reserves for the Waterberg Project include a combined 246.2 Mt at an average grade of 2.96 g/t 4E, 0.08% Cu, and 0.17% Ni in the Proven and Probable categories. The estimated mineral reserves contain a total of 23.4 million ounces (Moz) of 4E.

The key outcome of the DFS Update is the development of one of the largest and lowest cash cost underground PGM mines globally. The shallow, decline-accessed mine will be fully mechanized and produce approximately 4.8 Mt of ore and 353,208 combined ounces of 4E (on average) in concentrate per year at steady state. The mine is expected to produce from 2029 to 2081. Additional outcomes, based on consensus pricing (Base Case), include the following.

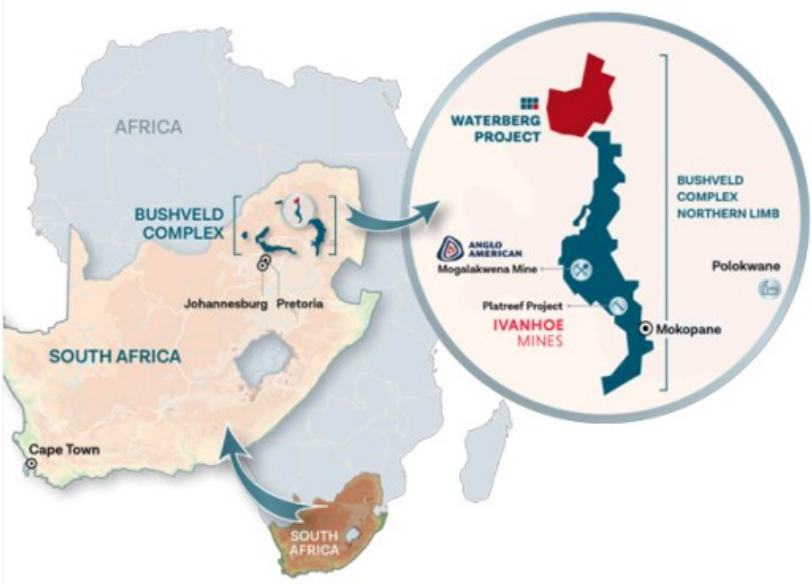
- Estimated project capital of approximately R18 862 M (US$946 M) [including Capitalized Operating Expenditure (OpEx)].
- Peak funding requirement of R15 428 M (US$776 M).
- Payback period, from first production, of approximately 5.8 years.
- After tax net present value ($NPV_{8.0\%}$) of R11 557 M (US$569 M).
- After tax internal rate of return (IRR) of 14.2%.

1.2 Property Description and Location

1.2.1 Property and Title

The Waterberg Project is located on the Northern Limb of the Bushveld Igneous Complex (BIC), approximately 85 km north of the town of Mokopane in the Province of Limpopo, South Africa, approximately 330 km NNE from Johannesburg, as shown in Figure 1-1 below.

Figure 1-1: Location of the Waterberg Project



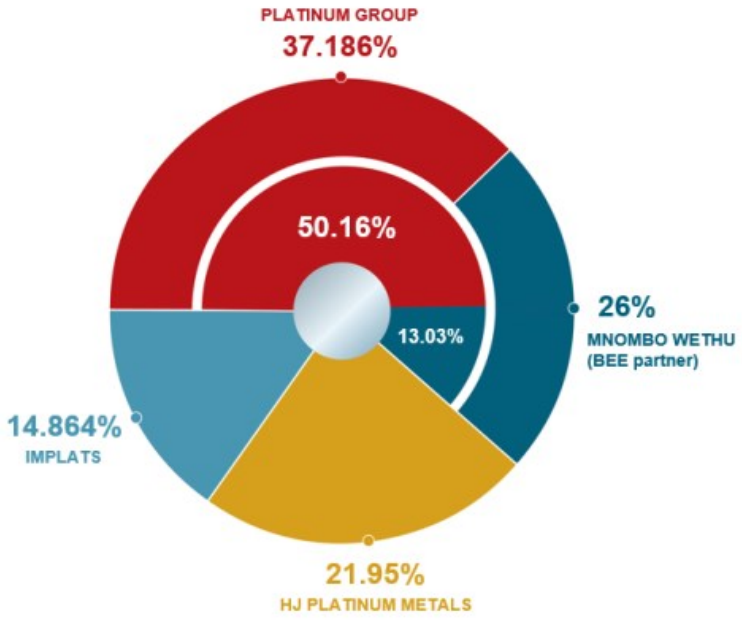
In early 2022, the Waterberg Project comprised an aggregate of approximately 65,903 hectares (ha) of active prospecting rights (PRs) and rights under application, including 20,482 ha covered by the Waterberg JV Resources Mining Right (Mining Right). During 2022, Waterberg JV Resources filed for closure on 50,951 gross hectares of PRs, of which 14,209 ha are held within the granted Mining Right, leaving a net 36,742 ha of uneconomic PRs closed. The Waterberg Project area covers approximately 29,161 ha, being comprised of the Mining Right covering 20,482 ha, 4,190 ha in the active PR, and 4,489 ha in a right under application. The Waterberg Project area's elevation ranges from approximately 880-1,365 meters (m) above sea level (MASL).

In addition to the Mining Right, Waterberg JV Resources has an Environmental Authorization (EA) as well as a Waste Management License (WML). Another key authorization required is a Water Use License (WUL), which application Waterberg JV Resources is in the process of finalizing and anticipates submitting in the fourth quarter of 2024 under application reference number WU38566.

1.2.2 Holdings Structure

PTM RSA is the operator of the Waterberg Project, with joint venture (JV) partners being HJM, IMPLATS and Mnombo. Figure 1-2 shows the holdings of the Waterberg Project as of 31 August 2024.

Figure 1-2: Waterberg Project Holdings



1.3 Geological Setting and Mineralization

The Paleoproterozoic BIC is the world's largest layered igneous intrusion and is located in the Republic of South Africa (Lee, 1996). This igneous succession formed between 2055.91 and 2054.89 million years ago (Ma) (Zeh et al., 2015). It intruded into country rocks of the Transvaal Supergroup, largely along the unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg Felsite. According to recent geophysical studies, together with the recent exploration activities, the areal extent of the BIC is estimated to be >90,000 km^2 (Finn et al., 2015), of which about 55% is covered by younger formations. The BIC hosts several layers rich in PGMs such as Pt, Pd, and Rh with some significant quantities of Au credit. Other minerals of economic importance associated with the BIC include chrome (Cr), Cu, Ni, vanadium (V), and cobalt (Co). To date, the BIC constitutes the world's largest known mineral resource of these metals.

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

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

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

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

1.4 Deposit Types

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

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

1.5 Exploration Data / Information

The Waterberg Project is an advanced project that has undergone preliminary economic evaluations, a prefeasibility study (PFS), a technical report titled "*Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa*" dated 04 October 2019 with an effective date of 04 September 2019 and filed on 07 October 2019 on SEDAR+ at www.sedarplus.ca (2019 DFS), and this DFS Update. Drilling to date has given the confidence to classify mineral resources as Inferred, Indicated and Measured.

1.6 Drilling

The data from which the structure of the mineralized horizons was modeled, and grade values estimated, were derived from a total of 374,399 m of diamond drilling. This Technical Report updates the mineral resource estimate using this dataset. The drill hole dataset consists of 474 drill holes and 585 deflections.

The management of the drilling programs, logging, and sampling were undertaken from multiple facilities: one at the town of Marken in Limpopo Province, South Africa, and the other on the farm Goedetrouw 366 LR within the Mining Right area, or at an exploration camp on the adjacent farm Harriet's Wish 393 LR.

1.7 Sample Preparation, Analyses, and Security

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

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

1.8 Data Verification

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

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

1.9 Mineral Processing and Metallurgical Testing

Metallurgical testing of the F-Zone and T-Zone on selected drill core samples was completed at Mintek and Maelgwyn Mineral Services Africa (Pty) Ltd. (Maelgwyn), both accredited metallurgical laboratories in South Africa. All analyses were performed with appropriate QA/QC oversight at Intertek Group plc. in Perth, Australia (Intertek).

The economic minerals will be recovered using flotation techniques, resulting in a flotation concentrate that is suitable as feedstock for a smelter. This will be followed by additional downstream processing at a base metal recovery plant and a precious metals refinery, which is a standard practice in the PGM industry.

The PFS program identified the most suitable metallurgical process for the optimized recovery of the 4E elements and associated base metals. This was confirmed during the 2019 DFS variability and production blend evaluations. Additional test work was completed during this DFS Update primarily addressing the comminution parameters and to generate a typical concentrate for smelter evaluation and to provide flotation tailings for cemented backfill evaluation. Additionally, thickening and filtration test work was conducted for the backfill evaluation as well as dry stacking of tailings on the tailings storage facility (TSF).

The ore has again proven to be very hard and is not amenable to semi-autogenous milling; therefore, the three-stage crushing followed by two-stage ball milling circuit was confirmed for the comminution circuit.

The 2019 DFS test work program was used to develop a grade-recovery relationship targeting 80 g/t 4E in the flotation concentrate as feed to a smelter. The concentrate is expected to contain 2.2% Cu and 2.6% Ni in addition to the contained 4E elements (Pt, Pd, Rh, and Au). The grade recovery relationship was developed for each of the six economic metals with 4Es at almost 78%, Cu at 81%, and Ni at 44%.

The DFS Update test work program primarily targeted backfill production with process performance being of a lesser concern. It was confirmed that the concentrate quality can be achieved with multistage cleaning. The metallurgical recovery obtained from the test work indicated a reduced recovery point which has been incorporated into the total data pool.

1.10 Mineral Resource Estimates

This Technical Report documents the mineral resource estimate with an effective date of 31 August 2024. Infill drilling over portions of the Waterberg Project area and estimation methodology made it possible to estimate an updated mineral resource estimate and upgrade portions of the mineral resource to the Measured category. At a 2.5 g/t cutoff grade (COG) (4E) (FZ-Central and FZ-South at 2.0 g/t 4E), the deposit has a reasonable prospect of economic extraction in relation to basic working costs and metal prices and considering the overall resource envelope in terms of continuity, structure and accessibility.

The Waterberg Project mineral resource **excluding** reserves is summarized in Table 1-1.

The mineral resource **including** reserves is summarized in Table 1-2.

Table 1-1: Mineral Resource Estimate Summary EXCLUDING Reserves
(Effective 31 Aug 2024, 100% Project Basis)

Mineral Resource T-Zone										
Mineral Resource Category	Tonnage	Grade							Metal	
		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	Mt	g/t	g/t	g/t	g/t	g/t	%	%	kg	Moz
TZ										
Measured	1.33	0.89	1.54	0.04	0.72	3.19	0.13	0.07	4,232	0.136
Indicated	2.26	1.02	1.69	0.03	0.74	3.48	0.22	0.10	7,864	0.253
M&I	**3.59**	**0.97**	**1.64**	**0.03**	**0.73**	**3.37**	**0.19**	**0.09**	**12,096**	**0.389**
Inferred	17.52	1.19	2.02	0.04	0.87	4.11	0.15	0.07	72,031	2.316
T0										
Measured	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Indicated	1.18	0.96	1.55	0.04	0.47	3.02	0.16	0.08	3,567	0.115
M&I	**1.18**	**0.96**	**1.55**	**0.04**	**0.47**	**3.02**	**0.16**	**0.08**	**3,567**	**0.115**
Inferred	0.64	0.99	1.51	0.04	0.36	2.90	0.17	0.07	1,858	0.060
Total T-Zone (TZ+T0)										
Measured	1.33	0.89	1.54	0.04	0.72	3.20	0.13	0.07	4,232	0.136
Indicated	3.44	1.00	1.64	0.03	0.65	3.32	0.20	0.09	11,431	0.368
M&I	**4.77**	**0.97**	**1.62**	**0.03**	**0.67**	**3.29**	**0.18**	**0.09**	**15,663**	**0.504**
Inferred	18.16	1.18	2.00	0.04	0.85	4.07	0.15	0.07	73,889	2.376

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	27.9	48.3	1.1	22.7
Indicated	30.2	49.5	0.9	19.5
M&I	**29.6**	**49.2**	**1.0**	**20.3**
Inferred	28.8	52.2	0.6	18.3

Total F-Zone										
Measured	21.35	0.78	1.77	0.04	0.13	2.72	0.07	0.19	58,131	1.869
Indicated	88.63	0.83	1.75	0.04	0.12	2.75	0.06	0.16	243,600	7.832
M&I	**109.97**	**0.82**	**1.75**	**0.04**	**0.12**	**2.74**	**0.06**	**0.17**	**301,731**	**9.701**
Inferred	71.32	0.81	1.70	0.04	0.12	2.67	0.06	0.15	190,471	6.124

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.6	64.9	1.5	5.0

Indicated	31.0	62.7	1.6	4.7
M&I	**30.7**	**63.0**	**1.6**	**4.7**
Inferred	31.2	62.3	1.5	5.0

Waterberg Aggregate - Total Mineral Resource										
Mineral Resource Category	**Tonnage**	**Grade**							**Metal**	
		Pt	**Pd**	**Rh**	**Au**	**4E**	**Cu**	**Ni**	**4E**	
	Mt	**g/t**	**g/t**	**g/t**	**g/t**	**g/t**	**%**	**%**	**kg**	**Moz**
Measured	22.67	0.79	1.76	0.04	0.16	2.75	0.07	0.18	62,363	2.005
Indicated	92.07	0.84	1.74	0.04	0.14	2.77	0.06	0.16	255,031	8.199
M&I	**114.74**	**0.83**	**1.75**	**0.04**	**0.15**	**2.76**	**0.06**	**0.16**	**317,394**	**10.204**
Inferred	89.48	0.89	1.76	0.04	0.27	2.95	0.08	0.13	166,809	8.499

Mineral Resource Category	**Prill Split**			
	Pt	**Pd**	**Rh**	**Au**
	%	**%**	**%**	**%**
Measured	28.63	64.04	1.50	5.83
Indicated	30.23	63.03	1.54	5.20
M&I	**29.91**	**63.23**	**1.54**	**5.32**
Inferred	29.96	59.63	1.34	9.07

Notes:

- All mineral resources *in situ*.
- 4E = PGE (Pt + Pd + Rh) and Au.
- The mineral resources stated above are shown on a 100% project basis, that is, for the Waterberg Project.
- Mineral resource cutoff 2.5 g/t (4E) grade except for FZ-Central and FZ-South are at 2.0 g/t cutoff grade (4E). Cutoff grade calculations performed in March 2023 and were based on the following assumptions:
    - Metal prices: Pt at US$1 050/oz, Pd at US$1 300/oz, Au at US$1 650/oz, Rh at US$5 000/oz, Cu at US$3.50/lb and Ni at US$8.50/lb.
    - Unit costs: US$63.99 / t milled for F-Zones and US$76 / t milled for T-Zone (based on the 2019 DFS and escalated for inflation).
    - Metal recoveries: 4E concentrator recoveries at 82% for F-Zones and 81% for T-Zone. Base metal recoveries for the F-Zones at 50.0% for Ni and 88.6% for Cu, T-Zone at 46.0% for Ni and 86.6% for Cu.
    - Smelter recovery/payabilities: 83.5% for 4E and 72.0% for Cu and Ni.
- Conversion Factor used - kg to oz = 32.15076.
- Numbers may not add due to rounding.
- A 5% and 7% geological loss were applied to the Measured / Indicated and Inferred mineral resource categories, respectively.

Table 1-2: Mineral Resource Estimate Summary INCLUDING Reserves
(Effective 31 Aug 2024, 100% Project Basis)

Mineral Resource T-Zone										
Mineral Resource Category	Tonnage	Grade							Metal	
		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	Mt	g/t	g/t	g/t	g/t	g/t	%	%	kg	Moz
TZ										
Measured	5.24	1.10	2.06	0.05	0.78	3.99	0.13	0.07	20,917	0.673
Indicated	12.73	1.41	2.42	0.03	0.93	4.79	0.19	0.09	60,967	1.960
M&I	**17.97**	**1.32**	**2.31**	**0.04**	**0.89**	**4.56**	**0.17**	**0.08**	**81,885**	**2.633**
Inferred	17.58	1.19	2.02	0.04	0.87	4.11	0.15	0.07	72,289	2.324
T0										
Measured	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
Indicated	1.89	1.10	1.91	0.05	0.57	3.63	0.17	0.08	6,866	0.221
M&I	**1.89**	**1.10**	**1.91**	**0.05**	**0.57**	**3.63**	**0.17**	**0.08**	**6,866**	**0.221**
Inferred	0.64	0.99	1.51	0.04	0.36	2.90	0.17	0.07	1,870	0.060
Total T-Zone (TZ+T0)										
Measured	5.24	1.10	2.06	0.05	0.78	3.99	0.13	0.07	20,917	0.673
Indicated	14.62	1.37	2.35	0.03	0.88	4.64	0.19	0.09	67,834	2.181
M&I	**19.86**	**1.30**	**2.28**	**0.04**	**0.86**	**4.47**	**0.17**	**0.08**	**88,751**	**2.853**
Inferred	18.23	1.18	2.00	0.04	0.85	4.07	0.15	0.07	74,159	2.384

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	27.6	51.6	1.3	19.5
Indicated	29.5	50.7	0.7	19.0
M&I	**29.1**	**50.9**	**0.8**	**19.2**
Inferred	29.0	49.2	0.9	20.9

Total F-Zone										
Measured	78.08	0.87	2.01	0.05	0.15	3.08	0.08	0.20	240,471	7.731
Indicated	247.10	0.85	1.88	0.04	0.13	2.92	0.08	0.18	720,699	23.171
M&I	**325.17**	**0.86**	**1.92**	**0.05**	**0.14**	**2.96**	**0.08**	**0.19**	**961,170**	**30.902**
Inferred	71.47	0.81	1.70	0.04	0.12	2.67	0.06	0.15	190,940	6.139

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.3	65.3	1.6	4.8
Indicated	29.3	64.6	1.5	4.6

M&I	**29.0**	**64.8**	**1.5**	**4.6**
Inferred	30.4	63.7	1.5	4.3

Waterberg Aggregate - Total Mineral Resource										
Mineral Resource Category	Tonnage	Grade							Metal	
		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	Mt	g/t	g/t	g/t	g/t	g/t	%	%	kg	Moz
Measured	83.32	0.89	2.01	0.05	0.19	3.14	0.09	0.19	261,389	8.404
Indicated	261.72	0.88	1.91	0.04	0.18	3.01	0.09	0.18	788,532	25.352
M&I	**345.03**	**0.88**	**1.94**	**0.05**	**0.18**	**3.04**	**0.09**	**0.18**	**1,049,921**	**33.756**
Inferred	89.70	0.89	1.76	0.04	0.26	2.96	0.08	0.15	265,099	8.523

Mineral Resource Category	Prill Split			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.3	64.19	1.59	5.95
Indicated	29.3	63.43	1.45	5.83
M&I	**29.0**	**63.62**	**1.49**	**5.86**
Inferred	30.0	59.68	1.35	8.95

Notes:

- All mineral resources *in situ*.
- 4E = PGE (Pt + Pd + Rh) and Au.
- The mineral resources stated above are shown on a 100% project basis, that is, for the Waterberg Project.
- Mineral resource cutoff 2.5 g/t (4E) grade except for FZ-Central and FZ-South are at 2.0 g/t cutoff grade (4E). Cutoff grade calculations performed in March 2023 and were based on the following assumptions:
    - Metal prices: Pt at US$1 050/oz, Pd at US$1 300/oz, Au at US$1 650/oz, Rh at US$5 000/oz, Cu at US$3.50/lb and Ni at US$8.50/lb.
    - Unit costs: US$63.99 / t milled for F-Zones and US$76 / t milled for T-Zone (based on the 2019 DFS and escalated for inflation).
    - Metal recoveries: 4E concentrator recoveries at 82% for F-Zones and 81% for T-Zone. Base metal recoveries for the F-Zones at 50.0% for Ni and 88.6% for Cu, T-Zone at 46.0% for Ni and 86.6% for Cu.
    - Smelter recovery/payabilities: 83.5% for 4E and 72.0% for Cu and Ni.
- Conversion Factor used - kg to oz = 32.15076.
- Numbers may not add due to rounding.
- A 5% and 7% geological loss were applied to the Measured / Indicated and Inferred mineral resource categories, respectively.

Following are the parameters for the mineral resources.

- Mineral resources are classified in accordance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) 2016 standards. Certain differences exist with the "*Canadian Institute of Mining (CIM) Standards on Mineral Resources and Mineral Reserves*"; however, Waterberg JV Resources and the QP believe the differences are not material and the standards may be considered the same. Inferred mineral resources have a high degree of uncertainty.
- Mineral resources are provided on a 100% project basis.
- All mineral resources are *in situ*.
- Inferred categories are separate from the Measured and Indicated categories. The estimates have an effective date of 31 August 2024.
- A COG of 2.5 g/t 4E is applied to the selected base case mineral resources, except for FZ-Central and FZ-South which have a 2.0 g/t cutoff. The COGs were determined based on the 2019 DFS information related to costs (escalated for inflation), metal recoveries, smelter cost and 2023 consensus on metal pricing. Greater detail regarding COGs is shown in Section 15.1.
- Charles Muller of Protek Consulting Pty Ltd. (Protek), who previously worked on the 2019 DFS under CJM Consulting Pty Ltd. (CJM), completed the mineral resource estimate presented in the DFS Update.
- Mineral resources were estimated using ordinary kriging (OK) and simple kriging (SK) methods in Datamine Studio3. A process of geological modeling and creation of grade shells using indicating kriging (IK) was completed in the estimation process.
- The estimation of mineral resources considered environmental, permitting, legal, title, taxation, socioeconomic, marketing, and political factors. The mineral resources may be materially affected by metals prices, exchange rates, labor costs, electricity supply issues, or many other factors detailed in PTM's annual information form.
- Estimated grades and quantities for byproducts are included in recoverable metals and estimates in the DFS Update. Cu and Ni are the value byproducts recoverable by flotation and for M&I mineral resources are estimated at 0.17% Cu and 0.08% Ni in the T-Zone and 0.08% Cu and 0.19% Ni in the F-Zone.

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

1.11 Mineral Reserve Estimates

The effective date for the mineral reserve estimate contained in this Technical Report is 31 August 2024.

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

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

In the 2019 DFS, a 2.5 g/t 4E stope COG was used for mine planning for both the T-Zone and F-Zones. For this DFS Update, a 2.0 g/t 4E stope COG was used for the F-Central and F-South Zones, while a 2.5 g/t 4E COG was used for the T-Zone and the F-North, F-Boundary North, and F-Boundary South. The 2.0 g/t 4E stope COG for F-Central and F-South was based on updated COG input parameters for the DFS Update discussed in Section 15.0 of this Technical Report.

The COG reduction in F-Central resulted in a significant increase in the Waterberg Project mineral reserves as shown in Table 1-3.

Table 1-3: F-Central Mineral Reserves Increase in DFS Update

Item	Tonnes	Grade 4E (g/t)	4E Ounces Mined
2019 DFS (2.5 g/t 4E COG)	70.1 M	3.09 g/t	7.0 M
DFS Update (2.0 g/t 4E COG)	132.1 M	2.68 g/t	11.4 M
Change	**+62.0 M**	**-0.41 g/t**	**+4.4 M**

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

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

The estimated Proven, Probable, and Total Waterberg Project mineral reserves at the described cutoffs are summarized in Table 1-4, Table 1-5, and Table 1-6.

Table 1-4: Proven Mineral Reserve Estimate Effective 31 August 2024										
Zone	Tonnes	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal	
									(kg)	(Moz)
T-Zone	**5,094,182**	**1.76**	**0.93**	**0.04**	**0.63**	**3.36**	**0.10**	**0.06**	**17,138**	**0.551**
F-Central	32,297,283	1.90	0.82	0.04	0.13	2.89	0.06	0.17	93,186	2.996
F-South	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.000
F-North	16,637,670	2.04	0.85	0.05	0.16	3.10	0.10	0.20	51,558	1.658
F-Boundary North	4,975,853	1.99	0.97	0.05	0.16	3.17	0.10	0.22	15,784	0.507
F-Boundary South	5,294,116	2.31	1.04	0.05	0.18	3.59	0.08	0.19	19,015	0.611
F-Zone Total	**59,204,921**	**1.98**	**0.86**	**0.05**	**0.14**	**3.03**	**0.08**	**0.19**	**179,543**	**5.772**
Waterberg Total	**64,299,103**	**1.97**	**0.86**	**0.05**	**0.18**	**3.06**	**0.07**	**0.17**	**196,681**	**6.323**

Table 1-5: Probable Mineral Reserve Estimate Effective 31 August 2024										
Zone	Tonnes	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal	
									(kg)	(Moz)
T-Zone	**14,137,694**	**2.05**	**1.18**	**0.02**	**0.75**	**4.01**	**0.16**	**0.08**	**56,623**	**1.820**
F-Central	99,814,040	1.72	0.74	0.04	0.12	2.61	0.07	0.17	260,936	8.389
F-South	10,643,204	1.85	0.99	0.05	0.13	3.02	0.03	0.11	32,127	1.033
F-North	36,573,456	2.12	0.90	0.05	0.16	3.23	0.09	0.20	118,079	3.796
F-Boundary North	13,312,581	1.91	0.99	0.05	0.17	3.11	0.10	0.23	41,432	1.332
F-Boundary South	7,421,801	1.89	0.92	0.04	0.13	2.98	0.06	0.18	22,128	0.711
F-Zone Total	**167,765,082**	**1.84**	**0.82**	**0.04**	**0.13**	**2.83**	**0.07**	**0.18**	**474,702**	**15.262**
Waterberg Total	**181,902,775**	**1.85**	**0.84**	**0.04**	**0.18**	**2.92**	**0.08**	**0.17**	**531,324**	**17.082**

Table 1-6: Total Estimated Proven and Probable Mineral Reserve Effective 31 August 2024										
Zone	Tonnes	Pd (g/t)	Pt (g/t)	Rh (g/t)	Au (g/t)	4E (g/t)	Cu (%)	Ni (%)	4E Metal	
									(kg)	(Moz)
T-Zone	**19,231,876**	**1.97**	**1.11**	**0.03**	**0.72**	**3.84**	**0.14**	**0.07**	**73,760**	**2.371**
F-Central	132,111,323	1.76	0.76	0.04	0.12	2.68	0.06	0.17	354,121	11.385
F-South	10,643,204	1.85	0.99	0.05	0.13	3.02	0.03	0.11	32,127	1.033
F-North	53,211,126	2.10	0.88	0.05	0.16	3.19	0.10	0.20	169,637	5.454
F-Boundary North	18,288,434	1.93	0.98	0.05	0.17	3.13	0.10	0.23	57,216	1.840
F-Boundary South	12,715,917	2.06	0.97	0.05	0.15	3.24	0.07	0.19	41,143	1.323
F-Zone Total	**226,970,003**	**1.87**	**0.83**	**0.04**	**0.14**	**2.88**	**0.07**	**0.18**	**654,245**	**21.034**
Waterberg Total	**246,201,879**	**1.88**	**0.85**	**0.04**	**0.18**	**2.96**	**0.08**	**0.17**	**728,005**	**23.406**

Notes:

- The mineral reserves are based on using the Longhole mining method with paste backfill. A minimum stope width of 2.4 m (true width) was used.
- The point of reference for the mineral reserves is defined as the point where the mined ore is delivered to the processing plant.
- 4E = PGE (Pd + Pt + Rh) and Au.
- A stope cutoff grade of 2.0 g/t 4E was used for mine planning for F-Central and F-South while a 2.5 g/t 4E was used for mine planning for the T-Zone and other F-Zones in the mineral reserves estimate.
- Long-term metal prices assumed for cutoff grade estimates were Pt = US$1,050.00/oz, Pd = US$1,300.00/oz, Rh = US$5,000.00/oz, Au = US$1,650.00/oz, Cu = US$3.50/lb, Ni = US$8.50/lb and exchange rate 17.22 ZAR = 1 US$.
- Long-term metal recoveries assumed for cutoff grade estimates were 4E 82% for the F-Zones and 4E 81% for the T-Zone. A smelter recovery of 4E 83.5% was assumed for all zones.
- Long-term operating costs assumed for the cutoff grade estimates were US$63.99 per tonne mined for the F-Zone and US$76.09 per tonne mined for the T-Zone and include mining, processing, infrastructure, general and administration, transport, royalties, and sustaining capital.
- Tonnage and grade estimates include planned dilution, geological losses, external overbreak dilution, and mining losses.
- Numbers may not add due to rounding.

1.12 Mining Methods

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

The mining methods for the DFS Update are similar to those in the 2019 DFS, with adjustments to the Central and South Complexes. The North Complex mine design remains unchanged.

The main adjustments to the Central and South Complexes are as follows:

- Reduced the mining COG in the Central Complex from 2.5 g/t 4E to 2.0 g/t 4E based on updated COG input parameters.
- Reduced the mining COG in the F-South (in the South Complex) from 2.5 g/t 4E to 2.0 g/t 4E based on updated COG input parameters.
- Increased the minimum stope footwall (FW) angle to 42 ^{o}.
- Reduced the minimum stope hanging wall (HW) angle to 30 ^{o}.
- Reduced the sublevel spacing for the upper mining block in the Central Complex to 20 m from a combination of 20 m and 40 m to allow the operation to gain experience with the mining method and processes.
- Reduced the sublevel spacing in the T-Zone to a consistent 20 m (from a combination of 20 m and 40 m throughout) to increase resource recovery and minimize mining risk on the narrow ore body, with a 42° FW angle adjustment.
- Adjusted the T-Zone decline and FW infrastructure placement to avoid a fault that parallels the T-Zone resource.

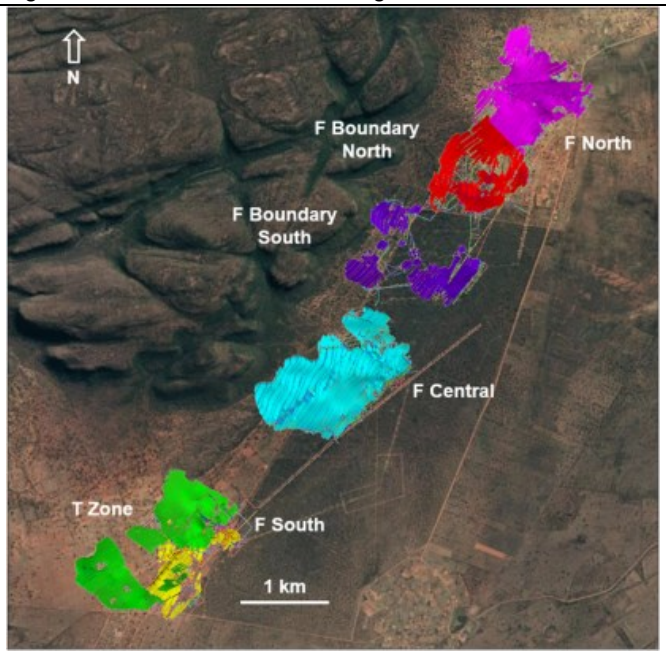
The lower mining COG in the Central Complex resulted in an 88.4% increase in the Central Complex reserve tonnage (from 70.1 Mt to 132.1 Mt). The increase in Central Complex reserves presented the opportunity to increase the Central Complex production rate to 400,000 tpm and delay the capital cost of developing the South Complex and North Complex. The DFS Update includes developing and mining the Central Complex at 400,000 tpm followed by developing and mining the South Complex and North Complex concurrently at a combined 400,000 tpm (the South Complex will produce approximately 100,000 tpm and the North Complex will produce at approximately 300,000 tpm). The South Complex underground workings will be accessed from the Central Complex underground workings, eliminating the requirement for a South Complex portal box cut.

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

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

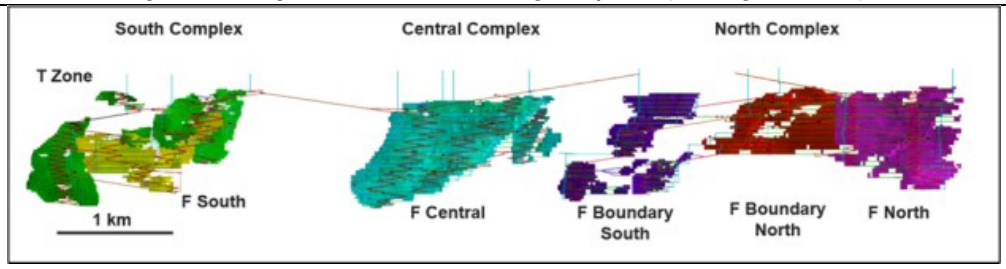
A plan view with the production areas projected to surface is shown in Figure 1-3 and a longitudinal view of the zones, looking approximately northwest (looking from the footwall), is shown in Figure 1-4.

Figure 1-3: Surface Plan View Showing Mineral Resource Extents



Source: Background - Google Maps (Approximated positioning and scale)

Figure 1-4: Longitudinal View of Waterberg Complexes (Looking Northwest)



Note: Approximated scale

There will be a box cut and portal at the Central Complex that will also be used to access the South Complex and a separate box cut and portal to access the North Complex. Each Complex will be accessed via twin declines (service decline and conveyor decline) that will service the complex for the LOM.

1.12.1 Geomechanical

Geomechanics core logging and laboratory test data from the PFS and additional data collected during the 2019 DFS were combined in a database and used to develop a geomechanical model and for use in rock mass classifications systems to develop rock mechanics parameters for the mine design. The analysis utilized several common empirical models and was validated with numerical modeling in several instances.

A thrust fault located in the footwall of the T-Zone mineralization was identified during the DFS Update. The thrust fault and surrounding zone of influence is characterized as very poor to extremely poor ground and impacted the positioning of the declines and footwall development. A reduced development advance rate and additional ground support in the thrust fault zone of influence have been accounted for in the mine design, schedule, and costs.

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

An updated numerical modeling exercise for the Central Complex and South Complex was undertaken during the DFS Update to further evaluate the evolution of rock mass damage and paste backfill performance as mining progresses. The modeling was completed in five-year excavation steps based on the mining schedule. Modeling steps incorporated stope excavation and then immediate backfill before starting the next excavation step. The principal findings of the modeling exercise are listed below.

- Beyond the end of LOM with complete backfilling of mined stopes, vertical deflection at the ground surface is not expected to exceed 11 cm at the Central Complex, and no measurable surface deflection is expected at the South Complex.
- Surface strain is within tolerance at both the Central Complex and South Complex and will not impact any category of present or future surface development or infrastructure, including buildings, roads, and pipelines.
- The mine design should account for ore loss at the lowest elevation mine workings at the Central Complex, due to stress conditions exceeding rock strength thresholds. Ore loss may be due to sterilizing stopes or modifying stope designs, where critical stress conditions may lead to active fracturing of the rock mass.
    - To mitigate this risk, all stopes in the mine plan have a 5% geological losses factor applied as well as a 90% mining recovery factor. To further account for ore losses due to stress conditions in the Central Complex, a second 90% mining recovery factor has been applied to all secondary stopes with an average true width of 25 m or greater. This second recovery factor represents 5.3 Mt of ore. The risk of rock mass damage and impact to operations can be reduced by optimizing the mining sequence, which should be undertaken during execution.
- Paste backfill dilution in wider parts of the ore body is expected, principally affecting secondary transverse stopes. In general, paste backfill dilution is anticipated to increase with depth and towards completion of the mining level and has been reflected in the dilution estimates.

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

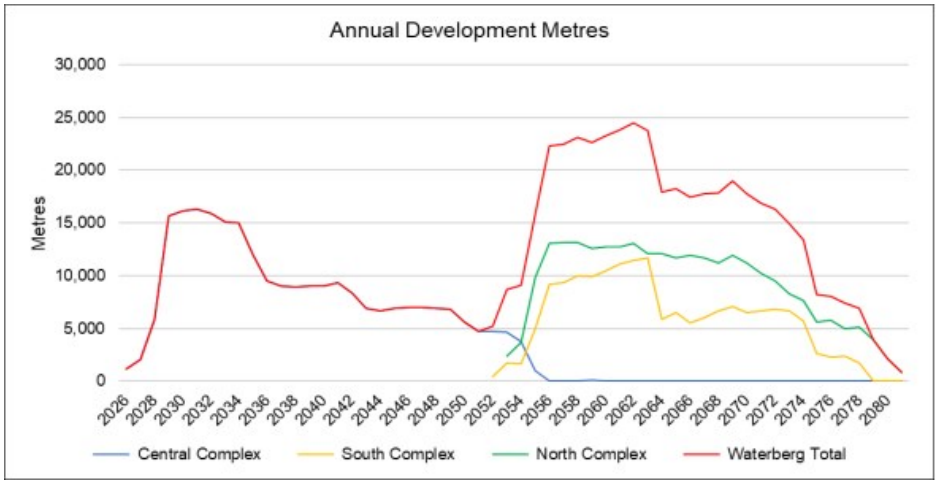
1.12.2 Mine Development

All decline and lateral excavations will be developed using drill and blast methods and mechanized diesel-powered mobile equipment. A summary of the development totals by Complex is included in Table 1-7 and the development profile is shown in Figure 1-5.

Table 1-7: Development Quantities by Complex

Item	Central Complex (m)	South Complex (m)	North Complex (m)	Waterberg Total (m)
Decline	24,519	32,155	33,386	90,059
Lateral Sublevel and Infrastructure	221,194	134,852	225,747	581,792
Total	**245,712**	**167,007**	**259,132**	**671,851**

Figure 1-5: Lateral Development Profile



1.12.3 Production

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

The production plan focuses on optimizing the ramp-up period and maximizing productivity. Each Complex was scheduled independently as a stand-alone operation. The Central Complex has a significant increase in reserves resulting from the reduction in COG to 2.0 g/t 4E (from 2.5 g/t 4E in the 2019 DFS). The breakdown of tonnes and grade recovered by mining approach and Zone is summarized in Table 1-8.

Initial production will come from the Central Complex with the South Complex and North Complex phased in once production in the Central Complex begins to ramp down. There will be approximately 4.5 years of ramp-up from the start of the decline development in May 2026 to achieve sustainable 70% of steady-state production in January 2031. Steady-state production of 400 ktpm will be achieved in Q2 2032 from the Central Complex. Later in the LOM, as the Central Complex ramps down, the South Complex (100 ktpm) and North Complex (300 ktpm) will ramp up to maintain 400 ktpm production until 2081.

The ramp-up and steady-state production tonnage profiles are shown in Figure 1-6 and Figure 1-7.

Table 1-8: Life-of-Mine Production Summary

Ore / Grade	T-Zone	F-Central	F-South	F-North	F-Boundary North	F-Boundary South
Ore Tonnes - Stope Total	17,146,610	125,538,539	10,135,579	49,863,926	16,888,572	11,727,833
Ore Tonnes - Transverse	1,312,770	108,851,011	2,271,366	38,729,517	7,318,698	508,303
Ore Tonnes - Longitudinal	15,833,839	16,687,528	7,846,213	11,134,409	9,569,874	11,219,530
Ore Tonnes - Development	2,085,266	6,572,784	507,625	3,347,199	1,399,862	988,084
Ore Tonnes - Total	**19,231,876**	**132,111,323**	**10,643,204**	**53,211,126**	**18,288,434**	**12,715,917**
Grade 4E (g/t)	3.84	2.68	3.02	3.19	3.13	3.24
Grade Pt (g/t)	1.11	0.76	0.99	0.88	0.98	0.97
Grade Pd (g/t)	1.97	1.76	1.85	2.10	1.93	2.06
Grade Rh (g/t)	0.03	0.04	0.05	0.05	0.05	0.05
Grade Au (g/t)	0.72	0.12	0.13	0.16	0.17	0.15
Grade Cu (%)	0.144	0.065	0.028	0.097	0.097	0.069
Grade Ni (%)	0.070	0.171	0.107	0.201	0.228	0.187

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

Figure 1-6: Mining Production Tonnage by Month during Ramp-Up

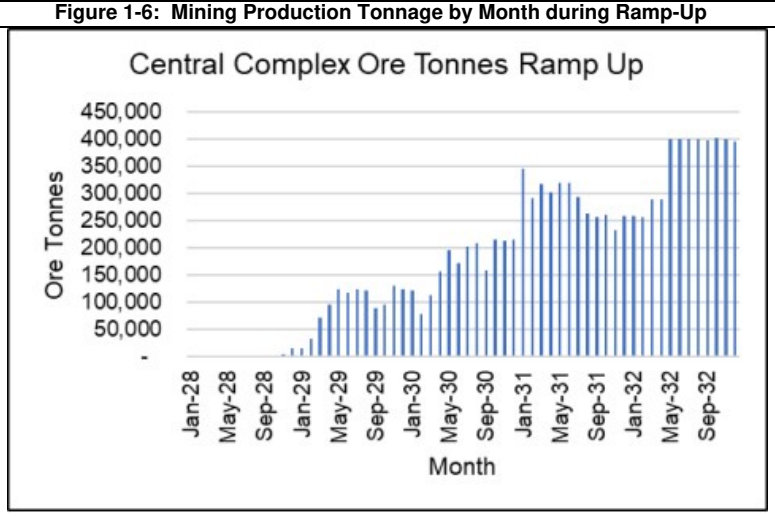
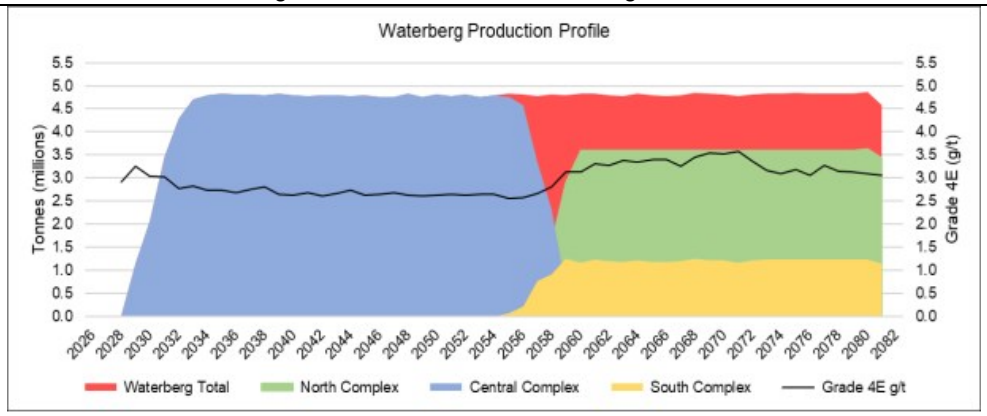


Figure 1-7: Annual Production Tonnage Profile



1.12.4 Ventilation and Mine Air Refrigeration

The underground mobile equipment will be diesel powered. The required ventilation flow will be 1,300 cubic meters per second (m^3/s), 695 m^3/s, and 1,380 m^3/s for the Central, South, and North Complexes, respectively.

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

The underground heat loads will be countered by a combination of refrigerated air and uncooled air. The cooling requirement will be 20 MW_R, 10 MW_R, and 20 MW_R for the Central, South, and North Complexes, respectively. Mine air cooling will not be required until mining depths reach 700 m below surface in the Central Complex in 2034.

1.13 Recovery Methods

The process design for the Waterberg Project concentrator plant was developed based on the extensive metallurgical test work results and previous studies. The test work program developed during the PFS and the 2019 DFS identified that the mill-float-mill-float (MF2) configuration following three stage crushing is the most appropriate recovery technique for the PGEs and the base metals from the ores. This recovery technique has been retained for the DFS Update. Further optimization of the reagent addition during operation to achieve the optimal concentrate grade and recovery can be completed.

The flotation concentrator will produce a concentrate containing 80 g/t 4E with a mass pull of approximately 2.9%. The concentrator was designed to process 4.8 Mtpa (400 ktpm) of ROM and will produce 120-150 ktpa of concentrate to be shipped to a smelter. The concentrate will contain 12% moisture while the tailings will be directed to thickening prior to filtration to produce a filter cake for backfill use underground as cemented fill or for dry stacking onto the surface TSF as the preferred option to optimize water consumption.

The plant production rate is aligned with mine production and concentrator production is scheduled to commence in September 2029 with ramp-up continuing until steady state is reached in 2031, as indicated in Figure 1-8.

Figure 1-8: Annual Mill Feed Profile Summary

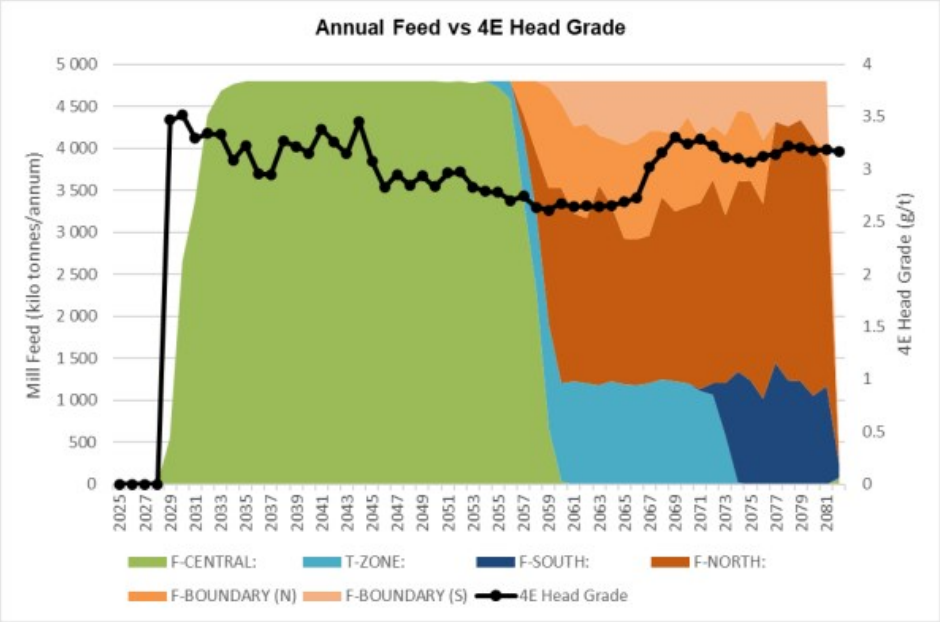
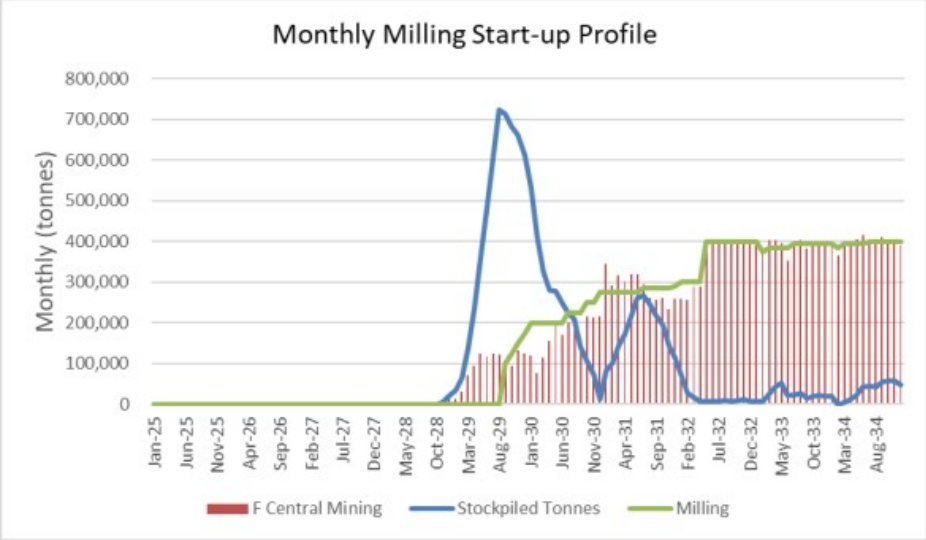


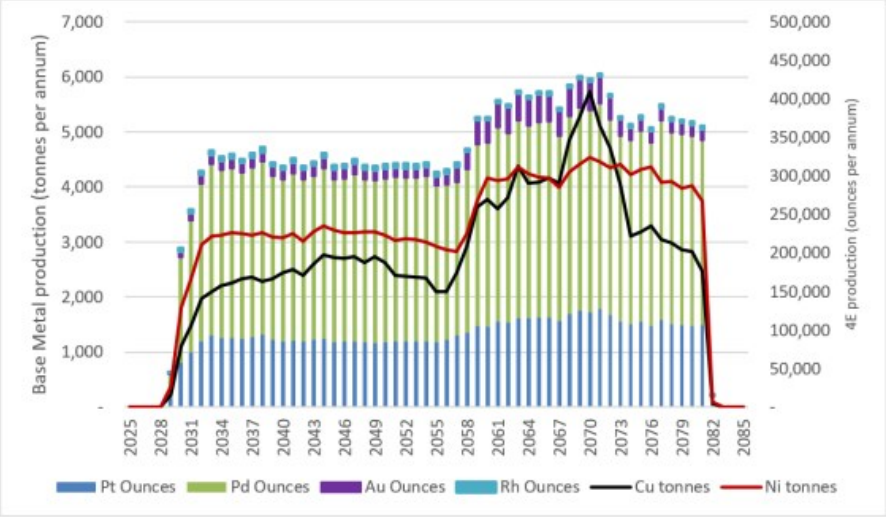
Figure 1-9: Concentrator Ramp-Up in Production



The ramp up in production will require a stockpile to be generated of up to 750 kt to be able to sustain processing as indicated in Figure 1-9 for sustained delivery of concentrate into the eventual off take agreement with a smelter.

The concentrate production and contained 4E elements approaching 400,000 oz per annum is indicated in Figure 1-10. The base metal content anticipated for Ni production is around 3,000-4,000 tpa with Cu production increasing from 2,500 tpa to 4,000 tpa in the later years of production.

Figure 1-10: Annual Metal Production Summary



1.14 Project Infrastructure

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

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

At the site, a lined dry stack TSF (Dry Stack TSF), stream diversion, ore stockpile and waste rock storage facilities, ventilation and refrigeration systems, waste handling facilities, backfill preparation and distribution system, electrical and communication systems and other necessary infrastructure (i.e., compressed air, internal roads, potable water, service water, industrial water, dust suppression and fire water systems) to support mining and processing operations will be constructed.

The Waterberg Project will require 72.3 MVA of electrical power and 2.85 ML/d of industrial water.

1.15 Market Studies and Contracts

One of the JV partners of the Waterberg Project is IMPLATS, a primary PGM producer in South Africa with downstream processing operations. Waterberg JV Resources has also received indicative terms from a potential concentrate offtaker. Therefore, no formal marketing study was commissioned for the DFS Update to determine pricing for the metals contained in concentrate.

Metal price movements for the economic metals associated with the Waterberg Project (Pt, Pd, Rh, Au, Ni, and Cu) were reviewed for the preceding three years and show that there was a significant change in the market for the major contributors to income generation.

The three-year trailing average metal prices with two-year, one-year and spot as of 01 June 2024 are detailed in Table 1-9.

Table 1-9: Three-year Trailing Pricing all Economic Metals

Period	Pd	Pt	Au	Ni	Cu	Rh
	USD/oz	USD/oz	USD/oz	USD/t	USD/t	USD/oz
Three-year Trailing	1,749	982	1,902	21,873	8,869	11,238
Two-year Trailing	1,476	961	1,936	21,382	8,458	8,333
One-year Trailing	1,125	943	2,050	18,433	8,574	4,546
01 June 2024	991	1,024	2,351	19,512	10,128	4,725

Source: 'Johnson Matthey Metal Prices' & London Metal Exchange - Monthly Average

However, in this DFS Update, analyst street consensus pricing will be the base case (Base Case) as shown in Table 1-10. Monthly spot and three-year trailing average metal prices will also be evaluated in the financial sensitivity analysis.

Table 1-10: Consensus View - Metal Price Assumptions

Commodity	Unit of Measure	2025	2026	2027	2028	Long-term Real
Pt	USD/oz	1,144	1,233	1,330	1,605	1,605
Pd	USD/oz	1,089	1,095	1,122	1,062	1,062
Au	USD/oz	2,155	2,005	2,008	1,812	1,812
Rh	USD/oz	4,627	4,794	4,561	6,209	6,209
Cu	USD/lb	4.77	4.83	4.85	4.53	4.53
Ni	USD/lb	8.68	8.85	9.09	9.73	9.73

Considering these metal prices and the production profile for the Waterberg Project, contributors to income are summarized in Table 1-11. The table shows economic PGEs and base metals for the Waterberg Project and each metal's economic contribution at consensus view pricing, as per 01 May 2024, for the first 10 years of concentrate production (September 2029 - August 2039) and for the LOM.

Table 1-11: Economic PGEs and Base Metals for First 10 Years and LOM

Metal	Approximate Percent of Gross Revenue (Consensus View)	
	First 10 Years of Concentrate Production	LOM
Platinum	27.87%	27.68%
Palladium	44.19%	42.31%
Gold	4.47%	6.25%
Rhodium	6.67%	5.09%
Copper	4.13%	5.31%
Nickel	12.68%	13.36%

No formal off-take agreement is in place, however, Waterberg JV Resources received indicative terms from a potential offtaker which is considered market related. It is anticipated that the payability for the contained metal in concentrate will be 83% for Pt and Pd, 80% for Au and Rh (Rh is subject to a minimum individual grade of 1.0 g/t in concentrate), 63% for Cu and 70% for Ni. These net-smelter-return factors are fully inclusive of all smelting and refining costs, apart from delivery to the smelter.

It is anticipated that the metal pipeline between delivery of concentrate and payment will be twelve weeks. The Waterberg Project finances are based on prefunding of the concentrate with an 85% value payment received in Month 1 and the 15% balance paid after the three months, incurring an interest charge (as defined in Section 21.0 *of this Technical Report*).

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

1.16 Environmental Studies, Permitting, and Social or Community Impact

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

Table 1-12 shows the key environmental and social licenses and permit applications required for the Waterberg Project.

Table 1-12: Status of Required Environmental Licenses and Permits

License / Permit Application	Authority	Reference Number	Date of Grant	Date of Expiry
Mining Right (incl. SLP & Mine Works Program)	DMPR	LP 30/5/1/2/2/2/10161MR	28 January 2021 (Commencement date 13 April 2021)	12 April 2051
EA	DMPR on behalf of the DFFE	LP 30/5/1/2/2/2/10161EM	10 November 2020	Linked to duration of Mining Right
WML	DMPR on behalf of the DFFE	LP 30/5/1/2/2/2/10161MR	10 November 2020	Linked to duration of Mining Right
WUL	DWS	Pending application submission - under application reference number WU38566	Pending application finalization	Pending application finalization

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

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

Specific training needs were identified, and a detailed training program is being developed with an internationally recognized organization to provide the structure and services required for the initial and ongoing needs of the Waterberg Project.

1.17 Capital and Operating Costs

Capital costs to 70% of steady-state production are estimated predominantly in ZAR, with all cost estimates expressed in ZAR real June 2024 terms. Estimated capital expenditure (CapEx) is R15 553 M for the Waterberg Project plus R3 309 M for capitalized operating costs, for a total of R18 862 M to achieve the 70% of steady-state production as detailed in Table 1-13.

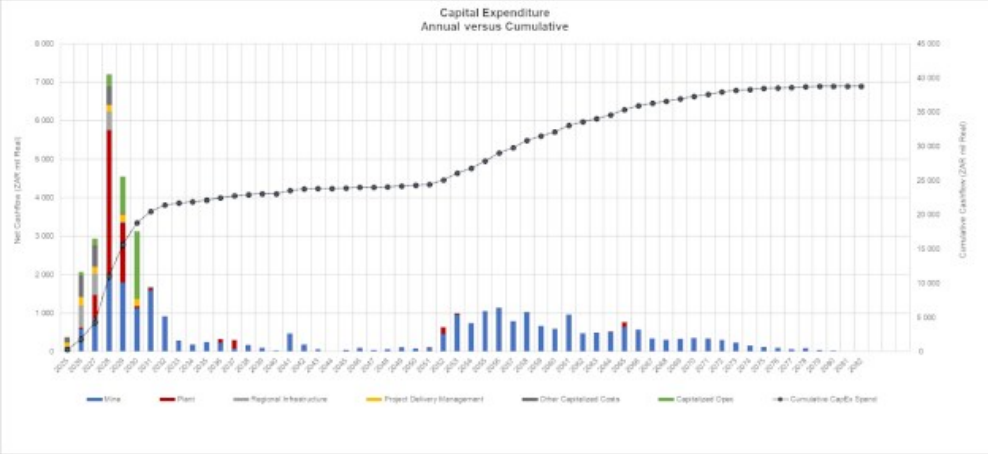
Table 1-13: Waterberg Project Capital Cost

Facility Description	Project Capital (ZAR M)	Sustaining Capital (ZAR M)	Project Capital (USD M)	Sustaining Capital (USD M)
Mine	5,039	14,836	253	739
Plant	4,476	30	224	1
Backfill and Dewatering Plant (TSF)	1,835	0	91	0
Tailings Deposition (TSF)	263	649	13	32
Regional Infrastructure	1,869	47	95	2
Project Indirects	1,372	0	70	0
Sub-Total[1]	**14,854**	**15,562**	**746**	**775**
Owner Fleet Purchases	698	4,720	35	235
Rebuild and replacement of equipment	0.4	17,450	0	869
Total CapEx (excl. Capitalized OpEx)	**15,553**	**37,733**	**781**	**1,880**
Capitalized OpEx	3,309	0	165	0
Total Project CapEx (incl. Capitalized OpEx)	**18,862**	**37,733**	**946**	**1,880**
[1]Contingency included in above sub-total	*1,164*	*1,094*	*63*	*59*

The sustaining CapEx covers all expenditure of a capital nature following the achievement of 70% of the steady-state production, and is estimated at R37 733 M. This includes all ongoing underground waste development, construction of the North and South Complexes, and the required infrastructure plus mobile equipment replacement and other items of a capital nature associated with the concentrator and general mine infrastructure.

The overall LOM CapEx profile for the Waterberg Project is shown in Figure 1-11.

Figure 1-11: Capital Expenditure Profile for LOM



The LOM operating costs following achievement of 70% of steady-state production and excluding SIB expenditure is summarized in Table 1-14. The LOM rate of exchange is based upon consensus view and is R20.07 to the US$.

Table 1-14: Waterberg Project Operating Cost

Cost Area	LOM Average (ZAR/t milled)	LOM Average (USD/t milled)
Mining	389	19
Processing	195	10
Engineering and Infrastructure	186	9
General and Administration	39	2
Total On-site Operating Costs	**808**	**40**

The cash cost per 4E ounce is estimated at US$658 (consensus view). The cash cost includes the smelter discount as a cost, as well as byproduct credits from Cu and Ni sales; therefore, the indicated cash costs are dependent on the prevailing metal price assumptions as detailed in Table 1-15.

Table 1-15: Waterberg Project Cash and All-In-Cost

Metric	Base Case (Consensus View) (USD / 4E oz)
On-site Operating Costs	546
Smelting, Refining, and Transport Costs	375
Royalties and Production Taxes	41
Less Byproduct Base Metal Credits	(304)
Total Cash Cost	**658**
Sustaining Capital	103
Total All-in Sustaining Cost	**761**
Project Capital	52
Total All-in Cost	**813**

1.18 Economic Analysis

Key features of the Waterberg Project, based on consensus view pricing (Base Case), are listed below.

- Waterberg Project CapEx, exclusive of sustaining capital, is estimated at R18 862 M (US$946 M).
- The Waterberg Project CapEx includes capitalized operating costs of R3 309 M (US$165 M) up to 70% of steady-state production.
- The LOM average OpEx unit cost, exclusive of capitalized OpEx and its associated production, is estimated at R808/t (US$40/t) milled.
- The Waterberg Project produces a positive business case at the consensus view pricing and exchange rate scenario (Base Case). At consensus view, the Waterberg Project yields a post-tax $NPV_{8.0\%}$ of R11 557 M (US$569 M), an IRR of 14.2%, an undiscounted payback period from first production of 5.8 years, and a peak funding requirement of R15 428 M (US$776 M).
- At the consensus view pricing scenario (Base Case) the Waterberg Project generates LOM average cash costs of US$658/4E oz, which places the Waterberg Project within the lowest quartile of global PGE producers.

1.19 Adjacent Properties

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

1.20 Project Implementation

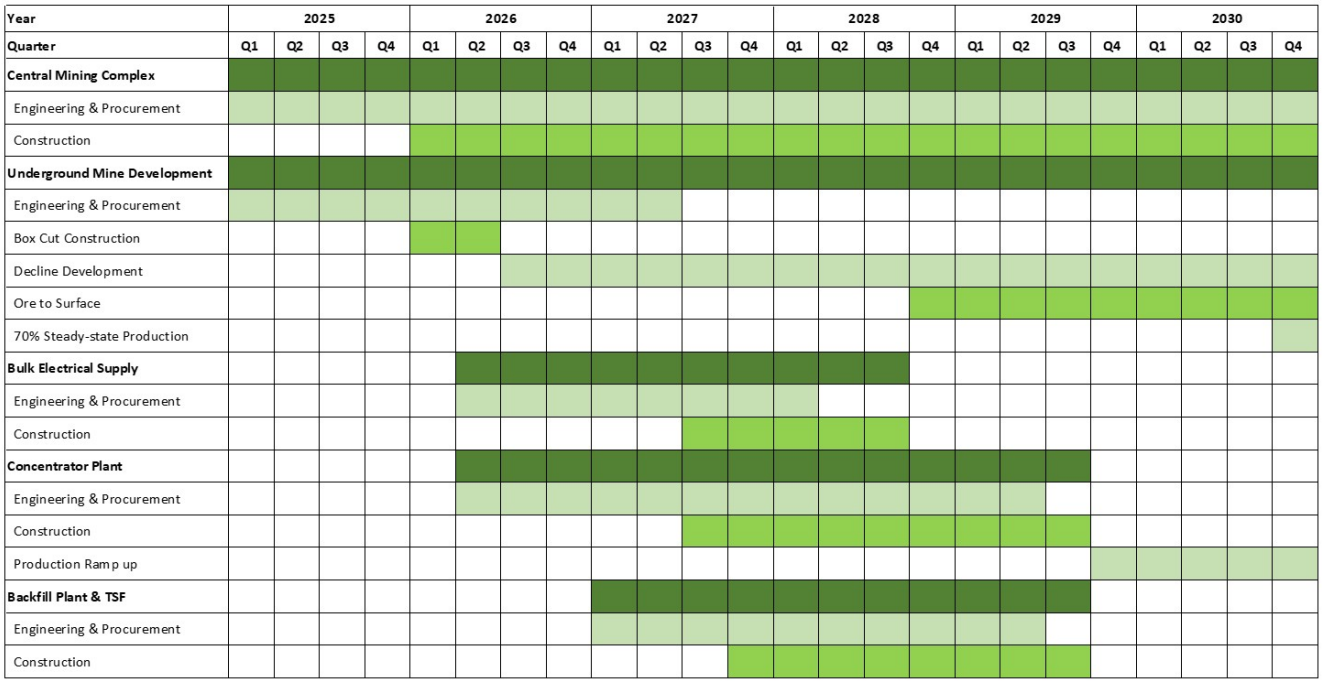
The project program assumes a start date of January 2025, with the first activity, following the project execution decision by the Waterberg JV Resources partners, being the commencement of detailed design engineering. The program aims to achieve the integration of the projects by achieving the following key milestones.

- Start of project - January 2025.
- Start of construction of Central Complex - December 2025.
- Start of box cut and decline development - January 2026.
- Commence design and construction of the concentrator - April 2027.
- Commence design and construction of backfill plant and TSF - October 2027.
- Completion of the 132 kV bulk electrical supply - August 2028.
- Start of ore processing in concentrator - September 2029.
- Achievement of 70% of steady-state capacity - December 2030.
- Completion of project capital period - December 2030.

The production ramp-up will continue until steady state capacity is reached in May 2032.

The Waterberg Project schedule is summarized graphically in Figure 1-12.

Figure 1-12: High-level Implementation Schedule



1.21 Interpretations and Conclusions

The database used for the mineral resource estimate consisted of 474 drill holes and 585 deflections. The mineral resource estimate was completed using geostatistics best practices and the M&I mineral resources are at an appropriate level of confidence to be considered in the DFS Update for mine planning.

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

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

The metallurgical process selected is proven technology and is appropriate for the ore to be treated and will produce a concentrate containing approximately 80 g/t 4E at a recovery approaching 78%.

The incorporation of underground paste fill and the dry stack tailings technologies is reducing the TSF footprint and has reduced the water demand for the Waterberg Project.

The economics show that the Waterberg Project is financially robust yielding a post-tax NPV8.0% of R11 557 M (US$569 M), an IRR of 14.2%, an undiscounted payback period of 5.8 years post first production, with a peak funding requirement of R15 428 M (US$776 M) for the consensus view scenario (Base Case). The cash cost estimate shows that the Waterberg Project will be in the lower quartile of primary PGM mining operations globally.

1.22 Recommendations

The key recommendations related to the mineral resource are summarized below.

- It is recommended that dedicated mineral resource definition drilling from both surface and underground be completed during the access period to upgrade some of the Indicated mineral resources to Measured mineral resources.
- Currently, only the larger geological structures have been modelled. It is recommended that a detailed structural analysis is conducted and modelled.

The key recommendations related to the mine design and mineral reserves are summarized below.

- Updates to the North Complex were not made in this DFS Update. It is recommended to re-visit the COG for the North Complex prior to North Complex execution.

- It is recommended to continue to monitor the progress and application of battery-powered mobile equipment technology and evaluate the opportunities this technology could present to the Waterberg Project.
- It is recommended that further geotechnical and geomechanical work be completed as part of Waterberg Project execution to validate mine design assumptions and support the detailed design for underground and surface infrastructure and ventilation raises.

The following metallurgical test work is recommended during Waterberg Project execution.

- Evaluation of a third stage grind to improve overall recovery with a finer grind.
- Further flotation test work to confirm the effect of the available groundwater on flotation performance and to determine what adjustments to the raw water circuit would be required (if any).
- Concentrate thickening and filtration test work.
- Further tailings thickening and filtration test work for confirmation of backfill plant design criteria.

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

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

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

- Environmental, Social, and Health Impact Assessment (ESHIA) in accordance with the Mineral and Petroleum Resources Development Act, No. 28 of 2002 (MPRDA), and the National Environmental Management Act, No. 107 of 1998 (NEMA).
- Stakeholder engagement process, including public participation, to continue in accordance with the NEMA.
- Specialist investigations in support of the ESHIA.
- Integrated Water Use License (WUL) Application in compliance with the National Water Act, No. 36 of 1998 (NWA).
- Integrated Environmental Authorization (EA) and Waste Management License (WML) (IEA) amendments in compliance with NEMA and the National Environmental Management: Waste Act, No. 59 of 2008 (NEMWA), if and when required.

If all the licenses and permits are received for construction and operation, the Waterberg Project is recommended to move into the detailed design and planning for project implementation

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

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

Additional Information - Concentrate Offtake

The Company and Waterberg JV Co. are assessing commercial alternatives for mine development, financing and concentrate offtake. Before mine financing and a construction decision can be undertaken, sales revenue must be confirmed by way of arrangements for Waterberg Project concentrate offtake or processing. The Waterberg DFS Update stated that "*Additional smelting capacity may need to be constructed in the industry to be able to treat the flotation concentrate from the Waterberg Project and the other potential Northern Limb mines*." Any transaction for concentrate offtake between Waterberg JV Co. and a third party or an entity involving any one or more shareholders must be entered into on a bona fide arms-length basis and for fair value. The Offtake ROFR would allow Implats the opportunity to match concentrate offtake terms offered to Waterberg JV Co. by a bona fide third-party.

Existing Smelters in South Africa

Obtaining reasonable terms for Waterberg Project concentrate offtake from an existing smelter/refiner in South Africa is considered the preferred option. The Company has discussed concentrate offtake terms with four South African smelter operators, including Implats, with a view to establishing formal concentrate offtake arrangements for the Waterberg Project. To date, no formal concentrate offtake terms have been achieved.

Construction of a Smelter in South Africa

As an alternative to a traditional concentrate offtake arrangement, the Company has conducted internal research and formal studies to evaluate the economic feasibility of establishing a smelter and BMR business in South Africa, jointly with third-party investors or partners, capable of processing Waterberg Project concentrate. Conceptually, a Waterberg matte furnace and BMR would be operated as a separate business from the Waterberg Project. Such a facility could provide fair market offtake terms to Waterberg JV Co., and possibly to other PGM miners, allowing for the production of an upgraded product for sale in the market without the need for treatment by a third-party smelter operator.

Construction of a Smelter outside South Africa

The Company has also evaluated the possibility of constructing a stand-alone PGE smelter and BMR in Saudi Arabia, primarily because of the country's attractive investment environment. Key advantages identified include competitive energy costs, lower taxes, and significant government financing incentives. To explore this opportunity, the Company entered into a Cooperation Agreement with Ajlan to study the proposed facility. In addition, the Saudi Arabian Ministry of Investment signed a memorandum of understanding with Ajlan and the Company to examine potential financial support for the project. However, a major obstacle is that Waterberg concentrate would need to be exported from South Africa to Saudi Arabia, which would require approval from the South African government. The Company and Ajlan are still evaluating the option, but South Africa's preference for domestic beneficiation and processing of mineral resources makes it unlikely that approval would be granted. As a result, the Company currently considers the Saudi Arabia smelter and BMR option unlikely to proceed, despite its potentially favorable economics.

Construction of a Matte Furnace in South Africa and a BMR in Saudi Arabia

The Company has further considered an alternative scenario involving a matte furnace in South Africa and a BMR in Saudi Arabia. Under this structure, Waterberg concentrate would be processed into matte in South Africa, then exported to Saudi Arabia for further refining. This option would place approximately 85% of the investment and beneficiation in South Africa, aligning more closely with the South African Government's preference for domestic beneficiation. However, government approval would still be required to export the matte to Saudi Arabia.

Non-Material Mineral Property Interests

The Company currently holds no non-material mineral properties. The Company currently owns no mineral properties other than those related to the Waterberg Project, as described herein.

5.4 SOUTH AFRICAN REGULATORY FRAMEWORK

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

Black Economic Empowerment in the South African Mining Industry

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

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

The regulatory regime governing the South African mining industry has therefore fundamentally changed over the past decades. Legislation governing mining and BEE within the mining sector includes, among other laws, regulations and policies, the MPRDA, the Mining Codes and the standards pursuant to the MPRDA, the Mining Charter, the Mining Charter Scorecard and the MTRA (as amended). The aforementioned legislation and policies, however, are industry specific and the generic BEE regulatory framework in South Africa is regulated in terms of the BEE Act, which sets out the South African government's policy in respect of the promotion of BEE. The BEE Act also permits the Minister of Trade, Industry and Competition to publish Generic BEE Codes, being codes of good practice that address, among other things, the indicators to measure BEE and the weightings to be attached to such indicators, as well as sector specific codes of good practice (refer to discussion below on sector codes).

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

The original Generic BEE Codes were substantially amended on October 11, 2013, and such amendments became effective from May 1, 2015. Generally speaking, the amended Generic BEE Codes make BEE compliance more onerous to achieve. The total number of points required to achieve certain levels of BEE compliance have been increased. The elements of management control and employment equity have been consolidated into a single element referred to only as management control, and the elements of preferential procurement and enterprise development have been consolidated into a single element referred to as enterprise and supplier development. The elements of ownership, skills development and enterprise and supplier development are classified as priority elements to which minimum thresholds of compliance attach and subjects an entity to a penalty of a reduction in its BEE compliance status by one level if the entity fails to achieve any of such minimum thresholds. The Generic BEE Codes were amended again on May 31, 2019, to make certain changes to clarify how small and medium enterprises should be assessed for BEE compliance and to amend the targets and points for certain elements.

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

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

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

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

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

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

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

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

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

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

The Mining Charter

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

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

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

- Ownership: this entailed 26% meaningful economic participation by HDPs and 26% full shareholder rights for HDPs. The Mining Charter referred to BEE entities as opposed to HDP companies but retained the 26% ownership target.
- Housing and living conditions: occupancy rate of employee accommodations of one person per room and all conversion of employee hostels had to be fully achieved.
- Employment equity: 40% HDP participation at Board level, at executive committee level, in middle management, in junior management and 40% HDP participation within core skills.
- Human resource development: 5% human resource development expenditure focused on HDPs as a percentage of total annual payroll.
- Mine community development: implementation of approved community projects.
- Sustainable development and growth:
    - implementation of approved EMP measured annually against the approved plans;
    - implementation of action plans on health and safety measured annually against the approved plans; and
    - utilization of South African based research facilities for the analysis of all South African sourced mineral samples.
- Beneficiation: contribute a percentage of additional production volume towards local beneficiation of mineral commodities in accordance with the beneficiation strategy introduced pursuant to the terms of Section 26 of the MPRDA. No such strategy has yet been finalized.
- Reporting: submission of annual reports to the DMPR in respect of compliance with the Mining Charter 2010.

Mining Charter 2010 included targets, measures and weightings by which mining right holders were assessed against the obligations according to the Mining Charter 2010 Scorecard.

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

On March 27, 2019, the Minerals Council South Africa announced that it had launched review proceedings against the Minister to set aside certain provisions of Mining Charter 2018. Essentially the review concerned a requirement in the Mining Charter 2018 that mining firms re-empower themselves in order to renew mining licenses or transfer mining rights, contrary to the so-called "once empowered, always empowered" principle. The Minerals Council Judgment was handed down on September 21, 2021, but the DMPR has indicated that it may introduce legislative amendments to counter the effects of the judgment. The court confirmed the "once empowered, always empowered" principle, confirmed that the Mining Charter 2018 was a policy document and not subordinate legislation and held that a breach of the Mining Charter 2018, of itself, could not result in cancellation of a mining right.

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

Under Mining Charter 2018, new mining rights holders will be required to have a minimum 30% BEE shareholding (a 4% increase from the required 26% under the Mining Charter 2010) which shall include economic interest plus a corresponding percentage of voting rights, per right or in the mining company which holds the right. Were it not already 30% empowered when the Waterberg Mining Right was granted, Waterberg JV Co. would have had a period of 5 years from April 13, 2021, within which to increase its BEE shareholding to 30%, given that its application was accepted prior to September 27, 2018. Holders of existing mining rights who achieved a minimum of 26% BEE shareholding, or who achieved a 26% BEE shareholding, but whose BEE shareholders exited prior to September 27, 2018, will be recognized as BEE ownership compliant for the duration of the mining right and for any period of renewal thereof. A new mining right granted after the coming into effect of Mining Charter 2018 (other than where the application for the right was accepted by the DMPR before September 27, 2018) must have a minimum of 30% BEE shareholding, applicable for the duration of the mining right.

Prior to the Minerals Council judgment, the Mining Charter 2018 provided that the 30% had to be distributed as per the Stipulated Distribution.

The carried interest of 5% to each of the community and the employees, as noted in the Stipulated Distribution, had to be issued to them at no cost and free of encumbrance. The costs to the right holder of such issue were stated as being recoverable from the development of the mineral asset.

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

However, the Minerals Council Judgment deleted from the Mining Charter 2018 the necessity of dividing the 30% shareholding in the Stipulated Distribution percentages previously prescribed by Mining Charter 2018.

Mining right holders may claim an equity equivalent ownership offset for beneficiation in accordance with a DMPR approved Beneficiation Equity Equivalent Plan.

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

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

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

- Board - a minimum of 50% are HDPs, 20% of which must be women.
- Executive Management - a minimum of 50% are HDPs at the executive director level as a percentage of all executive directors proportionally represented, 20% of which must be women.
- Senior Management - a minimum of 60% are HDPs proportionally represented, 25% of which must be women.
- Middle Management - a minimum of 60% are HDPs, proportionally represented, 25% of which must be women.
- Junior Management - a minimum of 70% are HDPs proportionally represented, 30% of which must be women.
- Employees with disabilities - a minimum of 1.5% employees with disabilities as a percentage of all employees, reflective of national or provincial demographics.

Regarding the abovementioned employment equity thresholds, it must be noted that, with effect from April 15, 2025, new five-year minimum sectoral numerical employment equity targets were published by the Minister of Employment and Labour in terms of Sections 15A(1) and (2) of the EE Amendment Act, which included the mining sector. The targets will not be applicable to employers with less than 50 employees. Compliance with any proposed targets under the EE Amendment Act will also be relevant for assessing BEE compliance even though targets and weighting may differ. The targets are not aligned with BEE sector codes or with Mining Charter 2018, creating regulatory confusion. The targets are currently being challenged in court.

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

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

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

Housing and living conditions for mine workers as stipulated in the Housing and Living Conditions Standards, developed in terms of Section 100(1)(a) of the MPRDA, including decent and affordable housing, provision for home ownership, provision for social, physical and economic integration of human settlements, secure tenure for the employees in housing institutions, proper health care services, affordable, equitable and sustainable health system and balanced nutrition. Under the Mining Charter 2018, mining right holders must submit housing and living conditions plans to be approved by the DMPR after consultation with organized labor and the Department of Human Settlements. To provide clear targets and timelines for purposes of implementing the aforesaid housing and living condition principles the DMPR released the reviewed Housing and Living Conditions Standard for the Minerals Industry on December 11, 2019.

Mining Charter 2018 provides, for the first time, a regime for junior miners who meet the qualifying criteria and grants such companies exemption from certain elements/targets. The regime for junior mining companies is limited to mining right holders who, either through holding a single or multiple mining rights, have a combined annual turnover of less than Rand 150 million.

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

Mining right holders who have a turn-over of between Rand 10 million and Rand 50 million per annum are required to comply with the following elements/target: Ownership element (but undefined as to composition of BEE shareholding); Human Resource Development Targets; Employment Equity Targets (at group level); and Mine Community Development Targets.

Mining and Prospecting Rights Under the MPRDA and draft MRD Bill

The Company's previous prospecting right, which lapsed in July 2025, as well as the Waterberg Mining Right are so-called new order rights (i.e., rights granted under the MPRDA) as opposed to old order rights, being rights granted under pre-MPRDA legislation. Under the MPRDA, mining companies operating in South Africa were required to apply for conversion of old order rights into new order prospecting and mining rights issued by the South African state in terms of the MPRDA. New order rights in respect of mining are granted for a maximum period of 30 years, with renewals of up to 30 years at a time. Prospecting rights are valid for a period of five years, with one renewal of up to three years. Furthermore, the MPRDA provides for a retention period after prospecting of up to three years with one renewal of up to two years, subject to certain conditions. The holder of a prospecting right granted under the MPRDA has the exclusive right to apply for and, subject to compliance with the requirements of the MPRDA, to be granted, a mining right in respect of the prospecting area in question.

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

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

On May 20, 2025, the DMPR published the draft MRD Bill, aimed at comprehensively amending the MPRDA to modernize the mining legislation, for public comment. Following widespread public concern over two of the amendments proposed under the MRD Bill, the Minister issued an erratum notice on June 9, 2025, to further revise the amendments in respect of Sections 11 (which regulates the mechanism with which the holder of a prospecting and mining right must comply if it wishes to transfer or encumber the rights (or an interests in such a right)), and Section 17 (being a duty placed on applicants for prospecting rights to meet specific BEE requirements). The public had until August 18, 2025, to submit comments. The MRD Bill seeks to restructure the MPRDA by removing all references to petroleum and thereby separate the regulation of petroleum from mining activities. Proposed broad changes include, but are not limited to:

- addressing illegal mining, prohibitions on assisting or providing services to illegal miners and the transportation of any minerals without prescribed documentation;
- the amendment of existing provisions relating to mining permits to regulate small-scale mining operations, with the concept of artisanal mining being formally introduced and regulated;
- introducing the concept of "associated mineral", which refers to any mineral found in mineralogical association with another primary mineral, where it is physically impossible to mine one without the other, which may solve some of the issues relating to overlapping applications for prospecting or mining rights;
- the establishment of a Ministerial Advisory Council to advise the Minister on sustainable resource development, transformation growth, beneficiation terms and conditions and other ministerial referrals. It also provides for the establishment of a Regional Mining Development Environmental Committee with detailed responsibilities for adjudicating objections and making recommendations to the Minister, along with specifications regarding committee membership;
- addressing tailing dumps and associated issues, which were created before May 1, 2024, not being governed by the MPRDA, by introducing the concept of "historic residue stockpiles";
- introducing requirements for meaningful community consultation regarding SLPs before rights can be granted, expanding beyond the previous requirement to consult with landowners and lawful occupiers; and
- promoting local beneficiation, requiring mineral producers to make minerals available for local beneficiation. Currently, these draft beneficiation provisions are, however, vague and provide too much administrative discretion.

On August 7, 2026, the Department of Justice and Constitutional Development published the draft General (Mining) Laws Amendment Bill, 2026 (the Bill) for public comment. The Bill proposes amendments to four South African statutes, including the MPRDA, to strengthen enforcement against illegal prospecting and mining, criminalise assisting such activity, and significantly increase penalties.

Resource Nationalism

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

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

A call for resource nationalization has, however, been made by the Economic Freedom Fighters, a political party under the leadership of Julius Malema and by the uMkhonto weSizwe Party, a political party formed in September 2023 under the leadership of Jacob Zuma.

Environment

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

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

South African environmental law is largely permit-based and requires businesses whose operations may have an environmental impact to obtain licenses and authorizations from the DMPR, the DWS and the DFFE, which often contain stringent conditions relating to construction and operational requirements, as well as monitoring and reporting obligations.

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

NEMA provides for the appointment of Environmental Management Inspectors and Environmental Mineral Resource Inspectors at the DFFE and DMPR, as well as at the municipal level. These inspectors have wide-ranging powers, which were recently expanded under NEMLAA4, and can undertake both announced and unannounced inspections and investigations. Criminal prosecutions have been initiated and directives and compliance notices issued following a number of these inspections.

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

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

The environmental regulation of mining underwent a transition during 2014. NEMA became the primary environmental legislation regulating mining and not the MPRDA. Due to this transition, the majority of the MPRDA's environmental regulation provisions were deleted and the NEMLAA3 introduced specific provisions regulating mining into NEMA. The Minister of the DMPR has however retained the bulk of his environmental regulation competencies under the NEMLAA3's amendments, to be undertaken in accordance with NEMA. This transition has created gaps as certain provisions were repealed but all of the necessary amendments have yet to commence under the MPRDA and the necessary regulations under NEMA are outstanding.

Under the Pre-MPRDA Amendment Act Environmental Provisions, before December 8, 2014, EMPs were required to be approved by the relevant delegated authority at the DMPR before a prospecting right or mining right respectively became effective.

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

This position changed on December 8, 2014, when the 2014 EIA Regulations commenced under NEMA, replacing the 2010 EIA Regulations. Mining and prospecting activities that commenced after this date required an EA, as do associated infrastructure, structures and earthworks directly related to the prospecting and extraction of a mineral resource. More recent amendments to the EIA Regulations which came into effect on June 11, 2022, have expanded the list of activities which now require an EA, including, any activity including the operation of that activity which requires an amendment or variation to a right or permit in terms of Section 102 of the MPRDA; and any activity including the operation of that activity required for the reclamation of a residue stockpile or a residue deposit.

The 2023 Draft EIA Regulations propose several changes in respect of the Listed Activities relating to the reclamation or expansion of residue stockpiles and residue deposits. Both the 2022 EIA Amendments and proposed amendments under the 2023 Draft EIA Regulations seem to be aimed at clarifying longstanding regulatory uncertainties in relation to residue stockpiles and residue deposits, including that (i) in addition to an EA, authorisation is required in terms of the MPRDA for reclamation of residue stockpiles and residue deposits; and (ii) reclamation or expansion of historical pre-MPRDA residue stockpiles and residue deposits requires an EA, but does not constitute mining.

There are presently no provisions in force in the MPRDA or NEMA deeming EMPs approved under the MPRDA to be EAs issued under NEMA, which creates gaps in relation to the obligations of mineral right holders with an approved EMP. Certain 2013 amendments to the MPRDA (following the implementation of the MPRDA Amendment Act, 2008) introduced a deeming provision however it has not yet commenced. This provision provides that an EMP approved under the MPRDA before and at the time of NEMA coming into force will be deemed to have been approved and an EA issued in terms of NEMA. A similar provision was proposed in previous iterations of the NEMA Bill; however, the NEMLAA4, which was published on June 24, 2022, with the majority of the statute signed into law a year later in June 2023, unfortunately still does not contain any deeming provisions in relation to MPRDA-approved EMPs. This has created the situation where applicants for mineral rights are likely now required to submit an application for an EA, despite an application for EMP approval being previously submitted and obtained. In practice however, the DMPR views EMPs submitted and approved under the MPRDA to be EAs. Aligned with this approach by the DMPR, the 2014 EIA Regulations were amended to include a transitional arrangement regulating that the auditing requirements in respect of EMPs for mineral rights approved prior to December 8, 2014, are still in effect.

The draft MRD Bill now also proposes a deeming provision that an EMP approved under the MPRDA before and at the time of NEMA coming into force will be deemed to have been approved and an EA issued in terms of NEMA.

Notable changes introduced by the NEMLAA4 include changes to Section 24G of NEMA and Section 22A of the AQA which both relate to the rectification of the unlawful commencing of Listed Activities without an EA or AEL, with the amendments providing that the competent authority must direct the contravener to immediately cease its unlawful activities, pending a decision on the rectification application. Prior to the amendment, the competent authority had the discretion to direct such cessation of activities. The changes to Section 24G specifically now extend to successors in title who will be liable for rectifying the historical conduct of activities without the requisite environmental approvals.

NEMA requires an EA before Listed Activities commence and it is a criminal offence to commence such Listed Activities without the required EA. A person who has commenced a Listed Activity without an EA may apply for rectification of this state of affairs in terms of the aforementioned Section 24G of NEMA but would be required to pay a maximum administrative fine of R10 million and may face criminal penalties. The 2014 EIA Regulations also require that landowner consent be obtained in applying for an EA. However, mining related Listed Activities are exempted from this provision and as a consequence, an applicant for a mining right and associated activities is only required to meaningfully consult with landowners as part of the thorough EA application public participation process prescribed under the 2014 EIA Regulations.

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

The DWS published the Draft NWA Regulations for comment in May 2023, which aim to revise the procedural requirements for WUL applications and introduce reforms for the more equitable allocation of water use. Chapter 5 of the Draft NWA Regulations provides for the *Consideration of a Decision for WUL Applications to Promote Equity and Redressing Past Racial and General Discrimination*, which will require WUL applications for abstractive water uses to include an allocation of shares to black people in accordance with stipulated proportions. Applications from mining and related industries that are regulated in terms of the MPRDA, as well as 100% black-owned entities, will be exempt from this requirement. The DWS has further clarified that this requirement will apply only to new WUL applications in relation to water resources that have historically not been allocated to water users for abstraction. The Draft NWA Regulations have not yet been promulgated and accordingly remain subject to further amendment.

Regulations published under the NWA regulate water use in relation to mining activities, providing for limitations on the location of mining infrastructure and requirements for separation of dirty and clean water systems. If a water use or water management activity is unlawful, the DWS may issue administrative directives to enforce the NWA's provisions or stop the unlawful water use. Criminal proceedings can also be instituted. Penalties for offences include a maximum fine and/or imprisonment of R200 000 and five years, respectively. Upon a second conviction, the maximum fine and/or imprisonment increases to R400 000 and ten years, respectively. Progress has been made by the DWS in addressing the backlog of pending WUL applications, firstly through the publication of regulations prescribing a 300-day application process, and secondly through revisions to the online E-WULAAS portal aimed at reducing the DWS' decision-making period to 90 days. Formal amendments giving effect to this shortened timeframe have, however, not yet been gazetted and remain reflected only in the Draft NWA Regulations. Feedback from the DWS to the mining industry has also indicated that, owing to capacity constraints, this timeline is unlikely to be adhered to in practice.

The National Water Amendment Bill was published for public comment and subsequently introduced into Parliament in 2026. The Bill proposes to amend the NWA to, *inter alia*: (i) introduce a framework for water source area protection, which may prohibit or limit the grant of WULs for mining in or near threatened or vulnerable water source areas; (ii) impose restrictions on the transfer and trading of water use entitlements; (iii) further prioritise redress and transformation considerations in the allocation and use of water resources; and (iv) increase potential criminal liability for offences, including maximum fines of R10 million or imprisonment for up to 10 years, while extending potential criminal liability to directors and certain responsible persons. As the Bill has not yet been enacted, its provisions remain subject to amendment during the parliamentary process.

The AQA regulates air pollution in South Africa and prohibits the undertaking of the AQA Listed Activities, including certain mining related and processing activities, without an AEL. Proposed amendments to the AQA Listed Activities were published for comment in September 2025. Operating without an AEL, where so prescribed, is a criminal offence, with potential liability of up to R10million in fines or 10 years' imprisonment, or both. Where an AQA Listed Activity is commenced unlawfully, an application for its rectification would need to be submitted under section 22A of AQA, in respect of which a basic administrative fine of R200 000 is payable, which fine escalates by R200 000 for every year of unlawful operation. A further amount of R1 million will be added to the fine where the unlawful activity is/was undertaken in a declared priority area.

Minimum emission standards have been set for each AQA Listed Activity. Facilities that were operational before these regulations came into force were afforded a "grace period" within which to comply with the more stringent air emission standards contained in the Listed Activities until 2015. If a facility did not comply with the 2015 air emission standards, the facilities had to be upgraded. Such facilities have had to comply with even more stringent air emission standards since 2020. Additional upgrades may therefore have been required before 2020 to comply with the 2020 air emission standards, for which significant CAPEX would have been required. Alternatively, an application for a once-off postponement of the time period for compliance with air emission standards would have been possible but the grant of any postponement was not guaranteed. The Greenhouse Gas Emission Reporting Regulations published on April 2017 and amended in September 2020 require certain industries, including mining and prospecting activities, to register as emitters with the DFFE and to report annually on their GHG emissions. The Greenhouse Gas Emission Reporting Regulations will, in future, be housed under the Climate Change Act (discussed below), once it commences. In addition, the National Dust Control Regulations, 2026, were promulgated under AQA on 31 March 2026, replacing the 2013 Dust Control Regulations. The new regulations introduce expanded dust management, monitoring and reporting obligations for, amongst others, mining, reclamation and industrial activities, together with increased penalties for non-compliance.

In June 2021, the DFFE published the Draft Guideline for comment. The Draft Guideline is intended to formulate a consistent approach for all sectors in respect of Climate Change Impact Assessments undertaken for purposes of an EA, AEL and WMLs application, providing for minimum requirements and generic principles for involving climate change specialists in the EIA process; defining the roles of the environmental assessment practitioner, specialists and other stakeholders; and outlining the extent and content of CCIAs. An amended Draft Guideline, incorporating amendments based on the first round of public consultation was published on October 24, 2025, giving interested persons 30 days from date of its publication to submit further comments and proposals. No further developments have occurred.

NEMWA regulates the storage, treatment, recycling, reuse and disposal of waste, among other things, including waste generated by the mining sector. Its provisions are also relevant generally to the Company's operations. WMLs are required for certain waste management activities, dependent on certain thresholds in relation to the waste. Although WMLs are not required for waste storage, such activities must comply with certain norms and standards. Residue stockpiles and deposits relating to prospecting, mining, exploration or production activities regulated under the MPRDA were previously exempt from NEMWA. This was changed by amendments under the NEMLAA3 and WMLs were required from the Minister for waste management activities undertaken in respect of residue stockpiles and deposits since September 2, 2014, if they constitute "waste" and if they fall above the thresholds for which a WML is required, unless an entity "lawfully conducted" these activities prior to September 2, 2014. While the NEMLAA4 provides for amendments to NEMWA such that the regulation of residue stockpiles and deposits are removed from NEMWA and regulated by NEMA, these provisions have yet to come into force. In its judgment handed down on June 26, 2023, the Constitutional Court held that "*Parliament had failed to comply with its constitutional obligation to facilitate public involvement in its legislative processes* " in respect of specific provisions of NEMLAA4, including the amended definition of "*waste*". In the interim and allowing Parliament " *an opportunity to correct the defect*", the definition of " *waste*" as per NEMWA remains in force, with residue stockpiles and residue deposits regulated as such. Once these provisions of the NEMLAA4 come into force, WMLs will not be required for residue stockpiles and deposits. In terms of the amended 2014 EIA Listed Activities, an EA would however be required.

Regulations relating to the procedure that must be followed by persons who have been called upon in terms of sections 80(4), 81(2) and 82 of NEMWA came into effect on December 10, 2025, and establish the process to be followed where the Minister requires an existing waste management activity that is being conducted without a waste management licence to apply for a licence under sections 80(4), 81(2) or 82 of NEMWA. In effect, they create a mechanism for the regularisation of historical or transitional waste management activities by prescribing the information, assessments, public participation and reporting that must accompany such licence applications. The regulations do not automatically legalise unlawful activities but rather provide a framework through which the competent authority can assess the environmental impacts of existing operations and determine whether they may continue, be authorised subject to conditions, or be modified or discontinued. Their overall effect is to bring previously unauthorised waste management activities into the formal licensing and regulatory compliance regime under NEMWA. A corresponding notice was published simultaneously identifying categories of existing waste management activities that are required to obtain a waste management licence notwithstanding that they may have commenced lawfully prior to the current licensing regime. In effect, the notice triggers the transitional licensing provisions of NEMWA by requiring affected operators to submit waste management licence applications within two years of the date of the notice and in accordance with the applicable procedural regulations.

Both the MPRDA and NEMA have provisions regulating rehabilitation and closure, which are not entirely consistent. The MPRDA provides that a mineral right holder remains liable for any environmental liability, pollution, ecological degradation, the pumping and treatment of extraneous water, compliance to the conditions of the EA and the management and sustainable closure of a mine, until the Minister has issued a Rehabilitation and Closure Liability certificate. NEMA provides that a mineral right holder remains responsible for Rehabilitation and Closure Liability notwithstanding the issue of a closure certificate. The draft MRD Bill however proposes to amend the MPRDA to align with NEMA so that the holder will remain liable despite the issuance of a closure certificate.

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

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

The 2015 FP Regulations were published under NEMA on November 20, 2015, which have been highly contentious due to gaps and contradictions with the ITA; MPRDA and NEMA. Of specific concern is that they will require a substantial increase in financial provision required for Future Rehabilitation, as they are far more onerous than previous requirements under the MPRDA and DMPR guidelines now requiring financial provision to be provided for annual rehabilitation and, more significantly, the remediation of latent or residual environmental impacts which may become known in the future including the pumping and treatment of polluted or extraneous water. The Minerals Council South Africa (formerly the Chamber of Mines) has stated that the 2015 FP Regulations could have a crippling effect on the mining industry. Owing to the significant criticism against the 2015 FP Regulations, various iterations of draft regulations have been published since November 2017. A new draft iteration of the Financial Provision Regulations was published in July 2022, revising previous versions, and which seeks to repeal the 2015 FP Regulations. Until the new regulations are promulgated the 2015 FP Regulations remain applicable. To accommodate industry while the regulatory framework is being streamlined, various compliance extensions in relation to existing mineral rights holders have been published in respect of the 2015 FP Regulations. In August 2023, the sixth extension for compliance with the 2015 FP Regulations for existing mineral rights holders was published and pushed the deadline to February 19, 2024. In February 2024, the latest and seventh extension for compliance with the 2015 FP Regulations for existing mineral rights holders was published and pushed the deadline to an indefinite future date still to be proclaimed in the Government Gazette.

Applicants for new mining rights submitted after November 20, 2015, are however still required to provide financial provision in terms of the 2015 FP Regulations. Trust funds may only be used for Future Rehabilitation and not annual or final rehabilitation (being the decommissioning and closure of the prospecting, exploration, mining or production operations at the end of the life of operations). The financial vehicle used for Future Rehabilitation must, on issuance of a closure certificate, be ceded to the Minister or if a trust fund is used, the trustees must authorise payment to the Minister. The aforesaid is contradictory to the Minister's discretion in the MPRDA and NEMA to retain a portion of the financial provision.

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

Mine Safety

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

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

The MHSA, which came into effect on May 30, 2009, criminalizes violations of the MHSA, increases the maximum fines to Rand 1 million per occurrence and creates the possibility that mining rights could be revoked for continued safety violations. A number of guidelines on the implementation of mandatory codes of practice under Sections 9(2) and 9(3) of the MHSA have been issued by the Chief Inspector of Mines and govern, amongst others, the provision of personal protective equipment for women in the SA Mining Industry; trackless mobile machines; cyanide management; underground rail bound equipment; conveyor belt installation for transport of mineral, material or personnel; and risk-based fatigue management.

The MHSA Bill was published for comment in June 2022 and proposes several amendments that increase the obligations of "employers" at mines. Some of the key changes that the MHSA Bill seeks to introduce include narrowing the scope of an "employee" to the extent that it includes only persons working at the mine (i.e. contractors); the appointment of a CEO of a mine in writing, who can be the *de facto* CEO of the company or any member of a company's board of directors; ensuring that proper training is provided in all circumstances and no longer as far as reasonably possible; increasing penalties and enforcement provisions; and introducing additional mandatory appointments. In October 2024, the Minister issued a notice in the Government Gazette concerning the further amended MHSA Bill, 2024. In terms thereof, the Minister intends to introduce the Bill in the National Assembly. An explanatory summary of the MHSA Bill, 2024, was published, but unfortunately contains very little information. The most important provisions include the introduction of the crime of corporate manslaughter, which provides that if the employer contravenes or fails to comply with a duty in the MHSA and if such contravention or failure results in a person's death, serious injury, serious illness or a health-threatening occurrence, then it constitutes a contravention which may result in a fine of a maximum of "*10% of the employer's annual turnover*". The provisions further provide that an employer is vicariously liable for the conduct of an employee which results in the death, injury, illness or occurrence as stated. The employer is presumed liable, and an onus is placed on the employer to disprove liability by proving that the act or omission did not occur with the permission of the employer; that it was not within the scope of authority of the employee; and that the employer had taken reasonable steps to prevent such act or omission. It is provided that the mere fact that the employer issued instructions forbidding any act or omission shall not in itself be accepted as sufficient proof that the employer took all reasonable steps to prevent the act or omission. Currently the fines for contraventions of the MHSA range between R50 000 and R1 000 000. Provision is made for imprisonment in the case of natural persons of 6 months to 5 years. These penalties are now also substantially increased in the amended MHSA Bill, 2024.

Royalty Payments

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

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

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

In the *Taxation Laws Amendment Act, No. 17 of 2023*, promulgated in December 2023, the South African government amended the Royalty Act to stipulate that for oil and gas mineral resources, the minimum royalty rate is increased from 0.5% to 2% while the maximum remains at 5%, being the same as applies to refined minerals.

Mining Taxation Review

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

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

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

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

The DTC released its second and final report on hard-rock mining in December 2016. Amongst the various proposals, the DTC recommended that the upfront CAPEX write-off regime should be discontinued and replaced with an accelerated CAPEX depreciation regime. The accelerated CAPEX depreciation regime will provide for write-off periods in line with that of manufacturing, namely on a 40/20/20/20 basis. The removal of the upfront CAPEX tax allowance regime would pave the way for the removal of ring fences aimed at preventing the set-off of future CAPEX expenditure against the tax base of other mining operations and against non-mining income.

The second and final report also indicated that comprehensive review of carbon taxes has been undertaken by a separate stream within the DTC and therefore the report contains no comments on carbon taxes. The Minister of Finance might adopt these recommendations which in turn might impact the net present value and internal rate of return of the project.

During the 2020 legislative cycle, it was initially proposed in the draft Taxation Laws Amendment Bill, 2020, that amendments be made to the provisions dealing with the special capital expenditure allowances for mines. However, these proposed amendments were withdrawn but may be proposed again in future years.

With effect from tax years of assessment commencing on or after April 1, 2022, South African resident companies are no longer permitted to set off their total accumulated assessed loss (known as the balance of assessed losses) against their taxable income. Instead, the balance of assessed losses that can be carried forward is limited to 80% of taxable income. This amendment coincided with the reduction of the corporate tax rate to 27%, which is also effective from tax years of assessment commencing on or after April 1, 2022 (the lower mining tax rate still applies to income derived from mining activities). However, the South African government acknowledged in the 2022 legislative cycle that the new restriction on assessed losses rules resulted in an anomalous position for mines and amended the legislation to state that the assessed loss restriction should be determined before considering the CAPEX allowance provisions. The amendment applies retrospectively.

In addition, an amendment was also introduced in the 2022 legislative cycle to ensure that the new interest limitation rules would not apply to interest incurred on a loan utilised for mining purposes during any period prior to commencement of production or during any period of non-production. This amendment applies from March 31, 2023.

Excessive Contributed Tax Capital

The concept of CTC ensures that no tax is levied on the return of an amount equal to the tax capital associated with a particular class of shares in a company. Currently, when a foreign intermediary company becomes a South African tax resident, the CTC amount is calculated based on the market value of its shares, allowing it to distribute dividends without tax liability under South African law. This setup has been exploited in tax structures where a foreign holding company indirectly avoids South African dividend tax by converting a foreign intermediary into a South African tax resident and leveraging CTC to shield distributions.

The ITA was amended to reduce the CTC amount of foreign companies becoming South African tax residents by subtracting the market value of shares held in South African companies, adjusted for their CTC. This measure will only apply where the foreign company holds at least 50% equity or voting rights in a South African company.

The amendment took effect on January 1, 2024, applying to companies that become South African tax residents on or after this date.

Debt forgiveness rules

Section 19 of the ITA and Paragraph 12A of the Eighth Schedule govern debt relief rules for tax and capital gains tax implications of forgiven debt. Among the exclusions is the dormant company exclusion, intended to ease the winding-up of dormant group companies with irrecoverable intra-group debt. However, the exclusion does not apply when the debt funded an asset subsequently disposed of under corporate reorganization rules or when the debt was refinanced within the group. This was designed to prevent abuse and ensure transactions were legitimate and well-considered.

Concerns arose about ambiguity in the provisions, specifically around whether the exclusion applies when the disposal happens after the debt reduction or at a different time.

The ITA was amended to clarify that the dormant company exclusion will be denied whenever debt that funded an asset disposed of under corporate reorganization rules is forgiven, regardless of whether the disposal occurs before or after the debt reduction. A deeming rule was also included to ensure that any debt benefit triggered in a prior year is accounted for in a subsequent year if the asset disposal violates exclusion requirements.

The amendment took effect on January 1, 2024.

Asset for share transactions

Section 40CA of the ITA addresses the deemed base cost of assets acquired through asset-for-share transactions. This provision was introduced after a court case, where the court ruled that issuing shares in exchange for an asset does not constitute "expenditure". Without specific rules, such transactions would result in a zero-base cost for tax purposes. Subsequent legislative changes allowed for the calculation of base cost as the market value of the issued shares, adjusted by any capital gains arising from anti-value shifting rules under Section 24BA.

The corporate reorganization rules allow tax-neutral asset transfers, rolling over tax consequences to future non-reorganization transactions. However, ambiguity existed regarding the timing of base cost adjustments for assets acquired under these rules. The provisions allowed for an immediate base cost uplift, enabling companies to claim tax allowances prematurely, even before disposing of the asset outside the reorganization framework.

The ITA was amended to clarify that the base cost uplift (equal to the deemed capital gain under Section 24BA) applies only immediately before the disposal of the asset in a non-reorganization transaction. The amendment took effect on January 1, 2024, applying to disposals occurring on or after this date.

Amalgamation transactions

Section 46 of the ITA facilitates tax-neutral unbundling transactions, allowing resident companies to distribute shares in another resident company (unbundled company) to their shareholders without triggering immediate tax liabilities. Prior to 2020, loopholes allowed tax exemptions instead of deferrals in certain cases, particularly when non-resident or tax-exempt shareholders holding significant stakes (20% or more) were not connected persons. Changes introduced in 2020 and 2021 addressed these issues by denying tax deferral for distributions to disqualified persons holding at least 5% equity and by introducing mechanisms for shareholders to receive additional base cost adjustments reflecting taxes paid by the unbundling company.

Concerns remained about how additional base cost adjustments are calculated and allocated. These adjustments applied to both unbundling shares and unbundled shares, diluting their intended purpose. When the unbundling company operates at a loss, the tax denial reduces assessed losses instead of reflecting a direct shareholder burden. This created inequities for shareholders who are not disqualified persons.

The existing additional base cost rule was withdrawn and replaced with a mechanism that allocates the uplift solely to unbundled shares and only when tax is payable by the unbundling company. The amendment took effect on January 1, 2024, and applies to expenditure allocation for unbundled shares acquired from that date forward.

Interest limitations rules

Section 23M of the ITA limits interest deductions on debts owed to certain persons not subject to tax, as part of measures to broaden the corporate tax base. However, ambiguities and gaps were identified in its application. These include unclear definitions of terms like "adjusted taxable income" and "creditor", inconsistent treatment of exchange gains and losses, and issues with the proviso limiting interest disallowance in cases involving non-residents. Additionally, provisions addressing "controlling relationships" and their interaction with group lending arrangements require refinement. Current exemptions in Section 23M(6) also do not apply to South African banks, limiting their applicability.

Amendments were introduced to clarify these issues. The definition of "adjusted taxable income" was revised to exclude the current year's assessed losses. The term "creditor" was defined explicitly, and exchange gains were recognized as interest received or accrued. Adjustments to the "controlling relationship" and group lending rules were also made to ensure consistency, while the proviso to Section 23M(2) was limited to non-resident recipients of interest. Lastly, the exemption under Section 23M(6) was extended to include South African banks, enhancing its scope and fairness.

These changes took effect on January 1, 2024.

Enhanced deductions including in respect of renewable energy

In light of South Africa's electricity crisis, the government introduced temporary enhancements to the renewable energy tax incentive under Section 12B of the Act, effective March 1, 2023. The goal was to stimulate private investment in renewable energy infrastructure, helping alleviate pressure on the national grid. Eligible assets include those used to generate electricity from wind power, solar PV, concentrated solar power, hydropower, and biomass sources such as organic waste or landfill gas. Supporting structures integrated with these energy-generating assets are also eligible, provided their lifespan aligns with the underlying asset. Notably, this incentive removes electricity generation limits for its duration, significantly broadening its appeal.

A key feature of the enhancement is the accelerated depreciation allowance, allowing taxpayers to deduct 125% of the cost of eligible assets upfront, unlike the previous write-off schedule of 50:30:20% over three years. This temporary incentive applied to new and unused assets brought into use on or after March 1, 2023, and before March 1, 2025. The upfront deduction rate was designed to encourage rapid investment in smaller projects while supporting larger ventures that required longer lead times. By incentivizing immediate deployment, the government aimed to maximize the impact of private contributions to renewable energy development.

To ensure clarity and prevent overlapping benefits, specific rules govern eligibility. Businesses using a mix of private funds and government grants for asset acquisition can only claim the deduction for the portion funded privately. Lessors under operating leases, and now finance leases, are eligible provided they meet ownership and income production requirements. However, deductions under Section 12BA cannot be combined with allowances under Section 12E (small business corporation incentives) or other renewable energy-specific tax breaks. Additionally, assets sold before March 1, 2026, will trigger a full recoupment of the 125% deduction under specific provisions of Section 8(4)(a) and a newly introduced clause, Section 8(4)(nA).

This enhanced incentive underscores the government's commitment to accelerating renewable energy adoption while maintaining fiscal responsibility. By limiting the benefit period to two years, the measure balances short-term urgency with prudent budget management. The changes also encourage investment by businesses that might not have otherwise pursued renewable energy projects, while ensuring robust safeguards against misuse or duplication of benefits. These amendments, including consequential changes to related tax provisions, aim to create a clear, fair, and impactful framework for renewable energy investment in South Africa.

Interest limitation rules

Interest limitation rules in terms of Section 23N of the ITA are proposed to be amended. Section 23N applies to debts tied to share acquisitions conducted through rollover provisions (e.g., Sections 45, 47, or 24O). It limits how much interest an acquiring company can deduct annually. The limitation is governed by a formula, subject to a maximum of 60% of the adjusted taxable income of that acquiring company.

The formula-based calculation will be replaced with a fixed cap of 30% of adjusted taxable income.

Changes took effect on January 1, 2025, applying to all assessments starting on or after this date.

Relaxing assessed loss restrictions

Previously, Section 20 of the ITA allowed taxpayers to fully offset assessed losses from prior years against current taxable income, with unused portions carried forward to future years. However, from April 1, 2022, a rule was introduced limiting companies to offset only 80% of their taxable income with carried-forward assessed losses, thereby broadening the corporate tax base. This restriction aimed to prevent perpetual deferral of taxable income while maintaining a fair system for utilizing past losses.

However, a problem arises when companies are liquidated, deregistered, or wound-up, as these situations often generate taxable income that cannot fully utilize the carried-forward assessed losses due to the 80% restriction, leading to a partial forfeiture of the remaining losses. Such companies will now exempt from the assessed loss restriction rule during their liquidation or winding-up process. This amendment is effective from January 1, 2025, applying to assessment years starting on or after that date.

Amalgamation transactions

Section 44 of the ITA deals with "amalgamation transactions", defined as those where an amalgamated company transfers all its assets to and merges with a resultant company. These transactions can include domestic transfers (between South African resident companies), inbound transfers (from foreign companies to South African companies), and foreign-to-foreign transfers within the same group. However, the ITA prohibited the amalgamation provisions from applying if the resultant company is not fully taxable in South Africa, ensuring rollover relief is not used to create permanent tax exemptions.

A specific issue arose with paragraph (d) of Section 44(14), which excludes domestic transfers to a foreign company that lacks a place of effective management in South Africa. This exclusion contradicted the rule that domestic transfers must involve a South African resident company, creating inconsistency and misalignment within the legislation.

To address this, the problematic exclusion in paragraph (d) for domestic transfers to foreign companies was deleted. This amendment took effect upon promulgation of the *Taxation Laws Amendment Act, No. 42 of 2024*, on December 24, 2024.

Participation exemption in disposing of foreign shares

Paragraph 64B of the Eighth Schedule to the ITA provides a participation exemption allowing taxpayers to disregard capital gains or losses from disposing of equity shares in a non-resident company, provided the shares have been held for at least 18 months before disposal. In 2023, this 18-month holding requirement, which previously applied to the disposal of shares, was extended to the exemption for foreign returns of capital from a foreign company where a 10% equity and voting right threshold is met.

However, the 2023 amendment has caused confusion in cases where multiple group entities have held shares in the foreign company during the 18-month period. It was unclear how the holding requirement applies when shares are held across various entities within a group, particularly during transfers among these entities.

It will be clarified that the 18-month holding period applies in aggregate to all group entities involved in the transaction. This means that the combined holding periods of all relevant entities within the group will satisfy the requirement. The amendment took effect retroactively from January 1, 2024.

Rebate for foreign taxes

Section 6quat(1A)(a)(iii) of the ITA provides relief from double taxation on foreign-sourced capital gains by allowing South African residents to claim a credit for irrecoverable foreign taxes paid on such gains. The credit is limited to the portion of the foreign tax attributable to the taxable capital gain included in the resident's South African taxable income. However, when the foreign jurisdiction calculates a higher taxable capital gain and imposes greater tax than South Africa, residents may still face double taxation because the full foreign tax credit cannot be utilized.

Section 6quat was amended to explicitly allow taxpayers to claim the full amount of foreign tax paid on capital gains as a credit, up to the amount of South African tax payable on the same gain. The amendment came into effect on March 1, 2025.

Foreign exchange differences

Section 24I of the ITA governs the taxation of exchange differences on certain financial instruments, but the framework created challenges when dealing with complex financial arrangements, such as cross-currency swaps linked to preference shares. These preference shares, issued by a non-resident subsidiary and held by a resident company, are treated as financial assets under IFRS Accounting Standards. However, under Section 24I, the exchange differences on debt obligations are taxable, while the exchange differences on the preference shares are not, as they are not classified as "exchange items". This mismatch leads to tax leakage.

The definition of "exchange item" in Section 24I was amended to include shares disclosed as financial assets under IFRS Accounting Standards. The amendment came into effect on January 1, 2025, and will applies to years of assessment commencing on or after this date.

Time limitation on VAT input claims

Proviso (i) to Section 16(3) of the VAT Act allows vendors to deduct input taxes from output tax in a later tax period, provided the deduction is claimed within five years of the entitlement arising. Many vendors claim unutilized input tax from past tax periods in a single current tax period. SARS was of the view that this issue often arises from inadequate reconciliation between accounting records and VAT returns, creating risks of double deduction and complicates compliance and audit processes.

The VAT Act was amended to require vendors to claim unutilized input tax credits in the original tax period in which the entitlement arose. The amendment came into effect on April 1, 2025.

VAT claw-back on irrecoverable debts

Section 22 of the VAT Act allows vendors to deduct VAT on irrecoverable debts, provided output tax on those debts was previously declared. If the debt is subsequently recovered, Section 22(2) provides for a claw-back of the previously deducted VAT. However, for non-recourse transfers of accounts receivable, the current provisions under Section 22(1A) allow the recipient of the receivable to claim a deduction for irrecoverable amounts but do not provide for a claw-back if the amounts are later recovered.

This gap created an inconsistency where recipients of transferred accounts receivable can claim deductions without being subject to claw-back provisions for recoveries. Section 22(2) was amended to extend the claw-back mechanism to include deductions made under Section 22(1A) when amounts are subsequently recovered. The amendment became effective on April 1, 2025.

Tax changes in 2026

Ordering of set-off of assessed losses

Since 2023, companies may only offset 80% of taxable income with prior year assessed losses. Meanwhile, deductions for donations (Section 18A) and transfers from policyholder funds by long-term insurers are capped relative to "taxable income." However, uncertainty has arisen over whether these limits should be applied before or after taking assessed losses into account.

It was proposed that deduction limitations must be calculated before applying any set-off of assessed losses. In other words, the taxable income base used to determine the 10% donation limit, and the allowable insurer transfer must be established *prior* to deducting any assessed loss. Only after all permissible deductions have been applied should the assessed loss limitation-the 80% cap-be applied last.

This clarification ensures that donation and policyholder-fund deductions are limited relative to pre-loss taxable income. It provides a clear hierarchy: first determine the deduction limits, then apply them, and only thereafter apply the assessed loss set off. This came into effect upon promulgation of the amending legislation on April 1, 2026.

Determination of contributed tax capital

It was sought to refine how CTC is determined, particularly to avoid unintentionally penalising legitimate intra-group equity financing. CTC represents the notional tax "capital" invested in a company's shares and is reduced when capital is distributed back to shareholders. Existing anti-avoidance provisions-especially those in Section 8G of the ITA-were introduced in 2017 to prevent foreign-controlled groups from artificially inflating CTC in a South African company to sidestep dividends tax. Those rules effectively restrict the CTC value when a new South African holding company is interposed between a foreign parent and its local operating subsidiary, where the share issue consideration is used to acquire shares in another group company.

However, these anti-avoidance provisions proved too rigid, sometimes catching legitimate equity transactions within groups. In particular, they may prevent a foreign parent from recovering genuine capital investments through its South African holding company where the funds raised by issuing new shares are used to buy out independent minority shareholders in a South African operating company already within the group. Although such transactions involve real capital movements and genuine restructuring, the current rules could still limit the CTC, effectively penalising *bona fide* corporate finance operations.

To correct this, it was proposed to amend Section 8G to exclude genuine equity finance transactions from the anti-avoidance limitation. Specifically, the CTC restriction will not apply where the local holding company issues new shares to the foreign company for consideration that is then used to acquire shares in the South African operating company from unconnected, non-group minority shareholders. This change ensures that legitimate group restructures and minority buy-outs are not hindered, while still preserving the original anti-avoidance intent against artificial CTC creation for dividend-tax avoidance. The amendment took effect on January 1, 2026.

Refining and clarifying the meaning of interest

Section 23M of the ITA was to be amended to improve clarity and consistency in applying interest-deduction limitation rules, which prevent South African companies from claiming excessive interest deductions on related-party debt where the corresponding interest income is not taxed in the hands of the creditor. The current provisions, introduced in 2021, define "interest" broadly-capturing items such as foreign-exchange differences-to stop taxpayers from disguising financing costs. However, this wide scope created unnecessary complexity and uncertainty, especially where debts are foreign-denominated or between unrelated parties.

The first refinement proposes that, for calculating "adjusted taxable income", taxpayers should use the narrower and more precise definition of "interest" in Section 24J. This simplifies compliance by removing the need to adjust for extraneous elements such as foreign-exchange effects that do not constitute true interest. The amendment clarifies that Section 23M's purpose is first to identify debt relationships that warrant limitation-those involving controlling relationships and untaxed creditor interest-before considering any ancillary elements like exchange differences. Only the part of Section 23M(2) referring directly to the limitation calculation will retain the broader definition to ensure no excessive deductions arise.

The second refinement concerns the carve-out for independent, arm's-length lending. Currently, the exemption from Section 23M applies only where the ultimate lender has no controlling relationship and charges interest not exceeding the official rate + 100 basis points. The amendment extends this carve-out to back-to-back lending arrangements, ensuring that loans indirectly funded by independent financial institutions also qualify, with effect from January 1, 2026.

Energy efficiency savings incentive

The energy efficiency savings tax incentive under Section 12L of the ITA allows companies to claim a deduction based on verified reductions in energy consumption, encouraging businesses to adopt efficiency measures. Originally introduced in 2013 and previously extended to December 2025, the incentive complements South Africa's broader climate policy, including the carbon tax regime. Although government initially proposed folding approved Section 12L projects into the carbon offset mechanism to align incentives, consultations revealed that such integration would be impractical given how and where most energy-efficiency projects are implemented.

Stakeholders pointed out that many Section 12L projects occur within the taxable operations of companies rather than as stand-alone offset projects and are typically smaller in scale than international carbon-credit standards would require. Incorporating them into the offset market would therefore exclude many legitimate corporate efficiency initiatives and reduce the incentive's accessibility and impact.

To preserve momentum in industrial energy savings and emission reduction, a straightforward five-year extension of Section 12L was proposed. The sunset date shifted from January 1, 2026, to January 1, 2031, ensuring continued support for efficiency-driven investment, cost savings, and job creation. The amendment took effect from January 1, 2026, maintaining the incentive as a standalone mechanism alongside the carbon tax framework.

Definition of "equity share"

This amendment concerns the definition of "equity share" in Section 1(1) of the ITA. The prior definition links an equity share to amounts regarded as "dividends" or "returns of capital", both of which are defined only in relation to resident companies. This linkage inadvertently excludes shares in foreign companies from being recognised as equity shares under the ITA, even when those shares carry the same economic rights to profits and capital as local equity.

The issue became more prominent following the introduction of dividends tax in 2012 and the Companies Act reforms, which reshaped corporate distributions and capital concepts. While the definition worked well for domestic entities, it created a gap for cross-border holdings, particularly where South African taxpayers receive foreign dividends or foreign capital returns. Those instruments, despite functioning like ordinary equity, technically fall outside the statutory wording.

To fix this, the amendment updates the definition of "equity share" so that it explicitly includes shares in foreign companies capable of yielding foreign dividends or foreign returns of capital. This ensures consistency between domestic and international shareholdings for tax purposes and removes ambiguity in how such instruments are treated. The change took effect from January 1, 2026.

CFC rules and comparable tax exemption

This concerns an amendment to Section 9D(2A) of the ITA focuses on tightening the comparable tax exemption rules that determine when the income of a controlled foreign company (CFC) is excluded from South African taxation. Section 9D is South Africa's key anti-avoidance provision aimed at preventing residents from shifting profits or passive income to low-tax jurisdictions. Under current law, a CFC's income is imputed to its South African shareholders unless the foreign company is subject to a comparable level of tax-currently defined as roughly three-quarters of the South African corporate rate.

However, the prior framework could have produced distortions. Some foreign tax systems allow refunds or rebates of company taxes to certain shareholders, effectively reducing the ultimate tax burden on distributed profits. The existing South African test measures comparability based on the headline foreign tax rate or the aggregate taxes paid by the CFC, without adjusting for these shareholder-level refunds. As a result, a CFC could appear to meet the "comparable tax" threshold even though, once refunds are factored in, the true effective tax rate on its profits is significantly lower. This problem becomes more acute when refunds are made to intermediate holding companies that are themselves CFCs, since current law does not capture the downstream effect of those repayments.

To address this, the amendment requires that any tax refunds received by shareholders-including other CFCs-be taken into account when testing whether a CFC qualifies for the comparable tax exemption. This ensures that only genuinely high-taxed foreign companies are excluded from South Africa's CFC attribution regime, closing potential loopholes used to erode the South African tax base. The amendment took effect on December 31, 2025, and applies to foreign tax years ending on or after that date.

Trusts and beneficiaries

An amendment to Sections 7(5) and 25B of the ITA aims to tighten and clarify the taxation rules governing trusts and their beneficiaries, particularly where non-residents are involved. Under South Africa's current framework, income received by a trust can be taxed either in the hands of the donor, the beneficiary, or the trust itself, depending on the attribution and flow-through principles. The flow-through principle allows income distributed by a trust to retain its original nature and be taxed in the hands of the person who ultimately benefits, ensuring transparency and fairness in the allocation of taxable income.

However, amendments introduced in 2023 intended to limit the flow-through principle to resident beneficiaries have proved insufficiently clear. The policy rationale was that South Africa faces administrative and enforcement challenges in collecting tax from non-resident beneficiaries, and that income distributed to such persons should instead be taxed within the trust before being paid out. Yet, the legislative wording can still be interpreted to extend flow-through or attribution treatment to non-residents, undermining this goal.

To remove any ambiguity, the amendment explicitly provides that only resident beneficiaries and resident donors may benefit from the flow-through and attribution provisions. All income vested in or distributed to non-residents will therefore be taxable in the trust itself. This clarification ensures that tax collection remains effective, and that South African-source income does not escape taxation through offshore beneficiaries. The change took effect on March 1, 2026, for years of assessment beginning on or after that date.

Deferral of exchange differences on debt between related companies

An amendment to Section 24I(10A) of the ITA addresses issues in the treatment of foreign exchange differences on long-term intercompany debt between connected persons or group companies. The original intent of this 2012 provision was to defer taxation of unrealised exchange gains and losses on non-current debt items (as classified under IFRS Accounting Standards) until those items were realised. However, this deferral mechanism has produced unintended distortions, as some taxpayers have delayed settlement of such debts indefinitely to avoid recognising deferred foreign exchange gains, thereby postponing tax liabilities and disrupting revenue timing.

Further complexity has arisen from practical accounting mismatches. The law ties eligibility for deferral to whether the loan is treated as a non-current item for IFRS purposes. But where the loan is later written off or derecognised in financial statements, it becomes unclear whether it still meets the deferral conditions. This inconsistency between accounting recognition and tax treatment has led to uncertainty and inconsistent application of Section 24I(10A).

To restore clarity and ensure timely taxation, the amendment entails that exchange differences on any debt not recognised for financial reporting purposes will no longer qualify for deferral. In addition, deferred exchange differences will be triggered proportionally as portions of the debt are realised during the year of assessment, preventing indefinite deferral. These refinements ensure that tax outcomes align more closely with actual economic realisation and accounting substance. The amendment will take effect from January 1, 2026, applying to years of assessment beginning on or after that date.

Tax proposals for 2027

The following legislative changes were proposed by National Treasury as part of its annual review of tax legislation following the introduction of the national budget in February. After public consultation, the draft bills were finalized and tabled in Parliament to go through the legislative approval process. The final bills will become law once approved by Parliament and assented to by the President.

Alignment of Section 23N and 23M regarding interest deduction limitations

This proposal effectively reverses the 2024 amendment to Section 23N prior to that amendment taking effect.

Section 23M limits interest deductions broadly where the debtor and creditor are connected and the corresponding interest is not fully subject to tax. Its formula was changed to a fixed-rate approach, reflecting OECD/BEPS recommendations. Section 23N limits interest deductions arising from debt used in certain acquisition and reorganisation transactions, particularly to counter excessive deductions from debt push-down structures. It generally applies in the transaction year and the following five years.

Previously, Section 23N would be amended so that, from January 1, 2027, its interest-limitation formula would be aligned with the newer Section 23M formula. However, the position was reconsidered. Sections 23M and 23N address different risks: Section 23N commonly applies where acquisition funding comes from local banks or taxable group companies, rather than situations where interest escapes taxation.

It is therefore proposed that Section 23N retain its pre-2024 formula, rather than adopting the Section 23M fixed-rate formula. This is also intended to provide stability for existing acquisition/reorganisation financing arrangements.

The amendment is proposed to be deemed effective from December 24, 2024, essentially neutralising the 2024 amendment from the outset.

Alignment of CFC and DTMC translation rules

This proposal fixes a currency-translation anomaly where a Domestic Treasury Management Company (DTMC) owns a CFC.

In terms of the current position, a CFC calculates its net income in its functional currency and, under Section 9D(6), translates it into rand using the CFC's average exchange rate. A DTMC, however, may use a foreign functional currency (e.g. USD). This means the CFC inclusion may effectively be translated CFC currency to ZAR, to the DTMC functional currency, and then to ZAR.

Because the CFC and DTMC may have different tax years and therefore different average exchange rates, this circular conversion can create artificial ("phantom") exchange gains or losses.

It is therefore proposed that where the DTMC and its CFC have the same functional currency, the CFC's net income will remain in that functional currency when determined for the DTMC. The unnecessary intermediate conversion into Rand will be eliminated. The amount can therefore ultimately be translated into Rand using the appropriate DTMC translation rules, avoiding distortions and reducing administration.

The proposed effective date is January 1, 2027, applying to CFC foreign tax years ending on or after that date.

VAT and electronic services

This proposal changes the default VAT liability for electronic services supplied through intermediaries/platforms.

The current position is that an intermediary that invoices and collects payment for electronic services can account for the VAT on behalf of the underlying supplier only where the parties agree in writing. Without such an agreement, the principal/supplier remains responsible for VAT registration and accounting.

From April 1, 2026, these intermediary rules were broadened to cover supplies facilitated for both foreign and local suppliers.

Requiring an agreement creates compliance and enforcement difficulties. SARS may have to pursue foreign suppliers directly, while platforms may struggle to conclude agreements with numerous smaller suppliers. The proposal is that, because the intermediary controls invoicing and collects the payment (and therefore effectively collects the VAT), the intermediary will automatically be responsible for accounting for the VAT. The principal will account for the VAT only where the parties specifically agree in writing that the principal will do so.

The proposed effective date is April 1, 2027.

VAT and leasehold improvements

This proposal closes a VAT leakage relating to leasehold improvements where the lessor is not a VAT vendor.

The current position is that where a vendor lessee makes leasehold improvements to leased property for no consideration, Section 8(29) deems a taxable supply to the lessor. However, Section 10(28) gives that supply a nil value, so the lessee accounts for no output VAT and can generally retain its input-tax deduction. Section 18C then provides the balancing mechanism: if the lessor is a vendor and uses the improved property for non-taxable purposes, the lessor must make an output-tax adjustment. This effectively claws back the VAT to the extent of non-taxable use.

Section 18C currently applies only where the lessor is a vendor. If the lessor is a non-vendor, there is no adjustment. The lessee may therefore have deducted the VAT incurred on the improvements, while no corresponding VAT is ultimately recovered from the lessor, even though the improved property is used outside the VAT system.

It is proposed to extend the Section 18C-type claw-back to non-vendor lessors. Vendor lessors will continue making the adjustment through their VAT201 returns, while non-vendor lessors will be required to make a self-declaration and payment directly to SARS. A non-vendor lessor will no longer escape the VAT adjustment simply because it is not VAT registered. The claw-back associated with leasehold improvements will effectively apply to both vendor and non-vendor lessors.

The proposed effective date is April 1, 2027.

Carbon budget compliance refunds

This proposal clarifies when carbon-tax refunds can be claimed by companies that ultimately comply with their five-year carbon budget.

Under the carbon-budget regime, emissions exceeding a company's annualised carbon budget are subject to a higher carbon tax rate. However, compliance is ultimately assessed over the five-year carbon-budget period. If the company complies over that period, it may obtain a refund of the additional carbon tax previously paid.

The existing wording governing the timing of refunds is ambiguous, particularly the reference to the "immediately preceding tax period."

It is proposed to remove problematic wording and expressly provide that: (1) in year 3, a refund may be claimed for tax paid in years 1 and 2; and (2) in year 6, a refund may be claimed for years 3, 4 and 5, together with any necessary technical adjustments relating to years 1 and 2.

This is primarily a technical clarification rather than a substantive policy change. It establishes a clear two-stage refund process: years 1-2 refunded in year 3; years 3-5 (plus any corrections to years 1-2) refunded in year 6.

The proposed effective date is a date still to be determined by the Minister of Finance.

Carbon tax threshold for certain activities

This proposal changes the carbon-tax threshold for Commercial/Institutional fuel-combustion activities (IPCC code 1A4a) from a capacity test to an actual emissions test.

In terms of the current threshold, carbon tax applies where fuel-combustion capacity reaches 10 MW thermal, regardless of how extensively that capacity is actually used. This has become problematic because businesses have installed substantial backup diesel-generation capacity due to load-shedding and electricity-supply concerns, but those generators may operate only occasionally. Consequently, businesses can fall within the carbon-tax regime despite relatively low actual emissions, resulting in compliance costs that may exceed their carbon-tax liability.

It is proposed to replace the 10 MW thermal capacity threshold with an actual emissions threshold of 25,000 tCO_2e. Commercial and institutional businesses will be subject to carbon tax under 1A4a based on actual emissions of at least 25,000 tCO_2e, rather than simply because they have backup generating capacity of 10 MW thermal or more.

It is proposed that the change has retrospective effect from January 1, 2026.

Exchange Control

South African law provides for exchange control which, among other things, regulates the flow of capital from the CMA. The *Currency and Exchanges Act, No. 9 of 1933*, empowers the President of South Africa to make regulations in regard to any matter directly or indirectly relating to currency, banking or exchanges. The Minister of Finance is responsible for all matters regarding exchange control policy, and certain of these powers and functions have been delegated to the South African Reserve Bank, more specifically FinSurv.

The Exchange Control Regulations, 1961, which are administered by FinSurv, are applied throughout the CMA and regulate transactions involving South African exchange control residents, including companies. The basic purpose of the Exchange Control Regulations is to mitigate the negative effects caused by a decline of foreign capital reserves in South Africa, and to prevent South Africa's balance of payments from being adversely affected, which may result in the devaluation of the Rand against other currencies. It is the stated objective of the authorities to achieve equality of treatment between residents and non-residents for exchange control purposes as it relates to inflows and outflows of capital. The South African government has progressively relaxed exchange controls in recent years, and in April 2026, National Treasury published the draft Capital Flow Management Regulations, 2026, for public comment. The draft Regulations are intended to replace the existing Exchange Control Regulations, 1961, and implement a positive-bias approach to cross-border capital flows, under which fewer transactions would require prior approval, with increased reliance on reporting, surveillance of high-impact and high-risk cross-border transactions and measures aimed at combating illicit financial flows. The draft Regulations also seek to modernise the existing regulatory framework, provide for administrative sanctions and increased penalties, and bring cross-border crypto-asset transactions expressly within the regulatory framework. The draft Regulations have not yet come into effect, and the existing Exchange Control Regulations therefore remain applicable.

A number of exchange control relaxations applicable to companies were announced in the Initial Budget, including the following:

- An increase from R1 billion to R5 billion in the amount that a South African company may invest offshore per investment under the foreign direct investment dispensation through an Authorised Dealer, without prior FinSurv approval, subject to the applicable conditions, tax obligations and reporting requirements. Investments exceeding R5 billion per investment continue to require prior FinSurv approval.

- An increase in the maximum amount that domestic treasury management companies can hold in foreign currency for offshore investment purposes. For listed companies, the limit was increased to R5 billion and for unlisted companies, the limit was increased to R3 billion.
- New rules regarding inward listings.

Further exchange control relaxations applicable to companies were implemented during 2026. These include the relaxation of the rules governing foreign borrowing by South African residents, under which the previous prescribed interest-rate parameters were replaced with a requirement that the interest rate be market-related in the country of denomination and/or normal in the trade concerned. In addition, the permitted period between payment to a foreign supplier and receipt of funds from a foreign purchaser in respect of merchanting transactions was standardised at four months. Certain limits applicable to miscellaneous payments to non-residents were also increased, and additional authority was delegated to Authorised Dealers in relation to certain foreign currency transactions.

The Company is subject to various forms of exchange control in regard to its South African subsidiaries. Such subsidiaries are subject to restrictions and prescribed requirements in relation to, among other things, the export of capital from South Africa, the holding and use of foreign currency, foreign borrowing and the acquisition of interests in foreign ventures. Depending on the nature and value of the transaction, transactions may be dealt with under the applicable dispensations by an Authorised Dealer or may require the prior approval of FinSurv.

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

Carbon Tax/Climate Change Policies

In terms of the Paris Agreement under the United Nations Framework Convention on Climate Change, South Africa's GHG emissions are said to peak during the period 2020 until 2025, then plateau from the period 2025 until 2035, where after GHG emissions are said to decline from 2036. However, it is estimated that the phasing in of appropriate carbon taxation can reduce South Africa's GHG emissions by between 35% and 44% below business as usual.

It is against this background that the Carbon Tax Act was finally assented to by the President on May 22, 2019, and commenced with effect from June 1, 2019. As per the Carbon Tax Act's Preamble, "*the South African government is of the view that imposing a tax on GHG emissions and concomitant measures such as providing tax incentives for rewarding efficient use of energy will provide appropriate price signals to help nudge the economy towards a more sustainable growth path.*"

The introduction of carbon tax has taken place in a phased manner, which allows for developmental challenges faced by South Africa, encourages investment in more energy efficient technology and ensures that South Africa's competitiveness is not being compromised.

In the 2019 carbon tax year (which ran from June 1, to December 31), the Carbon Tax Act levied the tax at a rate of R120 per tonne of CO_2-eq emissions on identified activities that exceed prescribed GHG emission thresholds. The tax rate was increased annually with reference to South Africa's consumer price index. As a result, the carbon tax rate for the 2020 carbon tax year was R127 per tonne CO_2-eq; for the 2021 carbon tax year was R134 per tonne CO_2-eq and for the 2022 carbon tax year, the rate was R144 per tonne CO_2-eq. In the 2022 legislative cycle it was proposed in the Draft Taxation Laws Amendment Bill, 2022, that the annual increase in the carbon tax rate up to 2030 would be larger to meet South Africa's nationally determined contribution commitments. During parliamentary hearings that took place in September 2022 and following submissions received from the public, the Carbon Tax Act was amended to state that the following rates will apply from 2023 to 2030:

- 2023: R159 per tonne CO2-eq;
- 2024: R190 per tonne CO2-eq;
- 2025: R236 per tonne CO2-eq;
- 2026: R308 per tonne CO2-eq;
- 2027: R347 per tonne CO2-eq;
- 2028: R385 per tonne CO2-eq;
- 2029: R424 per tonne CO2-eq; and
- 2030: R462 per tonne CO2-eq.

It was announced in the Initial Budget that the first phase of the carbon tax will run until the end of 2025. Due to the various industry specific tax-free emissions allowances ranging from 60% to 95% provided for under the Carbon Tax Act, an initial effective carbon tax rate as low as R6 to R48 per ton of CO_2-eq emitted applied in the carbon 2019 tax year. These allowances include a/an:

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

During the September 2022 parliamentary hearings, National Treasury indicated that the above allowances will only change pursuant to a future legislative consultation process. For example, it was indicated that National Treasury would consider increasing the maximum carbon offset allowance to 15%. Although it was announced in the Initial Budget that penalties may be introduced for companies who exceed their carbon budget, no draft legislation to this effect has been tabled and it remains to be seen whether this change will be introduced.

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

Final regulations required for the implementation of the carbon offset and trade exposure allowances and performance allowances under the Carbon Tax Act have been published. The Carbon Offset Regulations were amended in 2021 to incorporate, amongst other things, changes clarifying the use of carbon credits from approved CDM projects issued under national registries to be eligible for listing as eligible South African carbon offsets. Pursuant to the extension of phase 1 of the carbon tax until the end of 2025, it was announced in the 2023 legislative cycle that the utilisation period for carbon offsets that ended at the end of 2022 would also be extended to the end of 2025, to ensure alignment between the Carbon Tax Act and Carbon Offset Regulations.

Furthermore, and as previously committed to by the South African National Treasury, phase 1 of the tax is also electricity neutral in providing credits for the renewable energy premium built into electricity tariffs and electricity generation levy. In light of the extension of phase 1 of the carbon tax to December 31, 2025, the impact of the tax on the energy sector will only affect the consumer after this date. The scope of the renewable energy premium, also available to liable carbon taxpayers who conduct electricity generation activities, was expanded in the 2021 legislative cycle to include those taxpayers who purchase additional renewable energy directly under the REIPPPP (Renewable Energy Independent Power Producers Procurement Programme) or from independent power producers. The proposal is that for private purchases or under the REIPPPP, this would apply where a power purchase agreement is in place. Further amendments were made to expand the scope of entities that can benefit from the renewable energy premium.

The amendments announced in the 2023 legislative cycle were the following:

- The extension of the first phase of the carbon tax has been aligned with the regulations in respect of carbon offsets. The utilisation for offsets under taxable activities has been extended from December 31, 2022, to December 31, 2025 (*see above*).
- Alignment of the fuel emission factors in the Carbon Tax Act with the DFFE's methodological guidelines.
- Adjustments to the formula for fugitive emission factors, which would affect the carbon tax liability for various types of mining activities, essentially to make corrections for over-estimation.

Clarifying the carbon budget allowance to allow taxpayers to continue claiming the allowance until at least the end of 2024. Only once mandatory carbon budgets are implemented by the DFFE and legislated, will the carbon budget allowance of 5% fall away.

The following proposals have been made in respect of the 2024 legislative cycle:

- to ensure alignment between the Carbon Tax Act and the DFFE's methodological guidelines, the Schedule 1 fuel combustion emission factors and net calorific values are to be updated, and new fuel types added;
- the fugitive emissions table in Schedule 1 of the Carbon Tax Act is to be updated to add specified activities and emissions factors for the relevant emission source categories based on the 2019 refinements to the 2006 Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories; and
- based on the operationalisation of the National Transmission Company of South Africa (NTCA), Section 6 of the Carbon Tax Act is to be amended to allow electricity purchases under power purchase agreements ceded to the NTCSA to be eligible for the renewable energy premium deduction.

The following proposals were made in respect of the 2025 legislative cycle:

- extending the commitment to electricity price neutrality and ensure that the carbon tax is revenue neutral and has no impact on the price of electricity until 2030. This will be achieved by repealing the electricity generation levy imposed in terms of the *Customs and Excise Act, No. 91 of 1964*, and applying the carbon tax only on combustion emissions from 2026. The carbon tax will replace the electricity generation levy, and electricity generators can continue to deduct a portion of the renewable energy premium from their carbon tax liability for the difference between the carbon tax and electricity levy liabilities;

- increasing the carbon offset allowance by 5 percentage points to 15% for combustion emissions and 10% for fugitive and process emissions;
- extending the carbon budget allowance by 1 year to end on December 31, 2025; and
- amending the Carbon Tax Act to provide for the higher tax rate of R640/tCO2e as announced in the previous Budgets. The higher rate will apply to the quantum of emissions of greenhouse gases above the allocated carbon budget of an entity.

The following proposals have been made in respect of the 2026 legislative cycle:

- replacing the 10-megawatt thermal capacity threshold applicable to Commercial/Institutional fuel combustion activities (IPCC Code 1A4a) with an emissions-based threshold of 25,000 tCO2e, with effect from January 1, 2026; and
- clarifying the carbon budget compliance refund mechanism by providing that refunds relating to the first two tax periods may be claimed in the third year, while refunds relating to tax periods three to five, together with any necessary adjustments relating to the first two tax periods, may be claimed in the sixth year.

The *Taxation Laws Amendment Act, No. 5 of 2026,* introduced a new carbon-budget penalty regime, including a proposed carbon tax rate of R640 per tonne CO2-eq for emissions exceeding an approved carbon budget. Although these amendments have been enacted, they are not yet in force and will commence on a date to be determined by proclamation. Until commencement, the ordinary carbon tax rates prescribed in Section 5(2) to 5(2C) remain applicable. It further proposes amendments governing carbon-tax refunds where an entity complies with its carbon budget, including clarification of the periods in which refunds may be claimed.

Climate Change Act and Related Developments

In relation to climate change considerations and compliance, the DFFE published South Africa's Updated NDC in September 2021 in terms of the Paris Agreement, to which it is a signatory. The Updated NDC sets out South Africa's GHG emission targets, finance support requirements and long-term decarbonisation plans, and makes provision for the implementation of National Climate Change Adaptation Strategy interventions for certain priority sectors, including the mining sector. South Africa's draft second NDC was released for comment end July 2025, with the public consultation process running over August 2025.

To give effect to South Africa's commitments under the Paris Agreement, the Climate Change Act was partially enacted in March 2025. Prior to its enactment, progress in respect of the proposed Climate Bill was slow since it was first published for comment in June 2018, following deliberation of public submissions, with several public hearings held between September 2022 and May 2023. Following deliberation of public submissions and further proposed amendments to the Bill, the Climate Bill was finalised and passed by the National Assembly on October 24, 2023, and was signed into law by President Cyril Ramaphosa on July 23, 2024. The President proclaimed its commencement in the Government Gazette on March 17, 2025; however, not all provisions are in force.

The Climate Change Act aims to enable the development of an effective climate change response and a long-term, just transition to a low-carbon and climate-resilient economy and society for South Africa in the context of sustainable development; and to provide for matters connected therewith.

To achieve this, it provides for various regulatory mechanisms, including SETs and the carbon budget. Greenhouse gas emission reporting will also be regulated in terms of the Climate Change Act, as opposed to the AQA under which the GHG Reporting Regulations were first published in 2017.

On SETs, with the South African Cabinet's approval, the Environmental Minister pre-emptively published the draft Sectoral Emission Targets Report for comment in April 2024, which identifies sectors and responsible government departments that will be subject to SETs, including the mining sector. The DMPR and DFFE will be responsible for achieving prescribing mining sector SETs through the development and implementation of sectoral policies and measures.

The Climate Change Act further obligates the Environmental Minister to determine GHG emission thresholds that will inform an entity's carbon budget allocation. Draft Carbon Budget and Mitigation Plan Regulations were published beginning August 2025, which seek to establish a mandatory carbon budgeting system for high-emitting sectors and activities, applying to data providers whose annual listed GHG emissions exceed 30,000 tonnes of CO_2-equivalent. Impacted entities will be required to compile, submit and implement mitigation plans for GHG emission mitigation to ensure compliance with allocated carbon budgets. The first commitment period is anticipated to run from January 1, 2026, to December 31, 2030.

Considering its extensive resource requirements from a capacity, skill and monetary perspective, especially at provincial and municipal level, implementation of the Climate Change Act will have to be gradual, whilst still taking into account South Africa's obligations under the Paris Agreement.

Other climate change regulatory developments are gaining momentum, with the Cabinet of the Government of South Africa approving the establishment of the PCC.

The PCC flows from South Africa's Nationally Determined Contribution under the Paris Agreement and is formally established through the Climate Change Act, the latter which the LEDS confirms "*form the legislative foundation for (South Africa's) climate change adaptation and mitigation response*".

The PCC published *A Framework for a Just Transition in South Africa* in July 2022 which serves as the underlying policy requiring government to adopt a comprehensive plan, accompanied by a set of activities to achieve a low-carbon economy and society. This framework currently focuses on four sectors and value chains that are at-risk in the transition, which form part of the formal economy, namely, the coal value chain, the auto value chain, agriculture, and tourism.

During 2026, further steps have been taken towards the implementation of the carbon budgeting and mitigation plan framework under the Climate Change Act. Certain provisions of the Climate Change Act relating to mandatory carbon budgets and mitigation plans did not commence with the other provisions of the Act in March 2025, and their implementation is dependent on the finalisation of the relevant regulatory framework. Following the publication of the draft National Greenhouse Gas Carbon Budget and Mitigation Plan Regulations in 2025, further transitional measures have been introduced during 2026 in relation to existing pollution prevention plans and mitigation plans. The regulatory framework for mandatory carbon budgets is therefore continuing to develop, with the first carbon budget commitment period intended to cover the period from January 1, 2026, to December 31, 2030.

Electricity Market Reform

To meet decarbonisation targets per South Africa's commitments under the Paris Agreement and to guarantee greater security of supply, reform of the South African electricity market is at the forefront of the political and legislative agenda. Various regulatory changes aimed at deregulation of the market have been introduced, including amendment of Schedule II of the *Electricity Regulation Act*, *No. 4 of 2006*, to delete the licensing threshold for generation projects and allow for wheeling of electricity to multiple offtakers by private generators. This has opened the possibility for mining operations to procure electricity directly from private independent power producers by way of corporate power purchase agreements.

The Electricity Regulation Amendment Bill, 2023, was formally tabled in Parliament at the end of August 2023 and was signed into law as the *Electricity Regulation Amendment Act, No. 38 of 2024*, by President Cyril Ramaphosa on August 16, 2024, with its commencement date being January 1, 2025. This amendment Act is fundamental to the reform of the electricity market, including the unbundling of Eskom and the establishment of a multi-market system to open up pathways to greater competition and reduced energy costs; increase investment in new generation capacity and transmission system upgrades and expansion to achieve energy security; establish an independent transmission company (Transmission System Operator SOC Ltd.) as the custodian of the national grid. The reform programme was further developed through the publication of the Electricity Sector Market Transformation Position Paper, 2026, which outlines government's proposed pathway for transitioning to a competitive wholesale electricity market. Although these reforms create opportunities for private generators and large electricity users, their full implementation remains dependent on the finalisation of the applicable market rules, establishment of the necessary institutions and expansion of the constrained transmission network.

South African Companies Act

The Company's South African subsidiaries are subject to the Companies Act which came into force on May 1, 2011. The aim of the Companies Act is to modernize company law in South Africa so that it is comparable with leading jurisdictions around the world.

The Companies Act introduced numerous new legal concepts into South African company law, including a requirement to ensure that a company's constitutional documents are aligned with the Companies Act, and that any shareholders' agreements that are in place are aligned with a company's memorandum of incorporation and the Companies Act. Although not peremptory, the Company registered new memoranda of incorporation for the Company's South African subsidiaries.

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

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

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

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

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

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

Companies in South Africa can be deregistered if they fail to timeously lodge their annual returns. This means that the company ceases to exist as a separate juristic person, and that all of its rights and assets devolve to the state by operation of law. A company's registration can be reinstated by application either to the CIPC or the High Court. The Company ensures that at all times the requisite filings and returns of its South African subsidiaries with CIPC are up-to-date and thereby ensures that such subsidiaries are not deregistered.

The Companies Act and its Regulations have been amended on a number of occasions, most recently under the *Companies Amendment Act, No. 16 of 2024,* and the *Companies Second Amendment Act, No. 17 of 2024*, signed into law by President Cyril Ramaphosa on July 26, 2024. Certain of these amendments came into operation on December 27, 2024. The amendment acts, *inter alia*, include provisions to enhance transparency and provide for more disclosure by companies; exclude the provisions of financial assistance by a holding company to its subsidiaries (if controlled by the holding company) from the requirements of Section 45 of the Companies Act; amend the time period within which a director can be declared delinquent; and amend the time period within which claims can be brought against directors for breach of fiduciary duties.

Land Use

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

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

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

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

Dealing in Precious Metals

All operations which acquire, refine, smelt, beneficiate, possess or dispose of gold, any metals of the platinum group, or any ores of such metals, are required to obtain authorisations to do so under the Precious Metals Act. These authorisations include metal beneficiation licences, refining licences and precious metals export approvals. Applications for such authorisations must be made to the South African Diamond and Precious Metals Regulator. Refining licences can be issued for up to 30 years, whilst precious metals beneficiation licences can be issued for periods of up to ten years. The issue of certain licences under the Precious Metals Act requires that the applicant be compliant with the BEE provisions of the Mining Charter 2018.

Land Claims

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

The Restitution Act also entitles the Land Reform Minister to acquire ownership of land or rights in land by way of expropriation and to transfer the expropriated land or rights in land to successful claimants. Notably, the Land Reform Minister may elect not to expropriate land and may provide alternative relief to the claimant, as directed by Section 25(7) of the Constitution. Expropriation would be subject to provisions of the Expropriation Act and Section 25(2) of the Constitution, which provide, in general, for just and equitable compensation, which may include 'nil' compensation under certain circumstances.

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

The Restitution Amendment Act came into effect on July 1, 2014. The Restitution Amendment Act introduced significant amendments to the Restitution Act, most notably allowing for land claims by persons previously disposed of land under apartheid laws to again be submitted, despite the previous cut-of date having expired approximately 15 years before. The new period for lodging claims had been until June 30, 2019. However, in *Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others,* the Constitutional Court found that the Restitution Amendment Act was invalid as parliament failed to satisfy its obligation to facilitate public involvement in accordance with Section 72(1)(a) of the Constitution. As a result, the Constitutional Court interdicted the Commission of Restitution of Land Rights from processing claims lodged from July 1, 2014, until all claims submitted prior to December 31, 1998, in terms of Section 6(1)(a) of the Restitution Act had been finalised. Since this judgment, Parliament circulated a Restitution of Land Rights Amendment Bill, 2017, which will repeal the Restitution Amendment Act, once promulgated. In terms of this Bill, the new period for the lodging of claims is still until June 30, 2019, which date has since passed.

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

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

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

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

- there are two or more competing claims in respect of the same land (whether by communities or otherwise);
- the land that is subject to the claim is not state-owned land, and the owner or holder of rights in such land is opposed to the claim; or

- there is any other issue which might usefully be resolved through mediation and negotiation,

the Chief Land Claims Commissioner may direct the parties concerned to attempt to settle their dispute through mediation or negotiation. It further provides that if, upon completion of an investigation of a land claim, it is agreed that it is not possible to settle the claim by mediation or negotiation, the claim may be referred to the Land Claims Court for final determination.

In 2019 the ANC tabled the Constitution Eighteenth Amendment Bill, which aimed to amend Section 25 of the Constitution in order to allow the State to expropriate land without compensation. The Bill failed to garner the requisite number of votes in the National Assembly and was not passed into law.

Additionally, a new Expropriation Bill, 2020, was adopted by the National Assembly on September 28, 2022, and after the NCOP made several amendments, was approved by the NCOP on March 19, 2024. On March 27, 2024, the National Assembly adopted the bill as amended by the NCOP, paving way for President Cyril Ramaphosa to sign it into law, which he did on January 23, 2025, enacting the Expropriation Act. The Expropriation Act sets parameters for the expropriation of land for public purposes or in the public interest and when this can be done with 'nil' compensation. Cases of nil compensation are limited to land held for speculative purposes, abandoned property (both land and buildings), indebted land and land posing a risk to public health and safety. The new amendments allow the courts to determine the circumstances for nil compensation, meaning that the courts can determine when nil compensation is neither just nor equitable as per the Constitution. A large number of parties and organisations are still opposed to the Expropriation Act in its current form. This opposition is due to the fact that although expropriation is only permitted for "public purpose" and in the "public interest", as stipulated in Section 25 of the Constitution, it may be possible for expropriation without compensation to be considered in specified instances as mentioned above. A political party, the Democratic Alliance, and other organizations have mounted court challenges against the Expropriation Act.

The *Land Court Act, No. 6 of 2023*, has been signed into law and was promulgated on April 5, 2024. The Land Court Act seeks to establish a permanent and specialist Land Court, replacing the Land Claims Court, and give it the same status as a South African High Court.

Beneficiation

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

In addition to the legislative framework aimed at promoting local beneficiation of minerals, the DMPR has developed and adopted a beneficiation strategy which identifies value chains for the purpose of beneficiation of certain minerals in South Africa (which is also in line with the developmental goals set-out in the National Development Plan adopted by the South African Government). The Mining Charter (as discussed above) also includes an incentive for mining companies to offset the value of the level of beneficiation achieved by a company against a portion of its HDP ownership requirement, not exceeding 11%, in an effort to promote local beneficiation.

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

As indicated above, on May 20, 2025, the DMPR published the draft MRD Bill, aimed at comprehensively amending the MPRDA, for public comment. The MRD Bill requires mineral producers to make minerals available for local beneficiation. A Critical Minerals Strategy was also released by the DMPR on the same day, with one of the priorities specifically being local processing and beneficiation. PGMs are included in the list of critical minerals. Currently, the beneficiation provisions under the MRD Bill are, however, vague and provide too great a degree of administrative discretion to pass Constitutional muster.

Labour Relations Act

The Constitution gives every person the right to fair labour practices. The LRA and the BCEA are the principal legislative provisions that gives effect to the framework in which employees, employers and industrial relations at an individual and collective level are regulated. The LRA regulates how employees, employers, trade unions and employer's organizations interact and engage with one another in the workplace. This includes processes related to collective bargaining, wage determination, determination of terms and conditions of employment, the formulation of industrial policy and employee participation in the decision-making processes.

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

The LRA does not provide for a statutory duty to bargain collectively or otherwise, and therefore the conclusion of collective agreements is purely voluntary. A duty to bargain only arises contractually once an employer signs a recognition agreement or joins a bargaining council. To note, a collective agreement only binds the members of that specific trade union by default. It does not automatically bind non-union or minority-union employees in the bargaining unit unless: i) the contracting union holds a majority (50% + 1) in the workplace and the text of the agreement explicitly extends its application to non-parties under Section 23(1)(d); or ii) the collective agreement is extended to non-parties by the Minister of Employment and Labour in terms of Section 332 of the LRA.

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

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

If the conduct of the parties, for whatever reason, result in the dismissal of employees the LRA establishes the CCMA or relevant sectoral bargaining council as the principal forums for the resolution of disputes resulting from the dismissal. The LRA classifies dismissals into two categories, unfair and automatically unfair dismissals. The type of dismissal will depend on the nature thereof and the prevailing circumstances at the time of dismissal, an example being dismissals arising from operational requirements.

A process of conciliation by the CCMA or relevant bargaining council is peremptory in this regard. Should an ordinary unfair dismissal dispute (for example, relating to conduct or capacity) remain unresolved, it will generally proceed to arbitration, and the award made by the commissioner is final and binding, unless taken on review to the Labour Court. Disputes concerning automatically unfair dismissals and, subject to limited exceptions, dismissals for operational requirements must instead be referred to the Labour Court for adjudication.

Employment Equity Act

The EEA places an obligation on employers to promote equal opportunity in the workplace by, amongst other things, eliminating any forms of unfair discrimination in the workplace.

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

> *'on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, birth or on any other arbitrary ground'*.

Where discrimination is alleged on one of the listed grounds, the employer bears the onus of proving, on a balance of probabilities, that the discrimination did not take place or that it is rational and not unfair or is otherwise justifiable; if the discrimination is alleged on some other arbitrary ground, the employee must prove that the conduct is not rational, amounts to discrimination and is unfair (Section 11 of the EEA).

The EEA provides that a difference in the terms and conditions of employment between employees of the same employer, who are performing the same or substantially the same work or work of equal value, that is directly or indirectly based on any one or more of the listed grounds or any other arbitrary ground, amounts to unfair discrimination (Section 6(4) of the EEA). It is important to note that the relevant provision refers to 'a difference in the terms and conditions' of employment and is not only limited to a difference in remuneration. Accordingly, to prove such discrimination, the employee will need to demonstrate that the reason for the difference in treatment is based on one of the listed grounds or any other arbitrary ground.

The EEA recognises harassment as a form of unfair discrimination. The Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace, which came into effect on March 18, 2022, has extended the definition of harassment. It has introduced new categories of harassment; including racial, ethnic or social origin harassment in addition to sexual harassment.

If the employee alleges that the discrimination is on a listed or arbitrary ground, the matter must be referred to the CCMA for conciliation as a first step. If conciliation fails, any party may refer the dispute to the Labour Court for adjudication or to the CCMA for arbitration if: i) that specific employee earns below the earnings threshold as prescribed by the Minister of Employment and Labour, currently set at R269,600.90 per annum (approximately R22,466.74 per month); or ii) if the dispute involves sexual harassment; or iii) if both parties consent in writing to CCMA arbitration.

Furthermore, if the matter concerns a dismissal motivated by discrimination, it is classified as an automatically unfair dismissal under Section 187 of the LRA. If conciliation at the CCMA fails, the employee must refer the dispute to the Labour Court for adjudication unless all parties consent to arbitration. With effect from April 15, 2025, new five-year minimum sectoral numerical employment equity targets were published by the Minister of Employment and Labour in terms of Sections 15A of the EEA which includes targets for the mining sector. The purpose of this addition is to ensure the equitable representation of people from designated groups (historically disadvantaged groups of people based on race, gender and disability) at all occupational levels in the workforce. The published targets are set per economic sector and differentiate on the basis of gender at national and provincial (regional) level. The targets focus on top and senior management as well as professionally qualified and skilled levels and people with disabilities. The target for people with disabilities include all people with disabilities irrespective of race or gender. Under the amended framework, employers with fewer than 50 employees are fully exempt from complying with these specific Employment Equity target regulations, shifting the focus entirely onto "designated employers" with 50 or more staff members.

5.5 RISK FACTORS

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

Risks Relating to the Company

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

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

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

Future debt financing may adversely affect the Company

If the Company obtains additional financing by incurring indebtedness, the terms of the indebtedness and the Company's obligations to service and repay the indebtedness may limit the Company's ability to engage in acts that may be in its long-term interest, which may affect the Company's ability to grow in accordance with its strategy or may otherwise adversely affect its business and financial condition. If the Company is unable to comply with the terms of any future indebtedness, it may be at risk of a default. If the indebtedness is secured, such a default may result in the loss of collateral, which may constitute substantially all of the Company's assets. Future indebtedness and any failure to comply with its terms may therefore materially adversely affect the Company's business and financial condition.

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

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

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

The Company has had negative operating cash flow in recent fiscal years and has limited financial resources. To date, the Company has recorded no operating cash flow and has not commenced development or commercial production on any property. The Company expects to continue to incur losses unless and until such time as the Waterberg Project achieves commercial production and generates sufficient revenues to fund continuing operations, which may never occur. The development of the Waterberg Project will require the commitment of substantial resources. Any unexpected costs, problems or delays could severely impact the Company's ability to continue development activities. There can be no assurance that the Company will ever generate positive operating cash flow or achieve profitability. The Company currently has limited financial resources and no sources of operating revenues and as a result will be required to fund our operating expenses and other expenses through financing. The Company's ability to achieve and sustain positive operating cash flow will depend on a number of factors, including the Company's ability to advance the Waterberg Project into production. To the extent that the Company has negative cash flow in future periods, the Company may need to deploy a portion of its cash reserves to fund such negative cash flow, which may materially affect the Company's financial condition. There can be no assurance that debt or equity financing or other types of financing will be available as needed or that these financings will be on terms at least as favorable to us as those obtained previously.

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

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

- the timing and cost, which can be considerable, of the construction of mining and processing facilities and related infrastructure;
- the availability and cost of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain and maintain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- in the event that the required permits are not obtained in a timely manner, mine construction and ramp-up will be delayed and the risks of government environmental authorities issuing directives or commencing enforcement proceedings to cease operations or administrative, civil and criminal sanctions being imposed on the Company, its directors and employees;
- delays in obtaining, or a failure to obtain, access to surface rights, water or electricity required for current or future operations;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies and foreign exchange rates.

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

The Company and Waterberg JV Co. are assessing commercial alternatives for mine development financing and concentrate offtake. While reasonable offtake arrangements with an existing South African smelter is the preferred option, the Company and Waterberg JV Co. are assessing commercial alternatives including the possible construction of a new smelter in South Africa or Saudi Arabia. If the determination is made to construct a new smelter, the Company expects this would require additional financing and governmental approvals, and successful construction and ramp up, none of which could be assured.

It is common in new mining operations to experience unexpected costs, problems and delays during development, construction and mine ramp-up. Accordingly, there are no assurances that the Company's properties will be brought into a state of commercial production. If the Company's properties are not brought into a state of commercial production, the Company will have no source of revenues and will be required to seek additional financing, which may not be available on favourable terms, or at all.

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

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

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

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

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

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

International Conflict and International Operations.

Geopolitical tensions and events, including international conflict, war, military action, terrorism, trade disputes and the international responses to them, have in the past caused, and may in the future cause, uncertainty or volatility in global energy markets, supply chains, consumer demand and financial markets. Russia's invasion of Ukraine, which began in 2022, has prompted international sanctions against Russia and may lead to further sanctions or other international action. Any of these could destabilize commodity prices, supply chains and the broader global economy. Recent and ongoing hostilities involving Israel, Iran, the United States and the Houthi movement in Yemen are currently disrupting oil supplies, commodity prices, supply chains and global economies. Commodity price volatility and supply chain disruptions may adversely affect the Company's business and financial condition.

The extent and duration of these conflicts and related international actions, and the effectiveness of any agreed ceasefires, cannot be accurately predicted at this time. These conflicts may magnify the other risks identified in this AIF, including those relating to commodity price volatility and global financial conditions. Because the situation is changing rapidly, unforeseen impacts may arise and may adversely affect the Company's business, results of operations and financial condition.

If the Company and Waterberg JV Co. decide to address Waterberg's offtake requirements through a new smelter located in Saudi Arabia, the Company's exposure to Middle East conflicts and geopolitical tensions may increase. The Company would also become subject to the risks of doing business in, and shipping goods to and from, Saudi Arabia and the Middle East, including risks relating to Saudi Arabia's regional political, security regulatory, tax, social and economic conditions from time to time, and broader Middle East political and security risks, including those related to transportation.

Tariffs and Duties.

During 2025 and 2026, various countries have implemented automobile-specific and broad-based national tariffs on imported goods. The United States continues to threaten further tariffs. Some tariffs have been implemented then cancelled immediately, while others have remained in place as of the date of this AIF. No tariffs have been implemented specifically against platinum and palladium but as tariffs will increase the cost of most items (including automobiles) the demand for such products may decline, thus decreasing the demand for platinum and palladium. Further, the effects of a global trade war resulting from new tariffs would negatively affect demand and consumption of all goods throughout the world, thus having a negative effect on the Company. At this time the full effects of these tariffs are undetermined.

On July 30, 2025, the U.S. Department of Commerce received an antidumping duty petition concerning imports of unwrought palladium from Russia, filed on behalf of Stillwater Mining Company and the United Steel Paper, and Forestry, Rubber, Manufacturing, Energy, Industrial and Service Workers International Union. A countervailing duty petition concerning imports of unwrought palladium from Russia was also filed. While the U.S. Department of Commerce decided an antidumping duty of 132.83% and a countervailing duty of 109.10%, trade remedy laws required an independent finding of economic injury before these duties could take effect. The proposed triple-digit tariffs on Russian palladium ultimately were not issued because the U.S. International Trade Commission ("USITC") officially blocked them. On May 29, 2026, the USITC voted unanimously in the negative, determining that the U.S. domestic industry was not materially injured or threatened by Russian imports. As a result, the investigation officially ended, and no tariff orders will be put in place.

Relations between South Africa and the United States.

Relations between the United States and South Africa recently reached their lowest point since the end of apartheid. Driven by South Africa's ties to Russia and China, its genocide case against Israel, and Washington's rejection of Pretoria's "neutral" stance, the divide widened sharply following 30% U.S. tariffs imposed in 2025 and a targeted U.S. refugee program for white South Africans. Relations deteriorated even further at the start of November 2026, when the United States notified South Africa that it intends to terminate it from the African Growth and Opportunity Act (AGOA) trade preference program from January 1, 2027. This ongoing diplomatic friction presents escalating risks to corporate operations, supply chains, and financial stability. The recent U.S. recognition of South Africa's critical minerals importance introduces a strategic pivot point that could help to stabilize bilateral trade and bring Washington and Pretoria back to the negotiating table. The relationship between South Africa and the United States may continue to change over the coming months and these developments could have a positive or negative effect on the Company

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

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

In addition, South Africa has, in the years prior to 2003, experienced double-digit rates of inflation. If South Africa experiences substantial inflation in the future, the Company's costs in Rand terms will increase significantly, subject to movements in applicable exchange rates. Inflationary pressures may also curtail the Company's ability to access global financial markets in the longer term and its ability to fund planned CAPEX, and could materially adversely affect the Company's business, financial condition and results of operations. Downgrades, and potential further downgrades, to South Africa's sovereign currency ratings by international ratings agencies would likely adversely affect the value of the Rand relative to the Canadian or U.S. Dollar. The South African government's response to inflation or other significant macro-economic pressures may include the introduction of policies or other measures that could increase the Company's costs, reduce operating margins and materially adversely affect its business, financial condition and results of operations.

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

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

- domestic and international economic and political trends;
- expectations of inflation;
- currency exchange fluctuations;
- interest rates;
- global or regional consumption patterns;
- speculative activities; and
- increases or decreases in production due to improved mining and production methods.

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

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

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

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

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

Additionally, the Company may have to forego potential future acquisitions of interests in companies that may be deemed to be investment securities within the meaning of the *Investment Company Act*. Failure to avoid being deemed an investment company under the *Investment Company Act* coupled with the inability as a foreign private issuer to register under the *Investment Company Act* could make the Company unable to comply with its reporting obligations as a public company in the United States and lead to the Company being delisted from the NYSE American, which would have a material adverse effect on the liquidity and value of the Common Shares.

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

Funding of the Waterberg Project costs is required to be provided by Waterberg JV Co. shareholders on a pro rata basis. The ability of the Company, and the ability and willingness of the other Waterberg JV Co. shareholders, to satisfy required funding obligations is uncertain.

The Company's only material mineral property is the Waterberg Project. The Company agreed in the Mnombo Shareholders Agreement to fund Mnombo's pro rata share of costs for the original Waterberg Joint Venture Project area through the completion of the Waterberg DFS. Subsequent to the completion of the Waterberg DFS, Mnombo was responsible to fund its proportionate share of costs for the Waterberg Extension Project area. To date, such amounts have been funded through loans made by the Company to Mnombo. The ability of Mnombo to repay the Company for advances and accrued interest as of August 31, 2026, of approximately R285.02 million (approximately $17.68 million as of August 31, 2026) or to fund future investment in the Waterberg Project is uncertain. If the Company fails to fund Mnombo's future capital obligations for the Waterberg Project, Mnombo may be required to obtain funding from alternative sources, which may not be available on favorable terms, or at all. If Mnombo is unable to fund its share of such work, this may delay project expenditures and may result in dilution of Mnombo's interest in the Waterberg Project and require the sale of the diluted interests to another BEE entity.

On December 12, 2023, Implats advised that in the current operating environment and following their own restrictions to capital allocation across their portfolio, Implats could not fund their pro rata share of currently approved Waterberg budgets. As a result, Implats' interest in Waterberg JV Co. has diluted to approximately 14.43% to November 24, 2026, with the Company acquiring Implats diluted share by electing to fund Implats' share of approved cash calls. Implats has stated that it will consider the funding of subsequent cash calls as future circumstances allow. Because the development of the Company's projects depends on the ability to finance further operations, any inability of the Company or any inability or unwillingness of one or more of the other shareholders of Waterberg JV Co. or Mnombo to fund their respective funding obligations and cash calls in the future could require the other parties, including the Company, to increase their respective funding of the project. In this event, such parties may be unwilling or unable to do so on a timely and commercially reasonable basis, or at all. The occurrence of the foregoing, the failure of any shareholder, including the Company, to increase their funding as required to cover any shortfall, as well as any dilution of its interests in the Company's ventures as a result of its own failure to satisfy a cash call, may have a material adverse effect on the Company's business and results of operations.

Any disputes or disagreements with the Company's joint venture partners could materially and adversely affect the Company's business.

The Company participates in corporatized joint ventures and may enter into other joint ventures and similar arrangements in the future. PTM RSA is a party to the Waterberg Shareholders Agreement with joint venture partners Implats, JOGMEC, Mnombo, HJM and Hanwa. PTM RSA is also a 49.90% shareholder of Mnombo and the relationship among the shareholders of Mnombo is governed by the Mnombo Shareholders Agreement. Any dispute or disagreement with another shareholder or joint venture partner, any change in the identity, management or strategic direction of another shareholder or joint venture partner, or any disagreement among the Mnombo shareholders, including with respect to Mnombo's role in the Waterberg Project, could materially adversely affect the Company's business and results of operations. If a dispute arises between the Company and another shareholder or joint venture partner or the other Mnombo shareholders that cannot be resolved amicably, the Company may be unable to move its projects forward and may be involved in lengthy and costly proceedings to resolve the dispute. This could materially and adversely affect the Company's business and results of operations.

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

The Company's development to date has depended, and in the future, will continue to depend, on the efforts of its senior management including Frank R. Hallam, director, President and Chief Executive Officer of the Company; Gregory Blair, Chief Financial Officer; and Kris Begic, VP Corporate Development of the Company. The Company's future success may also depend on its ability to attract and retain new qualified executives. The Company currently does not, and does not intend to, have key person insurance for its existing senior management. Departures by members of senior management could have a negative impact on the Company's business, as the Company may not be able to find suitable personnel to replace departing management on a timely basis or at all. The loss of any member of the senior management team or the inability to attract new qualified executives could impair the Company's ability to execute its business plan and could therefore have a material adverse effect on the Company's business, results of operations and financial condition.

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

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

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

Certain of the Company's officers and directors are, and others may become, associated with other natural resource companies that acquire interests in mineral properties. Frank R. Hallam, a director and President and Chief Executive Officer of the Company, is also director, Chief Financial Officer and Corporate Secretary of WVM, a public company with mineral exploration properties in Nevada. John A. Copelyn, a director of the Company, is Chief Executive Officer of HCI, a significant shareholder of the Company and the holder of a diverse group of investments including hotel and leisure, interactive gaming, media and broadcasting, transport, mining, oil & gas, clothing and properties, and also non-executive Chairman and director of E Media Holdings Limited, Southern Sun Limited, Tsogo Sun Limited, Deneb Investments Ltd., Montauk Renewables, Inc., and Africa Energy Corp. Diana Walters, non-executive Chairman and a director of the Company, was formerly an executive officer of Liberty Metals & Mining, LLC and a director of Atmos Energy, and currently serves as a director of Trilogy Metals Inc. and NuScale Power Corporation. Stuart Harshaw, a director of the Company, is also director, president and CEO of Nickel Creek Platinum Corp. and serves as a director of International Tower Hill Mines Ltd. and NuScale Power Corporation.

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

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

All companies may become subject to legal claims, with and without merit. The Company's operations are subject to the risk of legal claims by employees, unions, contractors, lenders, suppliers, joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation.

On and following March 5, 2021, three notices of appeal were filed by individual appellants from local commuties against the January 28, 2021, granting of the Waterberg Mining Right. Waterberg JV Co. filed formal rebuttals to each action and on October 13, 2022, the Minister ruled to dismiss all such appeals. In his ruling the Minister provided the regulatory reasons why each appeal was denied and also confirmed the DMPR's assessment that Waterberg JV Co. has complied with BEE requirements and SLP community consultation processes.

On May 7, 2021, an opposition group filed an application for an order in the High Court of South Africa to review and set aside the decision by the Environmental Minister to refuse condonation for the late filing of that group's appeal against the grant of an EA for the Waterberg Mine in November 2020. The attorneys acting for Waterberg JV Co. filed a notice to oppose the application and required the group's legal counsel to file proof of the mandate to represent the appellant group. Since filing their review application, the appellants have done nothing to progress their action and their legal counsel has not filed a proof of mandate. Under ongoing negotiations and discussions between Waterberg JV Co. and the community forming part of the appellants, the appellants have advised that they will withdraw the application.

On July 30, 2021, a group located near planned surface infrastructure filed an urgent interdict application. Waterberg JV Co. promptly filed an answering affidavit denying urgency and arguing that the application was without merit. The applicants did not respond and were obliged to remove their application from the urgent court roll. Host community Ketting applied to join as an interested party to the application and another host community submitted a confirmatory affidavit, both communities being in support of the Waterberg Mine. In July 2022, Waterberg JV Co. filed a Notice of Set Down with the High Court in Limpopo and a hearing to rule on the interdict application occurred on May 22, 2023, at which hearing the court dismissed the urgent interdict application and ordered the applicants to pay costs to the defendants.

On October 13, 2022, the Minister ruled to dismiss all appeals to the grant of the Waterberg Mining Right filed with the DMPR. In his ruling the Minister provided the regulatory reasons why each appeal was denied and also confirmed the DMPR's assessment that Waterberg JV Co. has complied with BEE requirements and social and labour plan community consultation processes.

On March 7, 2024, a group claiming to be the rightful leadership of two host communities filed an application in the High Court seeking to set aside the January 28, 2021, grant of the Waterberg Mining Right by the DMPR. Many of the applicants participated in the earlier unsuccessful appeals and court actions described above. The applicants have requested condonation for the late filing of this appeal, claim informal rights to two farms overlaying a portion of the Waterberg Mining Right area, object to the grant of the Waterberg Mining Right, and object to the DMPR dismissing their appeals on or about October 13, 2022. The two farms in question are not expected to host any significant mine infrastructure. Attorneys acting on behalf of Waterberg JV Co. have filed a notice of opposition and an answering affidavit. A notice of opposition and an answering affidavit have also been filed by the State Attorneys on the Minister and DMPR's behalf. The Land & Accountability Research Centre, at the University of Cape Town, filed an application to be admitted as Amicus Curiae on July 23, 2026. It is their intention to provide evidence to the court of local customs and practices.

On April 14, 2026, SAHRA, granted final approval of the HMP draft submitted by Waterberg JV Co. on March 9, 2026. Following the granting, Waterberg JV Co. received a formal appeal challenging SAHRA's approval. On May 29, 2026, SAHRA appointed a panel to review the appeal, and a hearing before the panel was held on July 21, 2026. As of the date of this AIF, the panel has not yet issued its finding or ruling in respect of the appeal. The implementation of a HMP do not affect the validity of either the Waterberg Mining Right or the approved EA.

The Company believes that all requirements specified under NEMA, the MPRDA and other applicable legislation have been complied with and that the DFFE correctly approved and the DMPR correctly issued the EA and Waterberg Mining Right. Based on long term consultation and dialogue with local communities, the Company also believes that the leadership and majority of residents in the host communities support the Waterberg Project.

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

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

The Company is subject to anti-corruption laws and regulations, including the *Canadian Corruption of Foreign Public Officials Act* and certain restrictions applicable to U.S. reporting companies imposed by the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, and similar anti-corruption and anti-bribery laws in South Africa, which generally prohibit companies from bribing or making other prohibited payments to foreign public officials in order to obtain or retain an advantage in the course of business. The Company's Code of Conduct, among other governance and compliance processes, and employee training, may not prevent instances of fraudulent behavior and dishonesty nor guarantee compliance with legal and regulatory requirements. The Company is particularly exposed to the potential for corruption and bribery owing to the financial scale of the mining business in South Africa. In July 2025, the OECD released its Phase 4 Report on Implementing the OECD Anti-Bribery Convention in South Africa. At the time the Phase 4 report was adopted, South Africa still has not secured a conviction or imposed sanctions for foreign bribery. The Phase 4 Report notes that South Africa has enhanced its fight against foreign bribery, including enhancing its international cooperation in transnational corruption cases, but that, inter alia, further legislative or institutional reforms must be undertaken, contingencies must be prepared for, and South Africa must demonstrate that its legal framework on foreign bribery can be applied in practice. South Africa has not held any company accountable for foreign bribery, even though its corporate liability framework is quite broad on paper. Allegations of bribery, improper personal influence or officials holding simultaneous business interests have been linked in recent years to the highest levels of the South African government. To the extent that the Company suffers from any actual or alleged breach or breaches of relevant laws, including South African anti-bribery and corruption legislation, it may lead to regulatory and civil fines, litigation, public and private censure and loss of operating licenses or permits and may damage the Company's reputation. The occurrence of any of these events could have an adverse effect on the Company's business, financial condition and results of operations.

Information Systems and Cyber Security.

The Company's operations depend on IT systems. These IT systems could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Although to date the Company has not experienced any material losses relating to cyber attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Pandemic and Public Health Crises.

Pandemics and public health crises may affect the geographies where our operations are located and those where PGMs are marketed and consumed, thereby having an adverse impact on our business, including the following:

- travel restrictions in connection with pandemics and public health crises may negatively impact our employees' ability to travel as required to complete their duties to the Company;
- political and economic factors may be negatively affected by pandemics and public health crises, which may in term negatively impact the Company's business; and
- global market conditions caused by pandemics and public health crises may affect the rate of consumer spending, which could adversely affect the market price and outlook for PGMs, resulting in a negative affect to our overall financial performance.

To date, our operations have not been negatively affected in a material way by pandemics and public health crises, including the COVID-19 Pandemic. However, there is no assurance that this will remain true in the future and the Company's business and financial position may be negatively affected by a range of external factors related to pandemics and public health crises that are not within our control.

The ultimate extent to which a pandemic and public health crisis the pandemic impacts our business, liquidity, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted at this time, including the delivery and effectiveness of vaccines, future mutations of viruses and any resulting impact on the effectiveness of vaccines, the duration and extent of the pandemic and waves of infection, travel restrictions and social distancing, the duration and extent of business closures and business disruptions and the effectiveness of actions taken to contain, treat and prevent the disease. If we are not able to respond to and manage the impact of such events effectively, our business or the price of our equity shares may be adversely impacted.

To the extent that a pandemic or public health crisis adversely affects the Company's business and financial results as discussed above, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Risks Related to the Mining Industry

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

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

In addition, from time to time the Company may be subject to governmental investigations and claims and litigation filed on behalf of persons who are harmed while at its properties or otherwise in connection with the Company's operations. To the extent that the Company is subject to personal injury or other claims or lawsuits in the future, it may not be possible to predict the ultimate outcome of these claims and lawsuits due to the nature of personal injury litigation. Similarly, if the Company is subject to governmental investigations or proceedings, the Company may incur significant penalties and fines, and enforcement actions against it could result in the cessation of certain of the Company's mining operations. If claims, lawsuits, governmental investigations or proceedings, including Section 54 stoppage notices issued under the MHSA, are resolved against the Company, the Company's financial performance, financial position and results of operations could be materially adversely affected.

The Company's property under application and mining right are subject to title risks.

The Company's property under application and the Waterberg Mining Right may be subject to prior unregistered agreements, transfers, claims and title may be affected by undetected defects. Although Waterberg JV Co. had the exclusive right to apply for and be granted the Waterberg Mining Right in regard to the Waterberg Project by reason of its prior holding of the prospecting rights over the project area, a successful challenge to the precise area and location of these claims could result in the Company being unable to operate on its properties as permitted or being unable to enforce its rights with respect to its properties. This could result in the Company not being compensated for its prior expenditures relating to the property. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be severely constrained. These or other defects could adversely affect the Company's title to its properties or delay or increase the cost of the development of such property under application and Waterberg Mining Right.

The Company is subject to significant governmental regulation.

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

- environmental protection and land use;
- management and use of hazardous and toxic substances and explosives;
- management of tailings and other waste generated by the Company's operations;
- management of natural resources;
- exploration, development of mines, production and post-closure reclamation;

- exports and, in South Africa, potential local beneficiation quotas;
- price and foreign exchange controls;
- taxation;
- regulations concerning business dealings with local communities;
- labour standards, BEE laws and regulations and occupational health and safety, including mine safety; and
- historic and cultural preservation.

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

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

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

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

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

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

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility and potential liability for companies and their officers, directors, employees and, potentially, shareholders. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Environmental hazards may exist on the Company's properties which are unknown at present, and which have been caused by previous or existing owners or operators for which the Company could be held liable. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities. In particular, the Company's operations and exploration activities are subject to Canadian and South African national and provincial laws and regulations governing protection of the environment. Such laws are continually changing and, in general, are becoming more onerous and can adversely affect Company's operations. See "Item 5.4 South African Regulatory Framework - Environment" above.

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

The mineral exploration industry is extremely competitive.

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

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

The Company's current and anticipated future operations, including further exploration, development activities and commencement of commercial production on the Company's properties, require approvals, licences and permits from various national, provincial, territorial and local governmental authorities in the countries in which the Company's properties are located. Compliance with the applicable mineral, health and safety, environmental legislation, approvals, licences and permits and land use consents, among others, is required on an ongoing basis, and the requirements under such legislation, approvals, licences and permits and consents are evolving rapidly and imposing additional requirements. The Waterberg Mining Right issued by the DMPR is also subject to land use consents and compliance with applicable legislation on an ongoing basis.

In addition, the duration and success of efforts to obtain, amend and renew approvals, licences and permits are contingent upon many variables not within the Company's control. Shortage of qualified and experienced personnel in the various levels of government could result in delays or inefficiencies. Backlog within the permitting agencies, could also affect the permitting timeline of the Company's various projects. Other factors that could affect the permitting timeline include the number of other large-scale projects currently in a more advanced stage of development, which could slow down the review process, and significant public response regarding a specific project. As well, it can be difficult to assess what specific permitting requirements will ultimately apply to all the Company's projects. To the extent such approvals, licences and permits are required and not obtained or are suspended pending administrative appeals and reviews by objecting stakeholders, or are subsequently withdrawn or revoked, the Company may be curtailed or prohibited from proceeding with planned exploration, development or operation of the Company's projects, which could have a material adverse effect on the Company's business, financial condition or results of operations.

As a participant in the mining industry, the Company may face opposition from local and international groups, and/or the media.

There is an increasing level of public awareness relating to the effects of exploration, development and mining production activities on their surroundings, communities and the environment. Certain non-governmental organizations, public interest groups, NGOs, and even persons seeking undue project benefits under the guise of environmental concerns, can be vocal critics of the mining industry. In addition, there have been many instances in which local community groups have opposed mining related activities, which have resulted in disruption and delays to the relevant operation. Despite the Company's commitment to on-going engagement with communities and stakeholders, and to operate in a socially responsible manner, no assurances can be provided that increased stakeholder expectations will not result in interest from these NGOs, persons seeking undue project benefits, or local community organizations. This could lead to direct adverse publicity and/or disruption of the operations of the Company in respect of its projects, regardless of its successful compliance with social and environmental best practices. Any such actions and the resulting media coverage could have an adverse effect on the reputation and financial condition of the Company or its relationships with the communities in which it operates, which could have a material adverse effect on the Company's business, financial condition or results of operations.

Risks of Doing Business in South Africa

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

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

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

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

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

The Section 47 process involves multiple, successive stages which include granting the Company a reasonable opportunity to show why its rights should not be cancelled or suspended. Pursuant to the terms of the provisions of Section 6(2)(e)(iii) of the PAJA read with Section 6 of the MPRDA, the Minister can direct the Company to take remedial measures. If such remedial measures are not taken, the Minister must again give the Company a reasonable opportunity to make representations as to why such remedial measures were not taken. The Minister must then properly consider the Company's further representations (which considerations must also comply with PAJA) and only then is the Minister entitled to cancel or suspend a mining right. Any such cancellation or suspension will be subject to judicial review if it is not in compliance with the MPRDA or PAJA, or it is not lawful, reasonable and procedurally fair under Section 33(1) of the Constitution.

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

It should be noted that on May 20, 2025, the DMPR published the draft MRD Bill, aimed at comprehensively amending the MPRDA to modernize the mining legislation, for public comment. Following widespread public concern over two of the amendments proposed under the MRD Bill, the Minister issued an erratum notice on June 9, 2025, to further revise the amendments. The public had until August 18, 2025, to submit comments and the second draft MRD Bill is expected to be published for comment in the near future. See "Item 5.4 South African Regulatory Framework - Prospecting and Mining Rights under the MPRDA and draft MRD Bill" above.

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

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

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

The Company has sought to satisfy the foregoing requirements by partnering, at Waterberg JV Co. level, with Mnombo demonstrating 26% HDP ownership in respect to the Waterberg Mining Right.

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

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

Mining Charter 2018 sets out new and revised targets to be achieved by mining companies, the most pertinent of these being the revised BEE ownership shareholding requirements for mining rights holders. The Mining Charter 2018 no longer applies to prospecting rights. Mining Charter 2018 provides revised ownership structures for mining rights holders. The application of the revised ownership structures depends on whether the holder of the mining right was granted the mining right after September 27, 2018, had an application for a mining right accepted before September 27, 2018, or had an existing mining right that was granted prior to September 27, 2018. Holders of existing mining rights who achieved a minimum of 26% BEE shareholding, or who achieved a 26% BEE shareholding, but whose BEE shareholders exited prior to September 27, 2018, are recognised as BEE ownership compliant for the duration of the mining rights and any period of renewal thereof. New mining rights holders will be required to have a minimum of 30% BEE shareholding (which includes African, Coloured and Indian persons who are citizens of the Republic of South Africa or who became citizens of the Republic of South Africa by naturalisation before April 27, 1994, or a juristic person managed and controlled by such persons) (a 4% increase from the previously required 26% under the Mining Charter 2010), which shall include economic interest plus a corresponding percentage of voting rights, per right or in the mining company which holds the right. Applicants for mining rights whose applications had been filed and accepted before September 27, 2018 (as is the position with Waterberg JV Co.), had a period of five years from the effective date of the right within which to increase their BEE shareholding to 30%.

The BEE ownership element of 30% BEE shareholding is ring fenced and requires 100% compliance at all times, other than as set out in Mining Charter 2010.

On March 27, 2019, the Minerals Council South Africa announced that it had launched review proceedings against the Minister to set aside certain provisions of Mining Charter 2018. Essentially the review concerned a requirement in the Mining Charter 2018 that mining firms re-empower themselves in order to renew mining licenses or transfer mining rights, contrary to the so-called "once empowered, always empowered" principle. Judgment in favour of the Minerals Council South Africa was handed down on September 21, 2021. The court confirmed the "once empowered, always empowered" principle, struck out the Stipulated Distribution, confirmed that the Mining Charter 2018 was a policy document and not subordinate legislation and held that a breach of the Mining Charter 2018, of itself, could not result in cancellation of a mining right. The Minerals Council Judgment also struck out various provisions of the Mining Charter 2018, including the Stipulated Distribution. The Minister indicated that the revisions made to the Mining Charter 2018 by the Minerals Council Judgment may be reversed through amendments to the MPRDA.

Prior to the Minerals Council Judgment (*see above*), the Mining Charter 2018 referred to the Stipulated Distribution as the required 30% BEE shareholding for new mining rights.

The carried interest of 5% to each of the community and the employees, as noted in the Stipulated Distribution, had to be issued to them at no cost and free of encumbrance. It stated that the costs to the right holder of such issue can be recovered from the development of the mineral asset.

Whether such 30% will be required to reflect the Stipulated Distribution to employees, communities and black entrepreneurs at some point in the future is not clear. The Company holds an opinion from senior counsel advising that such distribution is not required, but such opinion is not a guarantee. Although the Minerals Council Judgment struck out the Stipulated Distribution provisions, there is no guarantee that the Stipulated Distribution may not be reintroduced through amendments to the MPRDA.

A holder can claim an ownership offset credit for beneficiation on the basis of a DMPR approved "beneficiation equity equivalent plan". However, the baselines for beneficiation are still required to be determined by the Minister.

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

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

In regard to employment equity, the Mining Charter 2018 sets minimum levels for the participation of HDPs on all levels of company management. With effect from April 15, 2025, new five-year minimum sectoral numerical employment equity targets were published by the Minister of Employment and Labour in terms of the EE Amendment Act, which included the mining sector. The targets are not aligned with BEE sector codes or with Mining Charter 2018, currently creating regulatory confusion.

Compliance with the mine community development obligations of a mining right holder, principally in terms of its approved SLP, is a ring-fenced element of Mining Charter 2018 which requires 100% annual compliance for the duration of the mining right.

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

In addition, Mining Charter 2018 requires that its provisions be implemented in accordance with Implementation Guidelines, published on December 19, 2018. This creates greater uncertainty in measuring the Company's progress towards, and compliance with, its commitments under Mining Charter 2018 and other BEE legislation.

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

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

Currently, the South African Department of Trade, Industry and Competition is responsible for leading government action on the implementation of BEE initiatives under the auspices of the BEE Act and the Generic BEE Codes, while certain industries have their own transformation charters administered by the relevant government department (in this case, the DMPR). The BEE Amendment Act came into operation on October 24, 2014. Among other matters, the BEE Amendment Act amends the BEE Act to make the BEE Act the overriding legislation in South Africa with regard to BEE requirements the Trumping Provision and will require all governmental bodies to apply the Generic BEE Codes or other relevant code of good practice when procuring goods and services or issuing licenses or other authorizations under any other laws and penalize fronting or misrepresentation of BEE information. The Trumping Provision came into effect on October 24, 2015. On October 30, 2015, the South African Minister of Trade, Industry and Competition exempted the DMPR from applying the Trumping Provision for a period of twelve months on the basis that the alignment of the Mining Charter 2018 with the BEE Act and the Generic BEE Codes was an ongoing process. The Mining Charter 2018 purports to be aligned with the Generic BEE Codes. Exemption from the Trumping Provision expired on October 31, 2016, and no new application for exemption was made. Generally speaking, the amended Generic BEE Codes will make BEE-compliance more onerous to achieve. The DMPR and industry bodies are aware of the implications of the Trumping Provision. Notwithstanding that there has been no further extension of the exemption in respect of the Trumping Provision, to date, the DMPR continues to apply the provisions of Mining Charter 2010 and Mining Charter 2018, as applicable, and not the Generic BEE Codes. See "Item 5.4 South African Regulatory Framework - Black Economic Empowerment in the South African Mining Industry" and "The Mining Charter" above.

The Generic BEE Codes and Mining Charter 2018 require Mnombo to be 51% held and controlled by HDPs to qualify it as a "black-controlled company" or a "BEE Entrepreneur". Mnombo is currently 50.1% directly held and controlled by HDPs. However, the flow through and modified flow through principles are applicable to the calculation of indirectly held HDP interests. Given that Deepkloof Limited, wholly owned by HCI, itself directly held and controlled by a majority of HDPs, holds more than 21% of the issued and outstanding Common Shares in the Company, Mnombo is presently regarded as compliant and is majority owned and controlled by HDPs. See "Item 5.4 South African Regulatory Framework -The Mining Charter" above.

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

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

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

The Company is also subject to the risk of resource nationalism, which encompasses a range of measures, such as expropriation or taxation, whereby governments increase their economic interest in natural resources, with or without compensation. Although wholesale nationalization was rejected by the ruling party, the ANC, leading into the 2014 national elections, a resolution adopted by the ANC on nationalization calls for state intervention in the economy, including "state ownership". A wide range of stakeholders have proposed ways in which the State could extract greater economic value from the South African mining industry. A call for resource nationalization has also been made by a political party formed in 2013, the Economic Freedom Fighters, under the leadership of Julius Malema and by the uMkhonto weSizwe Party, a political party founded in 2023 under the leadership of Jacob Zuma.

Following general elections on May 29, 2024, the ANC lost the outright parliamentary majority it held since South Africa's first democratic election in 1994. This resulted in the ANC having to form a GNU, principally with South Africa's second largest political party, the more moderate Democratic Alliance. The GNU now comprises 10 political parties, controlling approximately 70% of the total seats in the National Assembly. The uMkhonto weSizwe Party became the official opposition. The GNU continues to steer a path of cautious macroeconomic stabilization and structural reform, though it continues to grapple with deep-seated ideological tensions.

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

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

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

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

The Royalty Act effectively came into operation on May 1, 2009. The Royalty Act establishes a variable royalty rate regime, in which the prevailing royalty rate for the year of assessment is assessed against the gross sales of the extractor during the year. The royalty rate is calculated based on the profitability of the mine (earnings before interest and taxes) and varies depending on whether the mineral is transferred in refined or unrefined form. For mineral resources transferred in unrefined form, the minimum royalty rate is 0.5% of gross sales, and the maximum royalty rate is 7% of gross sales. For mineral resources transferred in refined form, the minimum royalty rate is 0.5% of gross sales, and the maximum royalty rate is 5% of gross sales. The royalty will be a tax-deductible expense. The royalty becomes payable when the mineral resource is "transferred," which refers to the disposal of a mineral resource, the export of a mineral resource or the consumption, theft, destruction or loss of a mineral resource. The Royalty Act allows the holder of a mining right to enter into an agreement with the tax authorities to fix the percentage royalty that will be payable in respect of all mining operations carried out in respect of that resource for as long as the extractor holds the right. The holder of a mining right may withdraw from such agreement at any time.

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

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

The Company procures all of the electricity necessary for its operations from ESKOM, and no significant alternative sources of supply are available to it. In prior years, ESKOM has suffered from prolonged underinvestment in new generating capacity which, combined with increased demand, led to a period of electricity shortages. Aging infrastructure has often led to systematic black-outs of different areas at varying times, referred to by ESKOM as load-shedding, in order to reduce pressure on the electricity grid. Since 2008, ESKOM has invested heavily in new base load power generation capacity. It*s* principal new projects, a power station known as Medupi and a power station known as Kusile, have been subject to delays. In July 2021, ESKOM announced Medupi had achieved commercial operation status, while Kusile achieved full commercial operation status in September 2025. Since 2025, ESKOM's Generation Recovery Plan has lowered unplanned breakdowns, and since mid 2025, load shedding has been nonexistent, with ESKOM maintaining more than 510 days without any load shedding. Solar power installations as well as wind farms in South Africa have also improved the national electricity supply and adding gigawatts of decentralized generation capacity to the grid. However, no assurance can be provided that future electric supply will be reliable and sufficient.

ESKOM is heavily dependent on coal to fuel its electricity plants. Accordingly, if coal mining companies experience labour unrest or disruptions to production (which have occurred historically in South Africa, including a coal strike by approximately 30,000 National Union of Mineworkers members which lasted for approximately one week in October 2015), or if heavy rains, particularly during the summer months in South Africa, adversely impact coal production or coal supplies, ESKOM may have difficulty supplying sufficient electricity supply to the Company.

The Company is dependent on the availability of water in its areas of operations. Shifting rainfall patterns and increasing demands on the existing water supply have caused water shortages in the Company's areas of operations meaning that the Company may not be able to secure sufficient sources and quantities of water. This risk could be exacerbated by the impacts of climate change. Raw water for the Waterberg Project will, inter alia, be sourced from local boreholes through a water collection pipeline network. The Company will need to secure access rights to the boreholes, develop the infrastructure to transport the water to the Waterberg Project and store it, and obtain necessary government and regulatory permits before water may be used for mining purposes.

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

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

The Company's subsidiaries pay different types of governmental taxes in South Africa, including corporation tax, payroll taxes, VAT, state royalties, various forms of duties, dividend withholding tax and interest withholding tax. The tax regime in South Africa is subject to change. After having published a number of papers on the introduction of a carbon tax, the South African government released the Carbon Bill published in December 2017, together with an Explanatory Memorandum in respect of the Carbon Bill.

On May 26, 2019, the Carbon Bill was signed into law as the Carbon Tax Act, resulting in a carbon tax being implemented on June 1, 2019. See "Item 5.4 South African Regulatory Framework - Carbon Tax/Climate Change Policies".

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

Community relations may affect the Company's business.

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

Under the Mining Charter 2018, there is a greater focus on mine community development. A right holder must meaningfully contribute towards mine community development in keeping with the principles of the social license to operate. A right holder must develop a SLP, in consultation with relevant municipalities, mine communities, traditional authorities and affected stakeholders, and identify developmental priorities, including employment opportunities of mine communities. A failure to implement the commitments prescribed by these SLPs could place the Company at risk of affecting its compliance and thereby the Waterberg Mining Right, as well as give rise to social activism and an erosion of the social license to operate. The nature of these SLPs also places the Company at risk for having to step-in for service delivery where the State, provincial government or local municipalities have failed to adequately provide for the host communities. The identified developmental priorities must be contained in the SLP. See "Item 5.4 South African Regulatory Framework - The Mining Charter".

Long-term surface lease agreements over the host community farms where the Waterberg Project surface infrastructure will be placed, must be entered into. Consultations for the negotiation of these long-term surface lease agreements over the proposed mining surface infrastructure area are ongoing, but the rate of progress is slow as it takes long to arrange meetings with the communities to negotiate and approve the terms of the agreements. To assist the communities and ensure that the agreements are fair and reasonable, the Company pays for the communities' independent legal counsel. The process of negotiating the long-term surface lease agreements, if unsuccessful, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects. Furthermore, disruptions from the communities and/or their refusal to consent to licence or permit applications required to be made to maintain the Waterberg Mining Right, could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Government imposed compulsory shutdowns or expense increases.

In South Africa, recent fatalities in the mining industry have caused the government to introduce compulsory shutdowns of operations to enable investigations into the causes of the accidents. Should compliance with standards require a shutdown or material increase in future expenditure, it could have a material adverse effect on the Company's business, financial condition, results of operations or prospects.

Inability to obtain a water use licence or develop infrastructure.

In addition, in South Africa, the NWA imposes a new regime on the use of water resources and requires a WUL for all water uses. All mining operations require an integrated WUL for all new water uses and a detailed study of the water balance in the area must precede an application for a licence. There is a risk that the Company will be unable to obtain a WUL for the Waterberg Project or that the Company may not be able to develop the infrastructure required to transport water subject to a WUL on an economically viable basis.

South African foreign exchange controls may limit repatriation of profits.

Since commencing business in South Africa, the Company has loaned or invested approximately R1.0 billion (net of repayments) as of August 31, 2026, into PTM RSA in South Africa. The Company obtained approval from the SARB in advance for its investments into South Africa. Although the Company is not aware of any law or regulation that would prevent the repatriation of funds it has loaned or invested into South Africa back to the Company in Canada, no assurance can be given that the Company will be able to repatriate funds back to Canada in a timely manner or without incurring tax payments or other costs when doing so, due to legal restrictions or tax requirements at local subsidiary levels or at the parent company level, which costs could be material.

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

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

To the extent that the Company's operating subsidiaries acquire, or lease privately held land, such land could be subject to land restitution claims under the Restitution Act and the Restitution Amendment Act, which took effect on July 1, 2014. Under the Restitution Act and the Restitution Amendment Act, any person who was dispossessed of rights in land in South Africa after June 19, 1913, as a result of past racially discriminatory laws or practices without payment of just and equitable compensation, and who (subject to the promulgation of further legislation) lodged a claim on or before June 30, 2019, is granted certain remedies. A successful claimant may be granted either "Restoration" or equitable redress (which includes the granting of an appropriate alternative relief right in alternative state-owned land, or payment of compensation). If Restoration is claimed, the Restitution Act requires the feasibility of such Restoration to be considered. Restoration of land may only be given in circumstances where a claimant can use the land productively with the feasibility of Restoration dependent on the value of the property.

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

However, the ANC has declared its intention to proceed with an orderly process of land expropriation, potentially without compensation being paid to landowners. The newly amended and enacted Expropriation Act sets parameters for the expropriation of land for public purposes or in the public interest and when this can be done with 'nil' compensation. Despite the large number of parties and organisations opposed to the Expropriation Act, the Expropriation Act was passed by the National Assembly and was signed into law by the President on January 23, 2025. Opposition to the Expropriation Act is due to the fact that although expropriation is only permitted for "public purpose" and in the "public interest", as stipulated in Section 25 of the Constitution, it may be possible for expropriation without compensation to be considered in specified instances. A political party, the Democratic Alliance, and other organisations have mounted challenges against the Expropriation Act. Furthermore, although the Constitution Eighteenth Amendment Bill, 2021, which aimed to amend Section 25 of the Constitution in order to allow the State to expropriate land without compensation, failed to garner the requisite number of votes in the National Assembly, was not passed into law and has lapsed, the future form of this process remains unclear. Additionally, see "Item 5.4 South African Regulatory Framework - Land Claims" above.

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

Risks Relating to the Company's Common Shares

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

The Company has not paid any dividends since incorporation, and it has no plans to pay dividends in the foreseeable future. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. In addition, the Company's ability to declare and pay dividends may be affected by the South African government's exchange controls. See "Item 5.4 South African Regulatory Framework - Exchange Control" above.

The Common Share price has been volatile in recent years.

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development-stage mining companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. In particular, the per share price of the Common Shares on the TSX fluctuated from a high of C$5.46 to a low of C$1.11 and on the NYSE American from a high of US$4.04 to a low of US$0.77 during the twelve-month period ending November 23, 2026. There can be no assurance that continual fluctuations in price will not occur.

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

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

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

The Company may be unable to maintain compliance with NYSE American and TSX continued listing standards, and the Common Shares may be delisted from the NYSE American and TSX equities markets, which would likely cause the liquidity and market price of the Common Shares to decline.

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

Delisting of the Common Shares may result in a breach or default under certain of the Company's agreements. See "Item 5.5 Risk Factors - Risks Relating to the Company" above. A delisting of the Common Shares could also adversely affect the Company's reputation, the Company's ability to raise funds through the sale of equity or securities convertible into equity and the terms of any such fundraising, the liquidity and market price of the Common Shares and the ability of broker-dealers to purchase the Common Shares.

The exercise or settlement of outstanding Options, RSUs, DSUs or warrants will result in dilution to the holders of Common Shares.

The issuance of Common Shares upon the exercise of the Company's outstanding Options, or settlement of RSUs or DSUs, will result in dilution to the interests of shareholders and may reduce the trading price of the Common Shares. Additional Options, RSUs, DSUs and warrants exercisable for, or settled in, Common Shares may be issued in the future. The exercise, or settlement of these securities, or even the potential of their exercise, or settlement, may have an adverse effect on the trading price of the Common Shares. The holders of Options or warrants are likely to exercise them at times when the market price of the Common Shares exceeds the exercise price of the securities. RSUs do not have a cash exercise price, and the Company may elect to settle DSUs in Common Shares. Accordingly, the issuance of Common Shares upon exercise of Options or warrants, upon vesting of RSUs, or upon settlement of DSUs will likely result in dilution of the equity represented by the then outstanding Common Shares held by other shareholders. The holders of any issued and outstanding Options or warrants can be expected to exercise or convert them at a time when the Company would, in all likelihood, be able to obtain any needed capital on terms which are more favorable to the Company than the exercise terms provided by these Options and warrants.

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

The Company may sell equity securities in offerings (including through the sale of debt securities convertible into equity securities) and may issue additional equity securities to finance operations, exploration, development, acquisitions, future debt repayment or other projects.

For example, the Company completed private placements of Common Shares in September 2023 and May 2025, completed at-the-market offerings of Common Shares in July 2024, January 2026 and has been conducting an ongoing at-the-market offering of Common Shares since March 2026.

The Company cannot predict the number of Common Shares that will be issued in respect of future exercises of Options or settlement of RSUs or DSUs, or the size or terms of future issuances of equity securities or securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to shareholders. Exercises or settlement of presently outstanding Options, RSUs and DSUs may also result in dilution to shareholders.

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

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

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

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

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

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

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

Potential investors in the Common Shares who are U.S. taxpayers should be aware that the Company may be classified as a "passive foreign investment company" or "PFIC" for its current tax year ending August 31, 2027, and may be a PFIC in future tax years.

If the Company is a PFIC for any tax year during a U.S. taxpayer's holding period of the Common Shares, then such U.S. taxpayer generally will be required to treat any gain realized upon a disposition of the Common Shares or any so-called "excess distribution" received on the Common Shares, as ordinary income, and to pay an interest charge on a portion of such gain or excess distribution. In certain circumstances, the sum of the tax and the interest charge may exceed the total amount of proceeds realized on the disposition, or the amount of excess distribution received, by the U.S. taxpayer. Subject to certain limitations, these tax consequences may be mitigated if a U.S. taxpayer makes a timely and effective QEF election under Section 1295 of the Code with respect to the Company or a Mark-to-Market Election under Section 1296 of the Code, with respect to the Common Shares. Subject to certain limitations, such elections may be made by U.S. taxpayers. A U.S. taxpayer who makes a timely and effective QEF Election generally must report on a current basis its share of the Company's net capital gain and ordinary earnings for any year in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. However, U.S. taxpayers should be aware that there can be no assurance that the Company will satisfy the record keeping requirements that apply to a qualified electing fund, or that the Company will supply U.S. taxpayers with information that such U.S. taxpayers require to report under the QEF Election rules, in the event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF Election. Thus, U.S. taxpayers may not be able to make a QEF Election with respect to the Company. A U.S. taxpayer who makes the Mark-to-Market Election generally must include as ordinary income each year the excess of the fair market value of the Common Shares over the taxpayer's basis therein. Each potential investor who is a U.S. taxpayer should consult its own tax advisor regarding the tax consequences of the PFIC rules and the acquisition, ownership, and disposition of the Common Shares.

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

Global financial conditions continue to be characterized by extreme volatility. In recent years, global markets have been impacted by various events, including the COVID-19 Pandemic, international conflicts and significant fluctuations in fuel and energy costs and metals prices. Many industries, including the mining industry, have been impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including debt crises, a continued rise in the price of oil and other commodities, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets, health crises and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favourable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

ITEM 6 DIVIDENDS AND DISTRIBUTIONS

The Company has not paid any dividends since incorporation, and it has no plans to pay dividends in the foreseeable future. The Company's directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. In addition, the Company's ability to declare and pay dividends may be affected by the South African government's exchange controls. See "Item 5.4 South African Regulatory Framework - Exchange Control".

ITEM 7 DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share structure consists of an unlimited number of Common Shares without par value, of which 128,029,935 Common Shares, 640,663 RSUs, 3,491,755 Options, and 1,116,216 DSUs were issued and outstanding as of November 23, 2026. All of the issued Common Shares are fully paid. The Company does not own any of its Common Shares.

7.1 COMMON SHARES

All of the shares in the authorized share structure of the Company are of the same class, being the Common Shares and, once issued, rank equally as to dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding up its affairs after the Company have paid out its liabilities. The issued Common Shares are not subject to call or assessment rights or any pre-emptive or conversion rights. The shareholders of the Company are entitled to one vote for each Common Share on all matters to be voted on by the shareholders of the Company. There are no provisions for redemption, purchase for cancellation, surrender or sinking funds, and there are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares.

The rights of shareholders of the Company may be altered only with the approval of the holders of 2/3 or more of the Common Shares voted at a meeting of the Company's shareholders called and held in accordance with the Articles and applicable law.

7.2 EQUITY PLANS

The Company has the following equity-based compensation Plans:

Share Compensation Plan

In February 2017, the Company adopted a Share Compensation Plan (as amended in February 2020, February 2026, and May 2026) to provide for the award of RSUs and grant of Options to the directors, executive officers, key employees and consultants of the Company and its subsidiaries. The Share Compensation Plan is a 10% "rolling" plan pursuant to which the number of Common Shares which may be issuable pursuant to RSUs awarded and Options granted under the Share Compensation Plan, together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries, is a maximum of 10% of the issued and outstanding Common Shares at the time of the award or grant. The current Share Compensation Plan, as amended and restated on May 28, 2026, and additional information regarding the issuance of RSUs and Options contained in the 2026 Management Information Circular are available on SEDAR+ at www.sedarplus.ca or on EDGAR at www.sec.gov.

Restricted Share Units

As a best practice, outstanding RSUs vest as to 33⅓% on each of the 12-, 24-, and 36-month anniversary of the award date. All vesting and issuances or payments, as applicable, in respect of a RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

The following table sets out the number of Common Shares issuable pursuant to outstanding RSUs as of the date hereof, along with the award date and expiry date of the RSUs.

Award Date	Expiry Date	No. of RSUs
October 1, 2024	December 15, 2026	81,856
October 1, 2025	December 15, 2027	217,347
October 1, 2026	December 15, 2028	341,460
	Total RSUs Awarded	**640,663**

Options

Options vest in three equal instalments of 33⅓% each, unless otherwise specified at the time of grant. The following table sets out the number of Common Shares issuable pursuant to outstanding options as of the date hereof, along with the exercise price and expiry of the options.

Exercise Price per Option	Expiry Date	No. of Options
$2.32	December 15, 2026	408,000
$2.52	February 28, 2027	21,000
$2.37	October 3, 2027	909,000

Exercise Price per Option	Expiry Date	No. of Options
$2.28	May 8, 2028	200,000
$1.52	October 2, 2028	532,100
$1.93	October 1, 2029	444,930
$3.68	October 1, 2030	491,400
$1.81	October 1, 2031	485,325
	Total Options Granted	**3,491,755**

Deferred Share Unit Plan

The Deferred Share Unit Plan was initially adopted by the Board in February 2017 and amended in January 2025, to permit directors who are not salaried officers or employees of the Company or a related corporation to convert into DSUs the fees that would otherwise be payable by the Company to them relating to future services relating to their participation on the Board and on committees of the Board. Such fees include all annual retainers and amounts payable for serving as the Chair of the Board and/or as a Chair of a committee of the Board but exclude any reimbursement of expenses. With respect to the conversion of their fees into DSUs, each eligible director may, under the Deferred Share Unit Plan, elect to convert a minimum of 20% to a maximum of 100% of his or her future Board Fees for the relevant period into DSUs in *lieu* of receiving such fees in cash. The Deferred Share Unit Plan also permits the Company to grant additional DSUs to the directors.

The Deferred Share Unit Plan was further amended and restated in February 2026 at the 2026 AGM, to permit DSUs to be settled in Common Shares, at the discretion of the Company, in addition to cash. Shareholder approval was sought and obtained in connection with this amendment as the addition of the Common Share settlement feature introduced an equity-based component of the Deferred Share Unit Plan. Accordingly, the existing DSUs were rolled into the amended and restated Deferred Share Unit Plan without creating any additional reserve, and all outstanding and issuable DSUs remain subject to the aggregate 10% "rolling" limit applicable to the Company's security-based compensation arrangements.

Deferred Share Units

The number of Common Shares reserved and available for grant and issuance pursuant to the amended and restated Deferred Share Unit Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed 10% of the number of Common Shares then issued and outstanding. Any Common Shares underlying DSUs that are cancelled or terminated in accordance with the terms of the amended and restated Deferred Share Unit Plan without settlement will again be available under the amended and restated Deferred Share Unit Plan.

As of the date of this AIF, no DSUs have been settled in Common Shares, and 1,116,216 DSUs are outstanding, representing approximately 0.87% of the issued and outstanding Common Shares.

The amended and restated Deferred Share Unit Plan is included as Schedule D to the 2026 Management Information Circular, which is available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

ITEM 8 MARKET FOR SECURITIES

8.1 TRADING PRICE AND VOLUME

The Common Shares are listed on the TSX under the symbol "PTM" and on the NYSE American under the symbol "PLG".

The following tables provide information as to the high and low trading prices of the Common Shares during the most recently completed financial year, as well as the volume of Common Shares traded for each month:

TSX - PTM

Month	High (CAD$/share)[1]	Low (CAD$/share)[1]	Volume (# of shares)
September 2025	4.15	2.18	3,576,347
October 2025	4.64	2.97	7,853,242
November 2025	3.42	2.53	4,096,416
December 2025	3.93	3.05	5,073,625
January 2026	5.46	3.12	12,422,927
February 2026	4.05	2.84	6,198,202
March 2026	3.78	2.14	4,702,946
April 2026	2.74	2.26	2,261,910
May 2026	2.64	2.15	3,250,705
June 2026	2.46	1.81	2,262,874
July 2026	2.11	1.65	1,727,738
August 2026	2.31	1.88	2,067,938

Notes:
(1) Based on intra-day highs and lows.

NYSE American - PLG

Month	High (USD/share)[1]	Low (USD/share)[1]	Volume (# of shares)
September 2025	2.99	1.57	55,910,100
October 2025	3.36	2.12	81,903,900
November 2025	2.46	1.78	40,251,000
December 2025	2.95	2.22	88,905,900
January 2026	4.04	2.27	125,679,100
February 2026	2.90	2.06	58,692,400
March 2026	2.78	1.56	49,374,500
April 2026	2.01	1.65	28,131,900
May 2026	1.94	1.56	31,523,200
June 2026	1.78	1.27	26,220,100
July 2026	1.48	1.18	19,658,000
August 2026	1.69	1.25	27,309,100

Notes:
(1) Based on intra-day highs and lows.

8.2 PRIOR SALES

During the most recently completed financial year, the Company issued the following Common Shares at the respective prices pursuant to the exercise and settlement of Company securities that are not listed or quoted on a marketplace:

Issuance Date	Number of Common Shares Issued	Issuance Price (C$)	Pursuant to
October 3, 2025	138,483	3.90	RSU settlement
October 7, 2025	66,264	2.32	Option exercise
October 8, 2025	92,174	2.59	Option exercise
October 8, 2025	57,829	2.37	Option exercise
October 8, 2025	13,899	1.52	Option exercise
October 8, 2025	5,074	1.93	Option exercise
October 12, 2025	4,721	2.37	Option exercise
October 12, 2025	2,749	1.52	Option exercise
October 14, 2025	62,579	2.32	Option exercise
February 27, 2026	9,138	2.32	Option exercise
February 27, 2026	9,455	2.37	Option exercise
February 27, 2026	5,355	1.52	Option exercise
February 27, 2026	1,736	1.91	Option exercise
TOTAL	**469,456**		

During the most recently completed financial year, the Company issued the following securities that are not listed or quoted on a marketplace and remain outstanding to date.

Issuance Date	Class of Security	Number of Securities	Price per Security (C$)
October 1, 2025	Options	491,400	3.68
October 1, 2025	RSUs	217,347	N/A

Following the most recently completed financial year, on October 1, 2026, the Company issued an additional 144,823 Common Shares upon settlement of RSUs; and granted 485,325 Options and 341,460 RSUs, all of which remain outstanding as of the date of this AIF.

ITEM 9 ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

There are no securities of the Company held, to the Company's knowledge, in escrow or that are subject to a contractual restriction on transfer.

ITEM 10 DIRECTORS AND OFFICERS

10.1 NAME, OCCUPATION AND SECURITY HOLDING

The following table sets out the names of the current directors and executive officers of the Company, provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each person has served as a director and/or officer and the number of each class of securities of the Company and percentage of such class beneficially owned, directly or indirectly, or subject to control or direction by that person.

The Company has an Audit Committee, a Compensation Committee, a Governance and Nomination Committee, and an EHST Committee, each comprised of independent directors as indicated in the following table. In addition, the Company has a Disclosure Committee and a Pricing Committee, both composed of the Chief Executive Officer, the Chief Financial Officer and one independent director.

Name, Place of Residence and Position	Principal Occupation or Employment during the preceding five years	Date First Elected or Appointed [1]	Number of Common Shares beneficially owned, or controlled or directed, directly or indirectly [2]
FRANK R. HALLAM British Columbia, Canada Director and President and CEO	Chartered Professional Accountant, Chartered Accountant. President and Chief Executive Officer of the Company since December 2021. Interim President and Chief Executive Officer of the Company from July 2021 to December 2021. Chief Financial Officer of the Company from February 2003 to July 2021. Corporate Secretary of the Company from March 2007 to July 2021. Chief Financial Officer of WVM since May 2010. Director of WVM since November 2024.	February 18, 2002	245,878
DIANA WALTERS(3)(5)(6)(7) Texas, USA Director	Consulting specialist primarily in natural resources, principal investing, investment banking/finance and industry management. Founder and Managing Partner of Amichel, LLC since 2019. Director of Atmos Energy Corporation from November 2018 to February 2025. Director of Trilogy Metals since May 2016. Director of NuScale Power Corporation since December 2024. Chair of the Company since February 20, 2020.	July 16, 2013	26,450
TIMOTHY MARLOW(4)(5)(6)(7) British Columbia, Canada Director	Chartered Mining Engineer and Consultant. President of Marlow & Associates since 1995.	June 15, 2011	300
JOHN COPELYN Cape Town, South Africa Director	Chief Executive Officer of HCI from 1997 to present. Director of Africa Energy Corp. since October 2020. Current Non-Executive Chairman and Director of E Media Holdings Limited, Southern Sun Limited, Deneb Investments Limited, Tsogo Sun Limited, and Montauk Renewables, Inc.	May 15, 2018	27,767,994(8)
STUART HARSHAW(4)(5)(7) Ontario, Canada Director	Director, President and Chief Executive Officer of Nickel Creek Platinum Corp. since October 2020. Director of International Tower Hill Mines Ltd. since April 2018, Director of NuScale Power Corporation since May 2026.	April 15, 2019	44,377

Name, Place of Residence and Position	Principal Occupation or Employment during the preceding five years	Date First Elected or Appointed (1)	Number of Common Shares beneficially owned, or controlled or directed, directly or indirectly (2)
PAUL MPHO MAKWANA(4)(6) Gauteng, South Africa Director	Director, Founder and Chair of Epitome Investments (Pty) Ltd. since April 2004. Non-Executive Chairman of Delta Property Fund Limited since February 2026, following appointment as Chairman-Designate in November 2025. Lead Independent Director of Invicta Holdings Limited since May 2020. Director of AVBOB Mutual Assurance Society since November 2025. Previously, Non-Executive Chair of ESKOM (September 2022-October 2023) and Non-Executive Chairman of Nedbank Group Ltd. from November 2011 to June 2023.	February 28, 2022	Nil
GREGORY BLAIR British Columbia, Canada Chief Financial Officer	Chief Financial Officer of the Company since September 2022. Interim Chief Financial Officer of the Company from July 2021 to September 2022. Financial Controller of the Company from December 2010 to July 2021.	July 29, 2021	51,423

Notes:

(1) All of the directors' appointments expire at the next annual meeting of the Shareholders. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

(2) Shares beneficially owned, controlled or directed, directly or indirectly as of November 23, 2026, based upon information provided to the Company by the respective director or executive officer. As a group, the directors and executive officers beneficially own, control or direct, directly or indirectly, an aggregate of 28,136,422 Common Shares, representing approximately 21.98% of the issued and outstanding Common Shares.

(3) Chairperson of the Board.

(4) Member of the Audit Committee.

(5) Member of the Compensation Committee.

(6) Member of the Governance and Nomination Committee.

(7) Member of the EHST Committee.

(8) Common Shares representing approximately 21.69% of the issued and outstanding Common Shares held by Deepkloof Limited, a wholly owned subsidiary of HCI, of which Mr. Copelyn is the Chief Executive Officer.

Mr. Copelyn was first appointed to the Board as HCI's nominee pursuant to the HCI Agreement. Pursuant to the HCI Agreement, HCI is entitled to nominate one Board member, and to participate in future equity financings of the Company to maintain its pro-rata interest.

10.2 CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

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

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

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

Mr. Hallam was a director of Nextraction until May 14, 2020. Nextraction was previously subject to CTOs issued by the ASC and the BCSC in May 2015 for failure to file annual audited financial statements, annual management's discussion and analysis, and certification of annual filings for the year ended December 2014. The CTOs were revoked by both the ASC and the BCSC in February 2019, following the filing of all required financial and continuous disclosure documents by Nextraction.

Ms. Walters was previously a director of AMR, an independent energy company focused on the development and acquisition of unconventional oil and natural gas reserves in the Anadarko Basin in Oklahoma. On September 11, 2019, AMR announced that AMR and certain of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas in order to allow AMR to reorganize its capital structure. On June 10, 2020, Ms. Walters advised the Company that her duties as a board member of AMR had ended and that AMR had completed its bankruptcy reorganization process.

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

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

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

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

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

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

10.3 CONFLICTS OF INTEREST

Certain of the Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. Such companies may, from time to time, compete with the Company for business opportunities. In addition, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of British Columbia the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the laws of British Columbia and shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. The Company provides administrative services to another company with shared directors and management. The directors and officers of the Company are not aware of any conflicts of interests involving the Company's mineral properties.

ITEM 11 PROMOTERS

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

ITEM 12 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

12.1 LEGAL PROCEEDINGS

On March 7, 2024, a group claiming to be the rightful leadership of two host communities filed an application in the High Court seeking to set aside the January 28, 2021, grant of the Waterberg Mining Right by the DMPR. Many of the applicants participated in the earlier appeals and court actions described above. The applicants have requested condonation for the late filing of this appeal, claim informal rights to two farms overlaying a portion of the mining right area, object to the grant of the Waterberg Mining Right, and object to the DMPR dismissing their appeals on or about October 13, 2022. The two farms in question are not expected to host any significant mine infrastructure. Attorneys acting on behalf of Waterberg JV Co. have filed a notice of opposition and an answering affidavit. A notice of opposition and an answering affidavit have also been filed by the State Attorneys on the Minister and DMPR's behalf. The Land & Accountability Research Centre, at the University of Cape Town, filed an application to be admitted as Amicus Curiae on July 23, 2026. It is their intention to provide evidence to the court of local customs and practices.

On April 14, 2026, SAHRA, granted final approval of the HMP draft submitted by Waterberg JV Co. on March 9, 2026. Following the granting, Waterberg JV Co. received a formal appeal challenging SAHRA's approval. On May 29, 2026, SAHRA appointed a panel to review the appeal, and a hearing before the panel was held on July 21, 2026. As of the date of this AIF, the panel has not yet issued its finding or ruling in respect of the appeal. The implementation of a HMP does not affect the validity of either the Waterberg Mining Right or the approved EA.

The Company believes that all requirements specified under NEMA, the MPRDA and other applicable legislation have been complied with and that the DFFE correctly approved and the DMPR correctly issued the EA and the Waterberg Mining Right. Based on long term consultation and dialogue with local communities, the Company also believes that the leadership and the majority of residents in the host communities support the Waterberg Project.

12.2 REGULATORY ACTIONS

There are no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's financial year. There are no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. No settlement agreements were entered into by the Company before a court relating to securities legislation or with a securities' regulatory authority during the Company's financial year.

ITEM 13 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or person or company that beneficially owns, or controls or directs, directly or indirectly, more than ten percent of the Common Shares, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

ITEM 14 TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the Common Shares in Canada is Computershare Investor Services Inc. at its principal offices in the cities of Vancouver, British Columbia and Toronto, Ontario; and in the United States is Computershare Trust Company, N.A., at its principal offices in Canton, Massachusetts and Jersey City, New Jersey.

ITEM 15 MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contract that we have entered into in the financial year ended August 31, 2026, or before the last financial year but still in effect, is the HCI Agreement dated May 10, 2018. There are no contracts other than contracts entered into in the ordinary course of business of the Company (See "Item 5.3 Mineral Property Interests") that are material to the Company and that were entered into within the most recently completed financial year of the Company or before the most recently completed financial year of the Company and which are still in effect.

ITEM 16 INTERESTS OF EXPERTS

16.1 NAMES OF EXPERTS

The following persons or companies are named as having prepared or certified a report, valuation, statement or opinion described in or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to the Company's most recently completed financial year, whose profession or business gives authority to the report, valuation, statement or opinion made by the person of the Company.

Name	Description
Charles Muller (B. Sc. (Hons) Geology) Pri. Sci. Nat. Protek Consulting (Pty) Ltd.	Co-authored the Waterberg DFS Update, which is referred to herein and in other filings made under NI 51-102 by the Company during the year ended August 31, 2026.
Gordon Cunningham, B. Eng. (Chemical), Pr. Eng. (ECSA) Turnberry Projects (Pty) Ltd.	Co-authored the Waterberg DFS Update, which is referred to herein and in other filings made under NI 51-102 by the Company during the year ended August 31, 2026.
Michael Murphy, P. Eng. Stantec Consulting International Ltd.	Co-authored the Waterberg DFS Update, which is referred to herein and in other filings made under NI 51-102 by the Company during the year ended August 31, 2026.
Robert van Egmond, P. Geo. RAVEX Consulting	Independent QP, has reviewed and approved technical disclosure in all of the Company's most recently completed financial year disclosure documents, Management's, Discussion and Analysis and this AIF (other than disclosure from the Waterberg DFS Update already attributed to author QPs).

16.2 INTERESTS OF EXPERTS

There were no registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (a) held by the persons or companies named above, and if the expert is not an individual, by the designated professionals of that expert, when that expert prepared the report, valuation, statement or opinion referred to above; (b) received by an expert named above and, if the expert is not an individual, by the designated professionals of that expert, after the time that expert prepared the report, valuation, statement or opinion referred to above; or (c) to be received by an expert named above and, if the expert is not an individual, by the designated professionals of that expert, other than compensation in cash for their services.

None of the aforementioned experts, nor any directors, officers or employees of an expert referred to above, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

16.3 INDEPENDENT AUDITOR

Audit of the consolidated financial statements and the effectiveness of internal control over financial reporting is conducted in accordance with PCAOB standards The Company's independent registered public accounting firm is PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued a Report of Independent Registered Public Accounting Firm dated November 24, 2026, in respect of the Company's consolidated financial statements as at August 31, 2026, and August 31, 2025, and for each of the years then ended and on the effectiveness of internal control over financial reporting as of August 31, 2026. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the CPABC Code of Professional Conduct and the rules of the US Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (PCAOB) on auditor independence.

ITEM 17 AUDIT COMMITTEE

Pursuant to NI 52-110, companies that are required to file an AIF are required to provide certain disclosure with respect to their audit committee. The Company's Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the performance of the Company's external auditors.

17.1 AUDIT COMMITTEE CHARTER

The text of the Audit Committee Charter is attached hereto as Schedule "A".

17.2 AUDIT COMMITTEE COMPOSITION AND BACKGROUND

The Audit Committee is comprised of Stuart Harshaw (Chair), Timothy Marlow and Paul Mpho Makwana. All three members of the Audit Committee are independent within the meaning of applicable Canadian and U.S. securities laws and the requirements of the TSX and the NYSE American, and financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The Board has also determined that Mr. Harshaw is an "audit committee financial expert", within the meaning of applicable U.S. securities laws.

In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee are set forth below:

Member	Experience/Education
Stuart Harshaw, BSc.	Stuart Harshaw is a seasoned mining executive with over 36 years of experience in the global mining industry, including extensive expertise of engineering, procurement and construction models. Mr. Harshaw has significant public company board and audit committee experience, having served as a director and audit committee member of several publicly traded mining companies. He currently serves as a director and audit committee member of International Tower Hill Mines Ltd., President, CEO and director of Nickel Creek Platinum Corp., and as a director and audit committee member of NuScale Power Corporation. Previously, Mr. Harshaw served as a director and audit committee member of Constantine Metal Resources Ltd. He holds a BSc. in Metallurgical Engineering from Queen's University and an MBA from Laurentian University.
Timothy Marlow, C.Eng.	Timothy Marlow is a seasoned mining engineer with mine operations in the Americas, Africa and Asia, including specific experience in Ghana and Zambia. Mr. Marlow has served as a director of the Company for over 16 years, including 10 years as member of the Audit Committee providing extensive experience in financial oversight, reporting and governance matters. He has held senior operational roles ranging from project engineer, services and maintenance superintendent and general manager to Vice President of Operational Excellence for a multi mine group. Mr. Marlow is a graduate of the Camborne School of Mines and is registered as a C.Eng., Registered Charter Engineer in the UK. He is a member of the Institute of Materials, Minerals and Mining, UK, and a Qualified Person as defined by NI-43-101.

Paul Mpho Makwana, B.Admin (Hons), EDP	Mpho Makwana is an accomplished business leader with over 37 years of diverse experience in executive and C-Suite roles in the public and private sectors. Mr. Makwana has extensive board and audit committee experience, having chaired boards and served on audit committees of publicly traded companies, including companies in the mining industry, among other roles on the boards he has held. He currently serves as a member of the audit committee of Invicta Holdings Limited and previously served for four years on the audit committee of Nedbank Group Ltd. Mr. Makwana holds a B.Admin from the University of Zululand and a B.Admin (Hons) from the University of Pretoria, an EDP Certificate from the Kellogg School of Management and a Post Grad Diploma, Retailing Management from the University of Stirling.

17.3 RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions set out in Section 2.4 *(De Minimis Non-audit Services)*, Section 3.2 *(Initial Public Offerings)*, Section 3.4 *(Events Outside Control of Member)*, Section 3.5 *(Death, Disability or Resignation of Audit Committee Member),* Subsection 3.3(2) *(Controlled Companies),* 3.6 *(Temporary Exemption for Limited and Exceptional Circumstances)* or Section 3.8 *(Acquisition of Financial Literacy)* of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

17.4 AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

17.5 PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee is authorized to review the performance of the Company's independent auditors and pre-approves all audit and non-audit services to be provided to the Company by its independent auditor. Prior to granting any pre-approval, the Audit Committee must be satisfied that the performance of the services in question is not prohibited by applicable securities laws and will not compromise the independence of the independent auditor.

17.6 EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees billed by the Company's current independent auditor, PricewaterhouseCoopers LLP, during the fiscal years ended August 31, 2026, and August 31, 2025, are set forth below:

	Year ended August 31, 2026 (CAD$)	Year ended August 31, 2025 (CAD$)
Audit Fees	693,100	535,549
Audit-Related Fees[(1)]	Nil	Nil
Tax Fees[(2)]	Nil	Nil
All Other Fees[(3)]	Nil	Nil
Total	693,100	535,549

Notes:

(1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, which are not included under the heading "Audit Fees".
(2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning, including restructuring advice.
(3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

ITEM 18 ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation Plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders.

Additional financial information is provided in the Company's Financial Statements and Management's Discussion and Analysis for the year ended August 31, 2026.

Copies of the above may be obtained, on the Company's website www.platinumgroupmetals.net; on SEDAR+ at www.sedarplus.ca; on EDGAR at www.sec.gov; or by calling the Company's Corporate Secretary at +1 (604) 899-5450.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

PLATINUM GROUP METALS LTD.
(the "Corporation")

1. General

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

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

2. Members

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

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

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

3. Duties

The Committee will have the following duties:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the Corporation's counsel and engage outside independent counsel and other advisors whenever as deemed necessary by the Committee to carry out its duties.
- Review the Corporation's annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are complete and consistent with the information known to Committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with Accounting Standards.
- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Corporation's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
  - actual financial results for the interim period varied significantly from budgeted or projected results;
  - generally accepted accounting principles have been consistently applied;
  - there are any actual or proposed changes in accounting or financial reporting practices; or
  - there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.

- Recommend to the Board an external auditor to be nominated for appointment by the Corporation's shareholders. Subject to the appointment of the Corporation's external auditor by the Corporation's shareholders, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Corporation's external auditor shall report directly to the Committee.
- Review with the Corporation's management, on a regular basis, the performance of the external auditors, the terms of the external auditor's engagement, accountability and experience.
- Pre-approve all non-audit services and tax services to be provided to the Corporation or its subsidiary entities by the external auditor, or other registered accounting firm.
- Consider at least annually the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services obtained by the Corporation, including:
  - ensuring receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Corporation, consistent with the Independence Standards Board Standard No. 1 and related Canadian regulatory body standards;
  - considering and discussing with the independent auditor any relationships or services, including non-audit services, that may impact the objectivity and independence of the independent auditor; and
  - as necessary, taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.
- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure contained in the Company's financial statements, Management's Discussion and Analysis and annual and interim earnings press releases; and must periodically assess the adequacy of those procedures.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- Establish a procedure for:
  - the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately in the absence of management.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.

- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Review and oversee all related party transactions within the meaning of the Applicable Regulations.
- Perform other functions as requested by the Board.
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and re-assess annually the adequacy of this Charter and recommend updates to this charter; receive approval of changes from the Board.
- With regard to the Corporation's internal control procedures, the Committee is responsible to:
  - review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those related to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management; and
  - review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate; and
  - review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4. Chair

The Committee will in each year appoint the Chair of the Committee from among the members of the Committee. In the Chair's absence, or if the position is vacant, the Committee may select another member as Chair. The Chair will not have a casting vote.

5. Meetings

The Committee will meet at least once every calendar quarter. Special meetings shall be convened as required. Notices calling meetings shall be sent to all members of the Committee, all Board members and the external auditor. The external auditor of the Corporation must be given reasonable notice of and has the right to appear before and to be heard at, each meeting of the Committee. At the request of the external auditor, the Committee must convene a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Board or shareholders of the Corporation.

The Committee may invite such other persons (e.g., without limitation, the President or Chief Financial Officer) to its meetings, as it deems appropriate.

6. Quorum

A majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing, or by any combination of the foregoing, will constitute a quorum.

7. Removal and Vacancy

A member may resign from the Committee and may also be removed and replaced at any time by the Board and will automatically cease to be a member as soon as the member ceases to be a director of the Corporation. The Board will fill vacancies in the Committee by appointment from among the directors in accordance with Section 2 of this Charter. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all of the Committee's powers.

8. Authority

The Committee may:

- engage independent counsel and other advisors as it determines necessary to carry out its duties.
- set and pay the compensation for any advisors employed by the Committee; and
- communicate directly with the internal and external auditors.

The Committee may also, within the scope of its responsibilities, seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, and to ensure the attendance of Corporation officers at meetings as appropriate.

9. Secretary and Minutes

The Chair of the Committee will appoint a member of the Committee or other person to act as Secretary of the Committee for purposes of a meeting of the Committee. The minutes of the Committee meetings shall be in writing and duly entered into the books of the Corporation and will be circulated to all members of the Board.

10. Funding

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of: (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (b) compensation to any advisers employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carry out its duties.

PLG:NYSE American
PTM:TSX

Platinum Group Metals Ltd.

Consolidated Financial Statements
(Expressed in thousands of United States Dollars unless otherwise noted)
For the year ended August 31, 2026

Filed: November 24, 2026

Management's Responsibility for Consolidated Financial Statements

The accompanying Consolidated Financial Statements of Platinum Group Metals Ltd (the "Company") are the responsibility of management. The Consolidated Financial Statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and include certain estimates that reflect management's best judgments.

The Company's Board of Directors has approved the information contained in the Consolidated Financial Statements. The Board of Directors fulfills its responsibilities regarding the Consolidated Financial Statements mainly through its Audit Committee, which has a written mandate that complies with current requirements of Canadian securities legislation, United States securities legislation, and the United States Sarbanes-Oxley Act of 2002. The Audit Committee meets at least on a quarterly basis.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Financial Statements for external reporting purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at August 31, 2026. In making its assessment, management has used the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the Company's internal control over financial reporting. Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as at that date.

The effectiveness of the Company's internal control over financial reporting as at August 31, 2026 has been audited by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, as stated in their report, which appears herein.

/s/ Greg Blair
Greg Blair
Chief Financial Officer

/s/ Frank Hallam
Frank Hallam
President, Chief Executive Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Platinum Group Metals Ltd.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of Platinum Group Metals Ltd. and its subsidiaries (the Company) as of August 31, 2026 and 2025, and the related consolidated statements of loss (gain) and comprehensive loss (gain), of changes in equity and of cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of August 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of August 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of August 31, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of Impairment Indicators for Mineral Properties

As described in Notes 2, 3 and 4 to the consolidated financial statements, the carrying amount of mineral properties is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (impairment indicators). The carrying amount of the Company's mineral properties was $57.3 million as of August 31, 2026, which all related to the Waterberg project (the Project). Management applies judgment to assess whether there are impairment indicators present that give rise to the requirement to conduct an impairment test. Events or changes in circumstances that could trigger an impairment test include (i) significant adverse changes in the business climate, including decreases in forecasted future metal prices; (ii) significant changes in the extent or manner in which the assets are being used or their physical condition, including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the assets.

The principal considerations for our determination that performing procedures relating to the assessment of impairment indicators for mineral properties is a critical audit matter are that there was significant judgment by management when assessing whether there were indicators of impairment related to the Project, specifically related to assessing whether there were (i) significant adverse changes in the business climate, including decreases in forecasted future metal prices; (ii) significant changes in the extent or manner in which the asset is being used or its physical condition, including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the asset. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the judgments made by management in its assessment of impairment indicators that could give rise to the requirement to conduct an impairment test.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements, These procedures included testing the effectiveness of controls relating to management's assessment of impairment indicators for the Project. These procedures also included, among others, (i) evaluating whether there were significant adverse changes in the business climate, including decreases in forecasted future metal prices by considering external market and industry data; (ii) evaluating whether there were any significant changes in the extent or manner in which the asset is being used or its physical condition by assessing any significant decreases in mineral reserves and by considering any new mineral reserve and resource technical reports; and (iii) assessing whether there were significant decreases in the market price of the asset by considering any significant or prolonged declines in the Company's share price, and evidence obtained in other areas of the audit.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, Canada
November 24, 2026

We have served as the Company's auditor since 2007.

PLATINUM GROUP METALS LTD.

Consolidated Statements of Financial Position
(**in thousands of United States Dollars**)

	August 31, 2026	August 31, 2025
ASSETS		
Current		
Cash and cash equivalents (Note 4)	$ 43,293	$ 417
Short-term investments	-	11,288
Amounts receivable	306	77
Prepaid expenses	336	273
Total current assets	**$ 43,935**	**$ 12,055**
Performance bonds	542	409
Mineral properties (Note 5)	57,261	49,223
Property, equipment and other (Note 7)	868	412
Total assets	**$ 102,606**	**$ 62,099**
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	$ 1,737	$ 784
Total current liabilities	**1,737**	**784**
Asset retirement obligations	80	78
Share based liabilities (Note 10)	1,622	1,584
Lease liability (Note 8)	564	202
Total liabilities	**$ 4,003**	**$ 2,648**
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	$ 991,046	$ 953,564
Contributed surplus	34,457	34,581
Accumulated other comprehensive loss	(162,166)	(167,492)
Deficit	(789,220)	(785,068)
Total shareholders' equity attributable to shareholders of Platinum Group Metals Ltd.	**$ 74,117**	**$ 35,585**

Non-controlling interest (Note 11)		24,486		23,866
Total shareholders' equity	**$**	**98,603**	**$**	**59,451**
Total liabilities and shareholders' equity	**$**	**102,606**	**$**	**62,099**

Contingencies and Commitments (Note 13)

Approved by the Board of Directors and authorized for issue on November 24, 2026

/s/ Stuart Harshaw
Stuart Harshaw, Director

/s/ Diana Walters
Diana Walters, Director

The accompanying notes are an integral part of the consolidated financial statements.

PLATINUM GROUP METALS LTD.

Consolidated Statements of Loss (Gain) and Comprehensive Loss (Gain)
(**in thousands of United States Dollars except share and per share data**)

		August 31, 2026		August 31, 2025
Expenses				
General and administrative (Note 16)	$	3,741	$	3,656
Foreign exchange gain		(303)		(95)
Share of joint venture expenditures - Lion Battery (Note 6)		50		40
Stock based compensation expense (Note 10)		1,015		1,193
	$	4,503	$	4,794
Other Income				
Finance and other income		(1,468)		(275)
Loss for the year before income taxes	**$**	**3,035**	**$**	**4,519**
Deferred income tax expense (Note 19)		38		18
Net Loss		3,073		**4,537**
Items that may be subsequently reclassified to net loss:				
Currency translation adjustment		(4,334)		(173)
Comprehensive (gain) loss for the year	**$**	**(1,261)**	**$**	**4,364**
Net (profit) loss attributable to:				
Shareholders of Platinum Group Metals Ltd.		3,073		4,537
	$	3,073	$	4,537
Comprehensive loss (gain) attributable to:				
Shareholders of Platinum Group Metals Ltd.		(2,210)		4,364
Non-controlling interest		949		-
	$	(1,261)	$	4,364
Basic and diluted loss per common share	$	0.02	$	0.04
Weighted average number of common shares outstanding:				
Basic and diluted		123,572,263		105,440,219

The accompanying notes are an integral part of the consolidated financial statements.

PLATINUM GROUP METALS LTD.

Consolidated Statements of Changes in Equity
(**in thousands of United States Dollars, except # of Common Shares**)

	# of Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (loss)	Deficit	Attributable to Shareholders of the Parent Company	Non-Controlling Interest	Total
Balance, August 31, 2024	**102,480,148**	**$ 939,787**	**$ 34,651**	**$ (167,690)**	**$ (780,002)**	**$ 26,746**	**$ 23,004**	**$ 49,750**
Stock based compensation	-	-	919	-	-	919	-	919
Restricted share units redeemed	130,073	200	(354)	-	-	(154)	-	(154)
Share options exercised	219,398	725	(635)	-	-	90	-	90
Share issuance - financing	9,741,494	14,186	-	-	-	14,186	-	14,186
Share issuance costs	-	(1,334)	-	-	-	(1,334)	-	(1,334)
Dilution of non-controlling interest	-	-	-	25	(288)	(263)	(65)	(328)
Contributions of Waterberg JV Co.	-	-	-	-	(241)	(241)	927	686
Currency translation adjustment	-	-	-	173	-	173	-	173
Net loss for the period	-	-	-	-	(4,537)	(4,537)	-	(4,537)
Balance, August 31, 2025	**112,571,113**	**$ 953,564**	**$ 34,581**	**$ (167,492)**	**$ (785,068)**	**$ 35,585**	**$ 23,866**	**$ 59,451**
Stock based compensation	-	-	1,193	-	-	1,193	-	1,193
Restricted share units redeemed	138,483	4	(375)	-	-	(371)	-	(371)
Share options exercised	330,973	642	(942)	-	-	(300)	-	(300)
Share issuance - financing	14,844,543	38,830	-	-	-	38,830	-	38,830
Share issuance costs	-	(1,994)	-	-	-	(1,994)	-	(1,994)
Dilution of non-controlling interest	-	-	-	43	(628)	(585)	(150)	(735)
Contributions of Waterberg JV Co.	-	-	-	-	(451)	(451)	1,719	1,268
Currency translation adjustment	-	-	-	5,283	-	5,283	(949)	4,334
Net loss for the period	-	-	-	-	(3,073)	(3,073)	-	(3,073)
Balance, August 31, 2026	**127,885,112**	**$ 991,046**	**$ 34,457**	**$ (162,166)**	**$ (789,220)**	**$ 74,117**	**$ 24,486**	**$ 98,603**

The accompanying notes are an integral part of the consolidated financial statements.

PLATINUM GROUP METALS LTD.

Consolidated Statements of Cash Flows
(**in thousands of United States Dollars**)

	For the year ended	
	August 31, 2026	**August 31, 2025**
OPERATING ACTIVITIES		
Loss for the year	$ (3,073)	$ (4,537)
Add items not affecting cash / adjustments:		
Depreciation	91	68
Unrealized foreign exchange gain	(404)	(133)
Deferred income tax expense (Note 19)	38	18
Stock based compensation expense	1,015	1,193
Interest from short-term investments	(222)	(159)
Share unit settlement	(755)	(154)
Share of joint venture expenditures	50	40
Directors' fees paid in deferred share units	172	187
Net change in non-cash working capital (Note 14)	(285)	104
	$ (3,373)	$ (3,373)
FINANCING ACTIVITIES		
Proceeds from issuance of equity	$ 38,830	$ 14,186
Equity issuance costs	(1,994)	(1,334)
Cash received from option exercise	83	91
Cash received from Waterberg partners	1,064	473
Lease payments made	(101)	(87)
	$ 37,882	$ 13,329
INVESTING ACTIVITIES		
Performance bonds	$ (95)	$ (94)
Acquisition of short-term investments	(6,100)	(15,700)
Disposal of short-term investments	17,300	4,650
Interest received from short-term investments	311	117
Acquisition of property and equipment	(33)	-
Investment in Lion	(50)	(40)

Expenditures incurred on Waterberg Project		(3,167)		(2,081)
	$	8,166	$	(13,148)
Net increase (decrease) in cash and cash equivalents		**42,675**		**(3,192)**
Effect of foreign exchange on cash		201		(92)
Cash and cash equivalents, beginning of year		**417**		**3,701**
Cash and cash equivalents, end of year	**$**	**43,293**	**$**	**417**

The accompanying notes are an integral part of the consolidated financial statements.

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Platinum Group Metals Ltd. (the "**Company**") is a British Columbia, Canada company formed by amalgamation on February 18, 2002. The Company's shares are publicly listed on the Toronto Stock Exchange in Canada and the NYSE American, LLC ("**NYSE American**") in the United States of America. The Company is a development stage company conducting work on mineral properties it has staked or acquired by way of option agreements in the Republic of South Africa. Key metals of economic interest on the Company's mineral properties include platinum, palladium, rhodium, gold, copper, and nickel.

The Company's head office and principal place of business is located at Suite 838-1100 Melville Street, Vancouver, British Columbia, Canada, V6E 4A6. The Company's registered and records office is located at Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5.

These financial statements consolidate the accounts of the Company and its subsidiaries. The Company's subsidiaries and joint ventures as at August 31, 2026 are as follows:

	Principal activity	Place of incorporation and operation	Proportion of ownership interest	
			August 31, 2026	August 31, 2025
Platinum Group Metals (RSA) (Pty) Ltd.	Development	South Africa	100.00%	100.00%
Mnombo Wethu Consultants (Pty) Limited [1]	Development	South Africa	49.90%	49.90%
Waterberg JV Resources (Pty) Ltd. [2]	Development	South Africa	37.62%	37.32%
Lion Battery Technologies Inc. [3]	Research	Canada	52.00%	51.98%

[1]The Company controls and consolidates Mnombo Wethu Consultants (Pty) Limited ("**Mnombo**") and Waterberg JV Resources (Pty) Ltd. ("**Waterberg JV Co**") for accounting purposes.
[2]Effective ownership of Waterberg JV Co is 63.62% (63.32% August 31, 2025) when Mnombo's ownership portion is combined with Platinum Group Metals (RSA) (Pty) Ltd ownership portion.
[3]Lion Battery Technologies is accounted for using the equity method as the Company jointly controls the investee despite having the majority of the shares.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

At August 31, 2026 the Company had working capital of $ 42,198 and a cash balance of $43,293. During the year ended August 31, 2026, the Company incurred a net loss of $3,073 and cash outflows from operating activities of $3,373.

During the year ended August 31, 2026, the Company sold 14,844,543 shares at an average price of US$2.62 for gross proceeds of $38.8 million before directly attributable costs of $0.97 million of the total $1.99 million share issuance costs. The Company has sufficient cash to fund its operations, working capital requirements and capital program for more than the next 12 months.

The continued operations of the Company and the recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain the necessary financing to complete the development of the Waterberg Project and bring it to future profitable production. The Company does not generate cash flow from operations to fund its activities and therefore relies principally on the issuance of securities for financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements throughout all years presented.

a. Consolidation

The consolidated financial statements include assets, liabilities, equity, income and expenses of the Company and its subsidiaries, using uniform accounting policies. Control exists when the Company has (i) power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee, and (iii) the ability to use its power to affect its returns.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity.

Subsidiaries are all entities over which the Company has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation.

b. Translation of foreign currencies

Functional currency

Items included in the financial statements of the Company and each of the Company's subsidiaries and equity accounted investees are measured using the currency of the primary economic environment in which the entity operates (the functional currency) as follows:

Platinum Group Metals Ltd.	Canadian Dollars ("**CAD**")
Lion Battery Technologies Inc.	United States Dollars ("**USD**")
Platinum Group Metals (RSA) (Pty) Ltd.	South African Rand ("**Rand**")
Mnombo Wethu Consultants (Pty) Limited	South African Rand
Waterberg JV Resources (Pty) Ltd	South African Rand

Presentation Currency

The Company's presentation currency is the USD.

Foreign Exchange Rates Used

The following exchange rates were used when preparing these consolidated financial statements:

Rand/USD	
Year-end rate:	16.1232(2025 R17.6678)
Year average rate:	16.6562 (2025 R18.0956)
CAD/USD	
Year-end rate:	1.3866 (2025 C$1.3742)
Year average rate:	1.3865 (2025 C$1.3963)

Transactions and balances

Foreign currency transactions are translated into the relevant entity's functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

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Subsidiaries

The results and financial position of subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the reporting date;
- income and expenses are translated at average exchange rates for the year; and
- all resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

c. Joint Arrangements

The Company treats its investment in Lion as a joint venture. A joint venture is a joint arrangement whereby the parties that have joint control

have rights to the net assets. Joint ventures are accounted for using the equity method of accounting.

d. Change in ownership interests

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration received is recognized in a separate line in deficit.

e. Short term investments

Short term investments consist of guaranteed investment certificates with maturity dates greater than 3 months when purchased.

f. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Where an item of property, plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items of property, plant, and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal, retirement or scrapping of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Capital assets are recorded at cost and are depreciated on a straight-line basis over the following periods:

Leasehold Improvements	3-5 years
Computer Equipment and software	3-5 years
Furniture and Fixtures	5-10 years
Office Lease	5 year lease term
Buildings	10-20 years
IT Equipment	3 years

g. Exploration and Evaluation Assets & Mineral Properties

i) Exploration and Evaluation Assets

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquiring the rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for Mineral Resources, as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

Evaluation expenditures are costs incurred to establish the feasibility and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of: (i) further defining the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body; (ii) determining the optimal methods of extraction and metallurgical and treatment processes; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) economic evaluations to determine whether development of mineralized material is commercially justified including preliminary economic assessments, pre-feasibility and final feasibility studies. Exploration and evaluation expenditures are capitalized until it has been determined that a property is technically feasible and commercially viable. Before reclassification to mineral properties (see below) an impairment test is conducted on the capitalized costs.

(ii) Mineral properties

After the impairment test, the carrying value of the exploration and evaluation asset is reclassified as a mineral property. All costs, including pre-operating costs, are capitalized until the point that the mineral property is capable of operating as intended. This is determined by: (i) completion of operational commissioning of major mine and plant components; (ii) operating results being achieved consistently for a period of time; (iii) indicators that these operating results will be continued; and (iv) other factors being present, including one or more of the following: a significant portion of the plant/mill capacity being achieved; a significant portion of available funding being directed towards operating activities; a predetermined, reasonable period of time being passed; or significant milestones for the development of the mineral property being achieved.

Once the mineral property is capable of operating as intended, further operating costs, including depreciation, depletion and amortization, are included within inventory as incurred.

h) Impairment

Property, plant and equipment and mineral properties are reviewed for impairment whenever events or changes in circumstances indicate

that the carrying amount may not be recoverable.

The Company conducts internal reviews of asset values which are used to assess for any indications of impairment. Internal and external factors such as significant changes in the use of the asset, commodity prices, foreign exchange rates, mineral reserve and resource quantities, discount rates and the Company's market capitalization are used by management in determining whether there are any indicators.

If any such indication exists an estimate of the recoverable amount is undertaken, being the higher of an asset's fair value less costs to sell and its value in use. If the asset's carrying amount exceeds its recoverable amount, then an impairment loss is recognized.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the use of the asset, including any expansion prospects.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

i) Asset retirement obligations

Provisions for asset retirement obligations are made in respect of the estimated future costs of closure and restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the accounting period when the related disturbance occurs. The provision is discounted using a risk-free pre-tax rate, and the unwinding of the discount is included in finance costs. At the time of establishing the provision, a corresponding asset is capitalized and is depreciated over the future life of the asset to which it relates. The provision is adjusted on an annual basis for changes in cost estimates, discount rates and inflation.

j) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

k) Leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of operations and comprehensive income on a straight line basis over the lease term.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company then assesses (i) whether the contract involves the use of an identified asset, (ii) whether it has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and (iii) if it has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the consideration in the contract is allocated to each lease component proportionally based on their relative standalone prices. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

As a lessee, the Company recognizes a right-of-use asset, which is included in Property Equipment and Other, and a right-of-use lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

l) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effect.

m) Share-based payment transactions

Stock options

Stock options are settled in equity. The fair values for stock-based awards have been estimated using the Black-Scholes model and recorded as compensation cost over the period of vesting. The compensation cost related to stock options granted is expensed or capitalized to mineral properties, as applicable. Cash received on exercise of stock options is credited to share capital and the related amount previously recognized in contributed surplus is reclassified to share capital.

Restricted share units

Restricted share units ("**RSUs**") represent an entitlement to one common share of the Company, upon vesting. RSUs provide the option of being settled in cash upon election by the Board of Directors. The fair value of RSUs granted is recognized as an expense over the vesting period and is measured at the time of grant.

Deferred share units

Deferred share units ("**DSUs**") are measured at fair value on grant date based on the market price of the Company's shares on the grant date. DSUs are settled in cash based on the market price of the Company's shares on the entitlement date (which is when the respective director ceases to be a director of the Company). DSU liabilities are adjusted at each financial position reporting date for changes in fair value. Fully vested DSUs are revalued based on the market price of the Company's shares on the final day of the respective reporting period with changes in fair value being recognized in share-based compensation expenses.

n) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax expense is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of loss and other comprehensive loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

o) Loss per common share

Basic loss per common share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. In periods when a loss is incurred, the effect of the potential issuances of shares is anti-dilutive, and accordingly basic and diluted loss per share are the same.

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p) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss, at fair value through other comprehensive income (loss), or at amortized cost. The Company determines the classification of financial assets at initial recognition. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and

subsequently carried at amortized cost less any impairment. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Derecognition of Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

q) Accounting Standards

Accounting standards issued but not yet effective for the fiscal year ended August 31, 2026

Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

Together, these two amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. They also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion and adds new disclosures for certain instruments with contractual terms that can change cash flows.

This amendment is effective for fiscal 2027 and the Company has considered the amendment and assessed that it will have no material impact on adoption.

IFRS 18 – Presentation and Disclosure in Financial Statement s

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. The new standard introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing, and financing, and by specifying certain defined totals and subtotals. IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. Further, IFRS 18 also provides additional guidance on principals of aggregation and disaggregation which apply to the primary financial statements and notes. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027 (fiscal 2028 for PTM), including for interim financial statements, with retrospective application required and early adoption is permitted. The Company is currently assessing the impact that IFRS 18 will have on its financial statements when adopted.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS Accounting Standards requires the use of judgments and estimates that affect the amount reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and notes to the financial statements, and the key areas are summarized below.

Areas of judgment and key sources of estimation uncertainty that have the most significant effect on the amounts recognized in these consolidated financial statements are:

- Assessment of impairment indicator for Mineral Properties
- Assumption of control of Waterberg JV Co.

Each of these judgments and estimates is considered in their respective notes or in more detail below.

Assessment of impairment indicators for Mineral Properties

The Company applies judgment to assess whether there are impairment indicators present that give rise to the requirement to conduct an impairment test. Events or changes in circumstances that could trigger an impairment test include; (i) significant adverse changes in the business climate including decreases in forecasted future metal prices; (ii) significant changes in the extent or manner in which the asset is being used or their physical condition including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the asset.

Assumption of control of Waterberg JV Co.

The Company has judged that it controls Waterberg JV Co. as it owns 37.62% of the outstanding shares of Waterberg JV Co. directly and indirectly through its 49.9% ownership of Mnombo which has a 26% direct ownership of Waterberg JV Co. giving the Company and Mnombo an effective 63.62% interest. The Company has judged that it controls Mnombo through its 49.9% ownership of the outstanding shares of Mnombo, its current ability to direct the relevant activities of Mnombo including contributing all material capital to Mnombo for its capital calls from Waterberg JV Co. (and previous to acquiring its 49.9% share). Currently there are no other sources of funding known to be available to Mnombo. The Company is also the manager of the Waterberg JV Co. and maintains its right to be manager so long as it continues to hold the highest number of shares of Waterberg JV Co. If in the future Waterberg JV Co. is not deemed to be controlled by the Company, the assets and liabilities of Waterberg JV Co. would be derecognized at their carrying amounts. Amounts recognized in other comprehensive income would be transferred directly to retained earnings. If a retained interest remained after the loss of control, it would be recognized at

its fair value on the date of loss of control. Although the Company controls Waterberg JV Co., it does not have omnipotent knowledge of Mnombo's other shareholders activities. Mnombo's 50.1% shareholders are historically disadvantaged South Africans.

4. CASH AND CASH EQUIVALENTS

As at	August 31, 2026	August 31, 2025
Guaranteed Investment Certificates	$ 41,218	$ -
Cash	2,075	417
Total	**$ 43,293**	**$ 417**

5. MINERAL PROPERTIES

The Company's only active mineral property is the Waterberg Project, located on the Northern Limb of the Bushveld Igneous Complex, approximately 85 km north of the town of Mokopane. To August 31, 2026, an aggregate total of $94.3 million has been funded by all parties for the development of the Waterberg Project. Development expenditures for the Waterberg Project have been capitalized. Until the Waterberg prospecting rights were transferred to Waterberg JV Resources Proprietary Limited in 2017, all costs incurred by other joint venture partners were treated as cost recoveries by the Company.

Total capitalized costs for the Waterberg Project are as follows:

Balance August 31, 2024	**$ 47,029**
Additions	1,990
Foreign currency translation adjustment	204
Balance August 31, 2025	**$ 49,223**
Additions	3,603
Foreign currency translation adjustment	4,435
Balance August 31, 2026	**$ 57,261**

Waterberg - History of Acquisition

The Company acquired the prospecting rights which became the Waterberg Project by staking and a series of transactions from 2009 to 2012.

On September 21, 2017, Waterberg JV Co. acquired all Waterberg Project prospecting rights in exchange for the issue of shares to all existing Waterberg joint venture partners pro rata to their joint venture interests, resulting in the Company holding a 45.65% direct interest in Waterberg JV Co., Japan Organization for Metals and Energy Security (formerly Japan Oil, Gas and Metals National Corporation) ("**JOGMEC**") holding a 28.35% interest and Mnombo, as the Company's Black Economic Empowerment partner, holding 26%.

On November 6, 2017, the Company, along with JOGMEC and Mnombo closed a strategic transaction to sell to Impala Platinum Holdings Ltd. ("**Implats**") 15% of Waterberg JV Co. for $30 million. The Company sold Implats an 8.6% interest for $17.2 million and JOGMEC sold a 6.4% interest for $12.8 million. Implats also acquired a right of first refusal to match concentrate offtake terms offered to Waterberg JV Co. by a bona fide third-party. JOGMEC, or their nominee, retained a right to receive refined mineral products at the volumes produced from the Waterberg Project as well as a right to purchase or direct the sale of all or part of the project concentrate (the "**Metal Rights**").

In March 2019, JOGMEC completed the sale of a 9.755% interest in Waterberg JV Co. and the Metal Rights to Hanwa Co., Ltd (" **Hanwa**").

Since December 2023, Implats has elected not to fund its pro rata share of approved Waterberg cash calls while the Company elected to cover Implats' pro rata share of approved cash calls. Implats has diluted from 15.0% to 14.43% while the Company's direct interest in Waterberg JV Co. has increased concurrently. During the year ended August 31, 2026 Implats was diluted from 14.73% to 14.43%. At August 31, 2026 the Company owned 37.62%, JOGMEC, Hanwa and HJ Platinum owned a combined 21.95%, Mnombo owned 26.00% and Impala owned 14.43% of Waterberg.

Waterberg Mining Right

On January 28, 2021, the South African Department of Mineral and Petroleum Resources (" **DMR**") issued a letter to Waterberg JV Co. notifying the Company that a mining right (the "**Waterberg Mining Right**") had been granted. The Waterberg Mining Right was notarially executed on April 13, 2021, was registered at the Mineral and Petroleum Titles Registration Office on July 6, 2021 and currently remains active. At August 31, 2026, the Waterberg Project covered an area of 24,971 hectares consisting of the 20,482 hectare Waterberg Mining Right and one application for the incorporation of two adjacent farms covering 4,489 hectares into the Waterberg Mining Right. One prospecting right consisting of approximately 4,190 hectares located adjacent to the north of the Waterberg Mining Right was allowed to expire during fiscal 2025 and a closure application has been filed with the DMR.

Appeals and Legal Matters

On March 7, 2024, a group claiming to be the rightful leadership of two host communities filed an application in the High Court seeking to set aside the January 28, 2021, grant of the Waterberg Mining Right by the DMPR. Many of the applicants participated in the earlier unsuccessful appeals and court actions described above. The applicants requested condonation for the late filing of this appeal, claimed informal rights to two farms overlaying a portion of the Waterberg Mining Right area, objected to the grant of the Waterberg Mining Right, and objected to the DMPR dismissing their appeals on or about October 13, 2022. The two farms in question are not expected to host any significant mine infrastructure. Attorneys acting on behalf of Waterberg JV Co. filed a notice of opposition and an answering affidavit. A notice of opposition and an answering affidavit were also filed by the State Attorneys on the Minister and DMPR's behalf. The Land & Accountability Research Centre, at the University of Cape Town, filed an application to be admitted as Amicus Curiae on July 23, 2026.

6. LION BATTERY TECHNOLOGIES INC.

Lion was incorporated on June 17, 2019, with the objective to research new lithium battery technology utilizing the catalytic properties of platinum and palladium. The Company received 400,000 common shares of Lion valued at $ 0.01 per share as the original founder of Lion. On July 12, 2019, the Company together with an affiliate of Valterra Platinum Limited (previously Anglo American Platinum Limited) ("**Valterra**") entered an investment agreement ("**IA**"), and shareholder agreement ("**SHA**"), to facilitate Lion's objectives. Under the terms of the IA, the Company and Valterra agreed to equally invest up to an aggregate of $6.73 million into Lion in order to fund research and commercialization activities (see below). Under the terms of the IA and SHA, funding into Lion by the Company and Valterra is completed by way of subscriptions for preferred shares at a price of $0.50 per share. Valterra and the Company have funded Lion equally for an aggregate $4.79 million as of August 31, 2026.

Effective July 20, 2026 the Company and Valterra amended the IA to reset the forward equal investment into Lion for up to an aggregate $8.0 million over a three or four year period. Of this amount $ 4.13 million is budgeted for the establishment of a pilot manufacturing facility at Florida International University ("**FIU**") as described below, with the balance of up to $ 3.87 million to be focused on further research, commercialization efforts, business development, and overhead costs. Subsequent to year end, the Company and Valterra each subscribed for a further 2.3 million Lion preferred shares for total proceeds to Lion of $ 2.30 million.

The Company accounts for Lion using equity accounting as Lion is jointly controlled with Valterra. Lion pays a fee of $ 3 per month to the Company for general and administrative services. The investment in Lion is carried at $Nil at August 31, 2026.

Research Program - Florida International University

On July 12, 2019, Lion entered into a Sponsored Research Agreement ("**SRA**") with FIU to fund a $3.0 million research program over approximately three years. On July 6, 2021 Lion agreed to increase the planned amount of research funding to FIU by a further amount of $1.0 million, for a total of up to $4.0 million. The SRA was subsequently amended to remain valid until December 31, 2026. Lion has provided aggregate research funding and patent filing fees to FIU in the amount of $4.08 million as of August 31, 2026. Under the SRA, Lion has exclusive rights to all intellectual property being developed by FIU including patents granted.

Effective July 20, 2026 Lion and FIU further amended and extended the SRA, and entered into an equipment loan agreement, whereby Lion may invest up to $4.13 million for the purchase of equipment, to be owned by Lion, and the establishment of a pilot scale testing and manufacturing facility at FIU. A three year program has been agreed and is to commence in Q4 of calendar 2026. Subsequent to year end Lion paid FIU a first tranche amount of $1.20 million.

7. PROPERTY, EQUIPMENT AND OTHER

	Buildings	Vehicles	Other	Right to Use Asset	Total
August 31, 2024	**$ 140**	**$ 63**	**$ 33**	**$ 286**	**$ 522**
Additions	4	-	2	-	6
Disposals	(5)	-	8	-	3
Depreciation	(12)	(25)	(15)	(62)	(114)
Foreign Exchange	-	-	-	(5)	(5)
August 31, 2025	**$ 127**	**$ 38**	**$ 28**	**$ 219**	**$ 412**
Additions	-	43	49	493	585
Disposals	(3)	-	(1)	-	(4)
Depreciation	(12)	(31)	(14)	(86)	(143)
Foreign Exchange	12	4	4	(2)	18
August 31, 2026	**$ 124**	**$ 54**	**$ 66**	**$ 624**	**$ 868**

In 2026 the Company capitalized $ 52 of depreciation to mineral properties (2025 - $ 46).

8. LEASE

The Company recognizes lease liabilities and right of use assets in relation to leases. The right to use assets are recorded in property, equipment and other and is in relation to an office lease. The office lease in Vancouver was extended for five years during 2023 while the South Africa office entered into a new office lease in 2026. Lease payments due for leases with terms less than one year total $23 (2024 - $23).

The following table summarizes the Company's lease liabilities:

As at	August 31, 2026	August 31, 2025
Balance, beginning of year	$ 258	$ 318
Additions	493	-
Accretion of interest	42	33
Payments	(101)	(87)
Foreign Exchange	(2)	(6)
Total	**$ 690**	**$ 258**
Current (included in Accounts Payable)	126	56
Non-current	564	202
Total	**690**	**258**

9. ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

As at	August 31, 2026	August 31, 2025
Trade Payables	$ 653	$ 284
Accruals and other	374	326
Waterberg partner advances	710	174
Total	**$ 1,737**	**$ 784**

10. SHARE CAPITAL

(a) **Authorized**

Unlimited common shares without par value.

(b) **Shares Issued**

On November 13, 2024, the Company filed a final short form base shelf prospectus (the " **2024 Shelf Prospectus**") with the securities regulatory authorities in each of the provinces and territories of Canada and a corresponding registration statement on Form F-10 with the United States Securities and Exchange Commission. The 2024 Shelf Prospectus is valid for 25 months from the filing date. On December 5, 2024, the Company filed a supplement (the "**Supplement**") to the 2024 Shelf Prospectus and announced an Equity Distribution Agreement (the " **2024 EDA**") whereby the Company could sell its common shares from time to time until December 13, 2026, for up to $ 50 million in aggregate sales proceeds pursuant to an at-the-market offering (the "**2025 ATM**") with agents BMO Capital Markets, BMO Nesbitt Burns Inc., and Beacon Securities Limited. The 2025 ATM was completed in full on January 23, 2026, with an aggregate of 22,726,804 shares being sold at an average price of $2.20 and total directly attributable costs of $ 1.25 million.

On March 10, 2026, the Company filed a supplement to the 2024 Shelf Prospectus and announced a subsequent Equity Distribution Agreement with BMO Nesbitt Burns Inc. and Beacon Securities Limited (as the Canadian Agents) and BMO Capital Markets Corp. (as the US Agent) whereby the Company could sell its Common Shares for up to $60.0 million in aggregate sales proceeds in "at the market" transactions (the "**2026 ATM**"). To August 31, 2026, 1,059,233 shares were sold at an average price of US$ 1.90 per share for gross proceeds of $2.01 million before deducting directly attributable costs of $ 0.05.

At August 31, 2026 the Company had 127,885,112 common shares outstanding.

Fiscal 2026

During the year ended August 31, 2026, 14,844,543 shares were sold through the 2025 and 2026 ATMs at an average price of US$ 2.62 for gross proceeds of $38.8 million before deducting directly attributable costs of $ 0.97 million from total share issuance costs of $ 1.99 million.

Fiscal 2025

During the year ended August 31, 2025, 8,941,494 shares were sold through the 2025 ATM at an average price of US$ 1.47 for gross

proceeds of $13.18 million before deducting directly attributable costs of $ 0.33 million. During the year ended August 31, 2025, the Company incurred $1.33 million in share issuance costs related directly and indirectly to the filing of the 2024 Shelf Prospectus, Supplement, 2024 EDA and 2025 ATM sales.

On May 29, 2025, the Company closed a non-brokered private placement with Deepkloof Limited (" **Deepkloof**"), a subsidiary of existing major shareholder Hosken Consolidated Investments Limited ("**HCI**") for 800,000 common shares at a price of US$ 1.26 each for gross proceeds of $1.0 million returning HCI's ownership in the Company to approximately 26% at closing.

(c) **Incentive stock options**

The Company has entered into Incentive share purchase option agreements under the terms of its shareholder approved share compensation plan with directors, officers, consultants and employees. Under the terms of the share purchase option agreements, the exercise price of each option is set, at a minimum, at the fair value of the common shares at the date of grant. Options of the Company are subject to vesting provisions. All exercise prices are denominated in CAD.

The following tables summarize the Company's outstanding share purchase options:

	Number of Share Options	Average Exercise Price in CAD
Options outstanding at August 31, 2024	3,799,618	$ 2.21
Granted	467,520	$ 1.93
Exercised	(622,618)	$ 1.81
Options outstanding at August 31, 2025	3,644,520	$ 2.21
Granted	504,255	$ 3.68
Cancelled	(26,555)	$ 2.70
Expired	(99,000)	$ 3.90
Exercised	(974,790)	$ 2.19
Options outstanding at August 31, 2026	3,048,430	$ 2.37

In fiscal 2026, the weighted average share price when options were exercised was $ 4.11 CAD.

Number Outstanding at August 31, 2026	Number Exercisable at August 31, 2026	Exercise Price in CAD	Average Remaining Contractual Life (Years)
491,400	-	$ 3.68	4.09
42,000	42,000	$ 3.40	0.06
21,000	21,000	$ 2.52	0.50
909,000	909,000	$ 2.37	1.09
408,000	408,000	$ 2.32	0.29
200,000	50,000	$ 2.28	1.69
444,930	141,650	$ 1.93	3.09
532,100	340,750	$ 1.52	2.09
3,048,430	1,912,400		1.95

During the year ended August 31, 2026, the Company granted 504,255 share purchase options (2025 467,520), which will vest in three tranches on the first, second and third anniversary of the grant.

During the year ended August 31, 2026, the Company recorded $ 571 of stock compensation costs (August 31, 2025 - $ 553) related to share purchase options, of which $552 was expensed (August 31, 2025 - $ 534) and $19 was capitalized to mineral properties (August 31, 2025 - $19).

The Company used the Black-Scholes model to determine the grant date fair value of share purchase options granted. The following assumptions were used in valuing share purchase options granted during the period ended August 31, 2026 and the year ended August 31, 2025:

Period ended	August 31, 2026	August 31, 2025
Risk-free interest rate	2.67%	2.72%
Expected life of options	3.5 years	4.1 years
Annualized volatility[1]	73%	77%
Forfeiture rate	0.5%	0.4%
Dividend rate	0.0%	0.0%

[1]The Company uses its historical volatility as the basis for the expected volatility assumption in the Black Scholes option pricing model.

(d) **Deferred Share Units**

The Company has established a deferred share unit (" **DSU**") plan for non-executive directors. Each director may elect to have all or a portion of their fees settled by way of DSUs at prevailing market share prices. Each DSU has the same value as one common share of the Company. DSUs must be retained until a director leaves the board, at which time the departing director's DSUs are redeemed. Subject to

limited exceptions, the Company has the ability to defer payment of redeemed DSU's for greater than one year and can redeem the DSUs in cash or common shares.

During the year ended August 31, 2026, director fees of $ 172 (August 31, 2025 - $187) were settled by the issuance of DSUs. A recovery of $120 (August 31, 2025 - $316 expense) was recorded in share based compensation for the revaluation of fully vested DSUs.

At August 31, 2026 a total of 1,086,688 DSUs were issued and outstanding, valued at $ 1,622 based on the Company's closing share price.

(e) **Restricted Share Units**

The Company has established a shareholder approved restricted share unit (" **RSU**") plan for officers and certain employees of the Company. Each RSU represents the right to receive one common share of the Company following the attainment of vesting criteria determined at the time of the award. RSUs vest over a three-year period.

During the year ended August 31, 2026, a stock compensation cost of $ 622 was recorded (August 31, 2025 - $ 366) of which $583 was expensed (August 31, 2025 - $343) and $39 was capitalized (August 31, 2025 - $ 23). During the year ended August 31, 2026 the Company issued 341,320 RSUs which vest evenly on the first, second and third anniversary of issuance. At August 31, 2026, 583,836 RSUs were issued and outstanding, with Nil of the outstanding RSU's being vested.

11. NON-CONTROLLING INTEREST

Company	Legal ownership held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
Mnombo Wethu Consultants (Pty) Limited	50.1%	50.1%	-	-	$ 9,567	$ 9,116
Waterberg JV Co [1]	63.62%	63.32%	-	-	$ 14,919	$ 14,750
				Total	$ 24,486	$ 23,866

[1]Includes the 26% owned by Mnombo

12. RELATED PARTY TRANSACTIONS

All amounts receivable and amounts payable owing to or from related parties are non-interest bearing with no specific terms of repayment. Transactions with related parties are as follows:

(a) During the year ended August 31, 2026, $349 (August 31, 2025 - $ 338) was paid or accrued to independent directors for directors' fees and services.

(b) During the year ended August 31, 2026, the Company paid or accrued payments of $ 52 (August 31, 2025 - $ 52) from West Vault Mining Inc., for accounting and administrative services. The Company and West Vault Mining have one officer and director in common (Frank Hallam).

(c) In May 2018, Deepkloof made a strategic investment in the Company by way of participation in a public offering and a private placement. Through the terms of the May 2018 private placement, HCI acquired a right to nominate one person to the board of directors of the Company and a right to participate in future equity financings of the Company to maintain its pro-rata interest. HCI has exercised its right to nominate one person to the board of directors. As of August 31, 2026, HCI's ownership of the Company was reported at 27,767,994 common shares, representing approximately a 21.71% interest in the Company. In May 2025, HCI subscribed to a private placement for 800,000 common shares at US$ 1.26 per share for gross proceeds to the Company of $ 1.0 million, (see Share Capital (Note 10) for further details).

Key Management Compensation

The remuneration the CEO, CFO and other key management personnel and the directors during the years ended August 31, 2025 to 2026 is as follows:

Year ended	August 31, 2026	August 31, 2025
Salaries	$ 1,163	$ 1,093
Directors' fees	349	338
Share-based payments - management	612	599

Share-based payments - directors[1]	18	433
Total	**$ 2,142**	**$ 2,463**

[1]Share-based payments - directors, includes the revaluation of fully vested DSU's

13. CONTINGENCIES AND COMMITMENTS

The Company's remaining minimum payments under its office and equipment lease agreements in Canada and South Africa total approximately $0.9 million to February 2029.

From period end the Company's aggregate commitments are as follows:

	Payments Due by Year				
	< 1 Year	1 - 3 Years	4 - 5 Years	> 5 Years	Total
Lease Obligations	$ 202	$ 409	$ 281	$ -	$ 892
Environmental Bonds	67	201	134	-	402
Waterberg Projects	3,761	511	-	-	4,272
Totals	**$ 4,030**	**$ 1,121**	**$ 415**	**$ -**	**$ 5,566**

14. SUPPLEMENTARY CASH FLOW INFORMATION

Net change in non-cash working capital:

Year ended	August 31, 2026	August 31, 2025
Amounts receivable, prepaid expenses and other assets	$ (292)	$ 164
Accounts payable and other liabilities	7	(60)
	$ (285)	**$ 104**

At August 31, 2026 $491 of accounts payable was capitalized to the Waterberg Project (August 31, 2025 - $ 128).

15. SEGMENTED REPORTING

The Company operates in one segment being the development of the Waterberg Project in South Africa. The Company operates in two geographical areas being Canada and South Africa. The Company's main asset, the Waterberg Project is located in the Republic of South Africa.

At August 31, 2026	Non Current Assets
Canada	$ 3,646
South Africa	55,025
	$ 58,671

At August 31, 2025	Non Current Assets
Canada	$ 3,302
South Africa	46,742
	$ 50,044

16. GENERAL AND ADMINISTRATIVE EXPENSES

GENERAL AND ADMINISTRATIVE EXPENSES	Year Ending August 31, 2026	Year Ending August 31, 2025
Salaries and benefits	$ 1,269	$ 1,253
Accounting	473	420
Technical consulting fees	437	414
Shareholder relations	276	227
Legal	271	297
Insurance	251	275
Regulatory fees	247	318
Travel	211	219
Depreciation	91	68
Other	215	165

Total	**$**	**3,741**	**$**	**3,656**

17. CAPITAL RISK MANAGEMENT

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of share capital, contributed surplus, accumulated other comprehensive loss and accumulated deficit.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company regularly updates the Board of Directors with regard to budgets, forecasts, results of capital deployment and general industry conditions. The Company does not currently declare or pay out dividends.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. As required by IFRS 13, Fair Value Measurement, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are unobservable (supported by little or no market activity).

The fair values of the Company's cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate their carrying values, which are the amounts recorded on the consolidated statement of financial position, due to their short-term nature. These amounts are considered to be reasonable approximations of their fair values.

Risk Management

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks.

(a) Credit risk

Credit risk arises from the risk that the financial asset counterparty, may default or not meet its obligations timeously. The Company minimizes credit risk by monitoring the reliability of counterparties to settle assets. The maximum exposure to the credit risk is represented by the carrying amount of all the financial assets.

(i) Cash and cash equivalents and short-term investments

In order to manage credit and liquidity risk the Company holds cash and cash equivalents only with Canadian chartered and South African banks. The Company limits its exposure to credit loss by placing the majority of its cash and short-term investments with two major financial institutions in Canada and South Africa and investing only in short-term obligations that are guaranteed by the Canadian government or by Canadian chartered banks with expected credit losses estimated to be de minimis.

(ii) Performance bonds

In order to explore and develop its properties in South Africa, the Company was required to post performance bonds as financial guarantees against future reclamation work. These funds are held with Standard Bank of South Africa Limited with the DMR as beneficiary in accordance with the Mineral and Petroleum Resources Development Act (the "**MPRDA**") and the Company's environmental management programme.

(b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and its development plans. The Company regularly updates the Board of Directors with regard to budgets, forecasts, results of capital deployment and general industry conditions.

The Company will be required to source additional financing by way of private or public offerings of equity or debt or the sale of project or property interests in order to have sufficient cash and working capital for continued development of the Waterberg Project, as well as for general working capital purposes.

Any failure by the Company to obtain additional required financing on acceptable terms could cause the Company to delay development of its material projects or could result in the Company being forced to sell some of its assets on an untimely or unfavourable basis. Any such delay or sale could have a material and adverse effect on the Company's financial condition, results of operations and liquidity.

(c) Currency risk

The Company's functional currency is the Canadian dollar, while the consolidated presentation currency is the United States Dollar. The functional currency of all South African subsidiaries is the Rand. The Company's operations are in both Canada and South Africa; therefore, the Company's results are impacted by fluctuations in the value of foreign currencies in relation to the Rand and Canadian and United States dollars. The Company's significant foreign currency exposures on financial instruments comprise cash, accounts payable and accrued liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

The Company is exposed to foreign exchange risk through the following financial instruments denominated in a currency other than CAD:

Year ended	August 31, 2026	August 31, 2025
Cash (Rand)	$ 978	$ 48
Cash and Cash Equivalents (USD)	42,281	265
Short-term investments (USD)	-	11,288
Accounts payable (Rand)	566	100
Accounts receivable (Rand)	257	155
Performance Bonds (Rand)	542	409

The Company's comprehensive loss is affected by changes in the exchange rate between its operating currencies and the USD. As all Rand denominated financial instruments are held in South African subsidiaries with Rand functional currencies, any gain or loss in the USD or the CAD versus the Rand are captured in comprehensive income. All United States Dollar denominated financial instruments are held in the Canadian parent company whose functional currency is the CAD. Any gains or losses in the USD versus the CAD are recorded in income by the parent Company. At August 31, 2026, based on this exposure a 10% strengthening/weakening in the USD dollar versus the Rand foreign exchange rate and CAD would give rise to a decrease/increase in comprehensive loss for the year presented of approximately $9.8 million, (August 31, 2025 - $5.9 million). A 10% increase in the CAD relative to the USD would result in a $ 4.2 million (August 31, 2025 - $1.2 million) loss to the Company.

(d) Interest rate risk

The Company's interest income earned on cash and on short term investments is exposed to interest rate risk. At August 31, 2026, based on this exposure an increase/decrease of 1% (e.g. 3% to 4%) in the average interest rate would give rise to an increase/decrease in the net loss for the year of approximately $433, (August 31, 2025 - $116)

19. INCOME TAXES

The income taxes shown in the consolidated earnings differ from the amounts obtained by applying statutory rates to the earnings before provision for income taxes due to the following:

	2026	2025
Loss before income taxes	$ 3,036	$ 4,519
Income tax recovery at statutory rates	(820)	(1,220)
Non-deductible expenses and non-taxable portion of capital gains	792	746
Changes in unrecognized deferred tax assets and other	66	492
Income tax expense	$ 38	$ 18
Income tax expense consists of:		
Current income taxes	$ -	$ -
Deferred income taxes	38	18
	$ 38	$ 18

The gross movement on the net deferred income tax account is as follows:

	2026	2025
Deferred tax liability at the beginning of the year	$ -	$ -
Tax expense relating to the loss from continuing operations	(38)	(18)

Tax recovery relating to components of other comprehensive loss	38	18
Deferred tax liability at the end of the year	$ -	$ -

The significant components of the Company's net deferred income tax liabilities are as follows:

	2026	2025
Mineral properties	$ (2,361)	$ (2,169)
Loss carry-forwards	2,361	2,169
	$ -	$ -

Unrecognized deductible temporary differences, unused tax losses and unused tax credits are attributed to the following:

	2026	2025
Tax Losses:		
Operating loss carry-forwards - Canada	$ 162,367	$ 163,451
Operating loss carry-forwards - South Africa	111,987	101,638
	$ 274,354	$ 265,089
Temporary Differences:		
Mineral properties	$ 7,216	$ 7,281
Financing Costs	2,538	1,641
Property, plant and equipment	709	688
Foreign Exchange	40,661	38,833
Other	959	927
	$ 52,083	$ 49,370

The aggregate amount of taxable temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized as at August 31, 2026 was $60.2 million (2025 - $25.6 million).

The Company's Canadian operating loss carry-forwards expire between 2027 and 2045. The Company's South African operating loss carry-forwards do not expire. The Company's Canadian unused investment tax credit carry-forwards expire between 2029 and 2035. The Company's Canadian net capital loss carry-forwards do not expire.

PLG:NYSE American
PTM:TSX

Platinum Group Metals Ltd.

(A Development Stage Company)

Management's Discussion and Analysis

For the year ended August 31, 2026

This Management's Discussion and Analysis is prepared as of November 24, 2026

A copy of this report will be provided to any shareholder who requests it.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis (" **MD&A**") of Platinum Group Metals Ltd. (" **Platinum Group**", the "**Company**" or "**PTM**") is dated as of November 24, 2026, and focuses on the Company's financial condition, cash flows and results of operations as at and for the year ended August 31, 2026. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2026, together with the notes thereto (the "**Financial Statements**").

The Company prepares its Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"). All dollar figures included therein and in the following MD&A are quoted in United States Dollars unless otherwise noted. All references to "U.S. Dollars", "$" or to "US$" are to United States Dollars. All references to "C$" are to Canadian Dollars. All references to "ZAR", "R" or to "Rand" are to South African Rand. The Company uses the U.S. Dollar as its presentation currency.

PRELIMINARY NOTES

Note Regarding Forward-Looking Statements

This MD&A and the documents incorporated by reference herein contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**Forward-Looking Statements**"). All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will, may, could or might occur in the future are Forward-Looking Statements. The words "expects", "anticipate", "estimate", "forecast", "may", "could", "might", "will", "would", "should", "intend", "believe", "target", "budget", "plan", "strategy", "goals", "objectives", "projection" or the negative of any of these words and similar expressions are intended to identify Forward-Looking Statements, although these words may not be present in all Forward-Looking Statements. Forward-Looking Statements included or incorporated by reference in this MD&A may include, without limitation, statements related to:

- the use of proceeds from the 2026 ATM and our plans and objectives with respect to the 2026 ATM;
- the timely completion of additional required financings and potential terms thereof;
- the completion of appropriate contractual smelting and/or refining arrangements with a third-party smelter/refiner or Impala Platinum Holdings Ltd. ("**Implats**");
- the projections set forth or incorporated into, or derived from, the Waterberg DFS Update (as defined below), including, without limitation, estimates of mineral resources and mineral reserves, and projections relating to future prices of metals, commodities and supplies, currency rates, capital and operating expenses, production rate, grade, recovery and return, and other technical, operational and financial forecasts;
- the approval of a water use licence and environmental permits for, and other developments related to, a deposit area discovered by the Company on the Waterberg property (the "**Waterberg Project**") located on the Northern Limb of the Bushveld Igneous Complex in South Africa, approximately 85 km north of the town of Mokopane;
- potential alternatives to the existing Waterberg Project development plan and any related economic analysis;
- the Company's expectations with respect to the outcome of a review application in the High Court of South Africa (the " **High Court**") to set aside a decision by the Minister of the Department of Forestry, Fisheries and the Environment ("**DFFE**") to refuse condonation for the late filing of the appeal by individuals from a community group against the grant of an Environmental Authorization ("**EA**") for the Waterberg Project;
- the Company's expectations with respect to the outcome of an application in the High Court seeking to declare invalid the grant of a mining right to Waterberg JV Resources Proprietary Limited ("**Waterberg JV Co**.") by the South African Department of Mineral and Petroleum Resources ("**DMPR**") on January 28, 2021;
- the negotiation and execution of long term access agreements, on reasonable terms, with communities recognized as landowners of two farms where surface and underground mine infrastructure is planned, and rezoning for mining use;

- the development of performance indicators to measure and monitor key environmental, social sustainability and governance activities at the Waterberg Project;
- risks related to geopolitical events and other uncertainties, such as Russia's invasion of Ukraine and conflicts in the Middle East including Iran;
- the adequacy of capital, financing needs and the availability of and potential for obtaining further capital;
- the ability or willingness of the shareholders of Waterberg JV Co. to fund their pro rata portion of the funding obligations for the Waterberg Project;
- impacts of current and future tariffs and duties;
- risks relating to relations between South Africa and the United States;
- revenue, cash flow and cost estimates and assumptions;
- the ability of state electricity utility ESKOM Holdings SOC Limited ("**ESKOM**") to supply sufficient power to the Waterberg Project;
- future events or future performance;
- development of next generation battery technology by the Company's battery technology joint venture (described below);
- potential benefits of Lion Battery Technologies Inc. engaging The Battery Innovation Center (" **BIC**");
- governmental and securities exchange laws, rules, regulations, orders, consents, decrees, provisions, charters, frameworks, schemes and regimes, including interpretations of and compliance with the same;
- developments in South African politics and laws relating to the mining industry;
- anticipated exploration, development, construction, production, permitting and other activities on the Company's properties;
- Waterberg Project economics;
- future metal prices and currency exchange rates;
- the identification of several large-scale water basins that could provide mine process and potable water for the Waterberg Project and local communities;
- the Company's expectations with respect to the outcomes of litigation;
- mineral reserve and mineral resource estimates;
- potential changes in the ownership structures of the Company's projects;
- the Company's ability to license certain intellectual property; and
- the potential use of alternative renewable energy sources for the Waterberg Project.

Forward-Looking Statements are subject to a number of risks and uncertainties that may cause the actual events or results to differ materially from those discussed in the Forward-Looking Statements, and even if events or results discussed in the Forward-Looking Statements are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things:

- the Company's additional financing requirements;
- the effect of future debt financing on the Company and its financial condition;
- the Company's history of losses and expectations that it will continue to incur losses until the Waterberg Project reaches commercial production on a profitable basis, which may never occur;
- the Company's negative operating cash flow;

- uncertainty of estimated mineral reserve and mineral resource estimates, production, development plans and cost estimates for the Waterberg Project;
- the Company's ability to bring properties into a state of commercial production;
- the potential impact of international conflict and geopolitical tensions and events on the Company;
- the impact of tariffs or trade barriers on the Company particularly a potential reduction in demand for platinum and palladium;
- adverse changes in relations between South Africa and the United States, affecting the Company's business;
- discrepancies between actual and estimated mineral reserves and mineral resources, between actual and estimated development and operating costs, between actual and estimated metallurgical recoveries and between estimated and actual production;
- fluctuations in the relative values of the U.S. Dollar, the Rand and the Canadian Dollar;
- volatility in metals prices;
- the possibility that the Company may become subject to the Investment Company Act of 1940, as amended;
- Implats or another third-party may not enter into appropriate contractual smelting and/or refining arrangements with Waterberg JV Co.;
- the ability of the Company to acquire the necessary surface access rights on commercially acceptable terms or at all;
- the ability of state electricity utility ESKOM to supply sufficient power to the Waterberg Project;
- the failure of the Company or the other shareholders of Waterberg JV Co. to fund their pro rata share of funding obligations for the Waterberg Project;
- any disputes or disagreements with the other shareholders of Waterberg JV Co. or Mnombo Wethu Consultants Proprietary Limited ("**Mnombo**"), a South African Broad-Based Black Economic Empowerment (" **BEE**") company;
- the Company is subject to assessment by various taxation authorities, who may interpret tax legislation in a manner different from the Company, which may negatively affect the final amount or the timing of the payment or refund of taxes;
- the Company's ability to attract and retain its key management employees;
- contractor performance and delivery of services, changes in contractors or their scope of work or any disputes with contractors;
- conflicts of interest among the Company's officers and directors;
- any designation of the Company as a "passive foreign investment company" for its current and future tax years and potential adverse U.S. federal income tax consequences for U.S. shareholders;
- litigation or other legal or administrative proceedings brought against or relating to the Company, including the review application to set aside a decision by the Minister of the DFFE to refuse condonation for the late filing of the appeal by individuals from a community group against the grant of an EA for the Waterberg Project and an application brought by a group within two local communities, claiming they represent those communities, seeking to declare invalid the grant of a mining right to Waterberg JV Co. by the DMPR;
- information systems and cyber security risks;
- actual or alleged breaches of governance processes or instances of fraud, bribery or corruption;
- exploration, development and mining risks and the inherently dangerous nature of the mining industry, including environmental hazards, industrial accidents, unusual or unexpected formations, safety stoppages (whether voluntary or regulatory), pressures, mine collapses, cave ins or flooding and the risk of inadequate insurance or inability to obtain insurance to cover these risks and other risks and uncertainties;
- property zoning and mineral title risks including defective title to mineral claims or property;

- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, South Africa or other countries in which the Company does or may carry out business in the future;
- equipment shortages and the ability of the Company to acquire the necessary infrastructure for its mineral properties;
- environmental regulations and the ability to obtain and maintain necessary permits, including environmental authorizations, land use rezoning and water use licences;
- extreme competition in the mineral exploration industry;
- delays in obtaining, or a failure to obtain, permits necessary for current or future operations or failures to comply with the terms of such permits;
- any adverse decision in respect of the Company's mineral rights and projects in South Africa under the Mineral and Petroleum Resources Development Act of 2002 (the "**MPRDA**");
- risks of doing business in South Africa, including but not limited to, labour, economic and political instability and potential changes to and failures to comply with legislation;
- the failure to maintain or increase equity participation by historically disadvantaged South Africans in the Company's prospecting and mining operations and to otherwise comply with the amended Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry, 2018 (the "**Mining Charter 2018**");
- certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire common shares of the Company ("**Common Shares**");
- socio economic instability in South Africa or regionally, including risks of resource nationalism;
- labour disruptions and increased labour costs;
- interruptions, shortages or cuts in the supply of electricity or water and annual increases in usage costs;
- characteristics of and changes in the tax and royalty systems in South Africa;
- a change in community relations;
- the Company's ability to continue as a going concern;
- opposition from local and international groups, and/or the media;
- South African foreign exchange controls impacting repatriation of profits;
- land restitution claims or land expropriation;
- restriction on dividend payments;
- the risk that the Common Shares may be delisted;
- volatility in the price of the Common Shares;
- the exercise or settlement of stock options, restricted share units, or warrants resulting in dilution to the holders of Common Shares;
- future sales of equity securities decreasing the value of the Common Shares, diluting investors' voting power, and reducing our earnings per share;
- enforcing judgements based on the civil liability provisions of United States federal securities laws;
- pandemics and other public health crises;
- global financial conditions;
- government imposed shutdowns or expense increases;
- water license risks; and

- other risks disclosed under the heading "Risk Factors" in this MD&A and in the Company's Annual Information Form for the year ended August 31, 2026 ("**2026 AIF**"), and annual report on Form 40-F for the year ended August 31, 2026, as filed with the United States Securities and Exchange Commission ("**2026 40-F**").

These factors should be considered carefully, and investors should not place undue reliance on the Company's Forward-Looking Statements. In addition, although the Company has attempted to identify important factors that could cause actual actions or results to differ materially from those described in Forward-Looking Statements, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

Any Forward-Looking Statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any Forward-Looking Statement, whether because of new information, future events or results or otherwise.

Legislation and Mining Charter 2018

The MPRDA, the Mining Charter 2018, and related regulations in South Africa required that Waterberg JV Co.'s BEE shareholder(s) own a 26.0% equity interest in Waterberg JV Co. to qualify for the grant of a mining right. Within five years of the effective date of the mining right, this BEE shareholding had to be increased to 30.0%. The Company is satisfied that Waterberg JV Co.'s BEE shareholding exceeds 30.0%. The DMPR had obtained an exemption from applying the generic BEE Codes of Good Practice ("**Generic BEE Codes**") under the Broad Based Black Economic Empowerment Act of 2003 until December 31, 2016. No further exemption was obtained thereafter, and, as a matter of law, the Generic BEE Codes now apply to the issuance and maintenance of licenses and other authorizations. As a matter of practice, the DMPR has continued to apply the provisions of Mining Charter 2018 rather than the Generic BEE Codes.

For a comprehensive discussion of Mining Charter 2018 and the Generic BEE Codes, please refer to the section entitled "Risk Factors" in the 2026 AIF and the separate 2026 40-F as well as in the documents incorporated by reference therein. The 2026 AIF and the 2026 40-F may be found on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

Mineral Reserves and Resources

The mineral resource and mineral reserve figures referred to in this MD&A and the documents incorporated herein by reference are estimates and no assurances can be given that the indicated levels of platinum, palladium, rhodium and gold (collectively referred to as "**4E**", or "**PGEs**") will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. Any inaccuracy or future reduction in such estimates could have a material adverse impact on the Company.

Note to U.S. Investors Regarding Reserve and Resource Estimates

The Waterberg DFS Update (as defined below) has been prepared in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the United States Securities and Exchange Commission's (" **SEC**") Modernized Property Disclosure Requirements for Mining Registrants as described in Subpart 229.1300 of Regulation S-K, Disclosure by Registrants Engaged in Mining Operations and Item 601(b)(96) Technical Report Summary of Regulation S-K (collectively, "**S-K 1300**"). The technical and scientific information contained in this MD&A has been prepared in accordance with NI 43-101, which differs from the standards adopted by the SEC in S-K 1300. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the mineral reserve disclosure requirements of the SEC. Accordingly, the technical and scientific information contained in this MD&A, including mineral reserve and mineral resource information included and incorporated by reference in this MD&A, may not be comparable to similar information disclosed by U.S. companies subject to the disclosure requirements of the SEC in S-K 1300.

Technical and Scientific Information

The technical and scientific information contained in this MD&A, including, but not limited to, all references to and descriptions of technical reports and studies, has been reviewed by Robert van Egmond, P.Geo., a consultant geologist to the Company and a former employee. Mr. van Egmond is a "qualified person" as defined in NI 43-101 and S-K 1300 (a "**Qualified Person**") and is independent within the meaning of NI 43-101.

Non-GAAP Measures

This MD&A may include certain terms, technical information or performance measures commonly used in the mining industry (" **Mining Information**") that are not defined and do not have any standardized meaning under IFRS Accounting Standards and therefore may not be comparable to other issuers. We believe that, in addition to conventional financial measures prepared in accordance with IFRS Accounting Standards, certain investors use this Mining Information to evaluate our performance. The Mining Information should not be considered in isolation or as a substitute for financial measures of performance prepared in accordance with IFRS Accounting Standards.

1. DESCRIPTION OF BUSINESS

Overview

Platinum Group Metals Ltd. is a British Columbia, Canada company formed on February 18, 2002, pursuant to an order of the Supreme Court of British Columbia approving an amalgamation between Platinum Group Metals Ltd. and New Millennium Metals Corporation. The Company is a platinum and palladium focused exploration and development company conducting work primarily on mineral properties it has staked or acquired by way of option agreements or applications in the Republic of South Africa.

The Company's business is currently focused on the engineering and development of the Waterberg Project, which hosts a PGE and base metal bearing deposit discovered in 2011 by the Company as a result of a regional exploration initiative targeting a previously unknown extension to the Northern Limb of the Bushveld Igneous Complex in South Africa. The Waterberg Project is located approximately 85 km north of the town of Mokopane. At August 31, 2026, the Waterberg Project covered an area of 24,971 hectares consisting of the 20,482 hectare Waterberg Mining Right (as defined below) and one application for the incorporation of two adjacent farms covering 4,489 hectares into the Waterberg Mining Right.

At August 31, 2026, the Company held a controlling 50.59% beneficial interest in the Waterberg Project, comprised of a 37.62% interest directly owned by the Company's wholly owned subsidiary Platinum Group Metals (RSA) Proprietary Limited ("**PTM RSA**") and a 12.97% interest through PTM RSA's 49.90% shareholding in Mnombo. The Company is currently the operator of the Waterberg Project. Mnombo currently retains a 26.0% direct interest in Waterberg JV Co. Directly and indirectly through HJ Platinum Metals Company Ltd. ("**HJM**"), Japan Organization for Metals and Energy Security (formerly Japan Oil, Gas and Metals National Corporation) ("**JOGMEC**") and Hanwa Co., Ltd (" **Hanwa**") collectively hold 21.95% of Waterberg JV Co. Since 2023, JOGMEC and Hanwa have agreed amongst themselves to fund their future equity investments in the Waterberg Project through HJM on a 75.0% / 25.0% basis. At August 31, 2026, Implats held a 14.43% participating project interest and a right of first refusal to match concentrate offtake terms offered to Waterberg JV Co. by any bona fide third-party offtaker (the "**Offtake ROFR**").

Shareholders of Waterberg JV Co. have the right to contribute an amount of cash equal to any shortfall of any diluting shareholder, pro rata among the shareholders who elect to fund such a shortfall. Since December 2023, Implats has not funded its share of Waterberg JV Co. cash calls, resulting in dilution from their original 15.0% holding to 14.43%. Platinum Group alone through PTM RSA elected to fund Implats' funding shortfalls, resulting in a concurrent increase to the PTM RSA's direct holding in Waterberg JV Co. of 0.57%, bringing the Company's total direct holding to 37.62% at August 31, 2026, as described above.

On September 16, 2024, the Company published the results of an updated definitive feasibility study for the Waterberg Project. On October 9, 2024, the Company filed the related technical report titled "Waterberg Definitive Feasibility Study Update, Bushveld Igneous Complex, Republic of South Africa" (the "**Waterberg DFS Update**") on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. The Waterberg DFS Update replaces an earlier feasibility study completed and filed in September 2019. The Waterberg DFS Update is dated October 9, 2024, and was prepared by Michael Murphy, P. Eng. of Stantec Consulting Ltd., Charles J Muller, B. Sc. (Hons) Geology, Pri. Sci. Nat. of Protek Consulting (Pty) Ltd., and Gordon I Cunningham, B. Eng. (Chemical), Pr. Eng., FSAIMM of Turnberry Projects (Pty) Ltd. DRA Projects SA (Pty) Ltd., an experienced South African engineering and EPCM firm, provided the plant design and compiled the capital cost estimates for the Waterberg Project Qualified Persons. The Waterberg DFS Update also supports the disclosure of an updated independent mineral resource estimate effective August 31, 2024.

The Company and Waterberg JV Co. are assessing commercial alternatives for mine development financing and concentrate offtake. Discussions with several South African smelter operators, including Implats, are ongoing. To date no formal concentrate offtake terms have been achieved. The Company is also assessing alternatives for the processing of Waterberg Project concentrate to produce an upgraded product for sale in the market without the need for treatment by a third-party offtaker. See more details at "Concentrate Offtake and Processing" below.

Lion Battery Technologies Inc.

On July 12, 2019, the Company, together with an affiliate of Valterra Platinum Limited (previously Anglo American Platinum Limited) (" **Valterra**"), launched a venture through a jointly owned company, Lion Battery Technologies Inc. ("**Lion**"), to accelerate the development of next generation battery technology using platinum and palladium. The Company received 400,000 common shares of Lion, valued at a price of $0.01 per share, as the original founder of Lion. Under the terms of an investment agreement (the "**Investment Agreement**"), both the Company and Valterra were to equally invest up to an aggregate of $4.0 million into Lion of which approximately $1.0 million would be for general and administrative expenses and the commercialization of the technology developed, subject to certain conditions. On July 6, 2021, the Company and Valterra agreed to increase the planned funding to Lion by a further $2.7 million (to a total of up to $6.7 million) in order to allow the acceleration of certain research and commercialization activities. Pursuant to the Investment Agreement all funding into Lion by the Company and Valterra is to be in exchange for preferred shares of Lion at a price of $0.50 per share.

On July 12, 2019, Lion entered into an agreement (the "**Sponsored Research Agreement**") with Florida International University ("**FIU**") to fund a $3.0 million research program utilizing platinum and palladium to unlock the potential of Lithium Air and Lithium Sulphur battery chemistries to increase their discharge capacities and cyclability. On July 6, 2021, Lion agreed to increase the planned amount of research funding to FIU by a further amount of $1.0 million, for a total of up to $4.0 million. During the year ended August 31, 2026, Valterra and the Company each invested $50,000 in Lion in exchange for 100,000 shares. As at August 31, 2026, the Company owned 52.0% of Lion and Valterra owned 48.0%, and their cumulative investments totaled $4.79 million, funded equally.

In June 2023, Lion engaged BIC in Newberry, Indiana, to help advance commercialization of its next generation Lithium-Sulfur and enhanced Lithium-Ion (NMC) technology using the unique catalytic properties of platinum and palladium. Under an agreed scope of work, during late calendar 2023 and 2024, BIC conducted independent small scale and large-scale trials to validate Lion's proprietary platinum and palladium-based electrode composition, slurry, and films in both Lithium-Sulfur and Lithium-Ion (NMC811) coin and pouch cells. Additional research and development focused on improving performance and determining possible commercialization pathways continued into 2025.

During October 2025, the Company and Valterra engaged an independent third-party commercial battery specialist to assess Lion's technology, BIC's work, and to provide further guidance on potential pathways to commercialization and next steps. Based in part on the results and guidance from the independent study, effective July 20, 2026, Valterra and the Company, Lion and FIU further amended and extended the Sponsored Research Agreement, and entered into an equipment loan agreement, whereby Lion may invest up to $4.13 million for the purchase of equipment to be owned by Lion, and the establishment of a pilot scale testing and manufacturing facility at FIU. A three year program has been agreed and is to commence in Q4 of calendar 2026.

After fiscal 2026, the Company and Valterra each invested a further $1.15 million in Lion, for a combined investment of $2.30 million. Of this amount, $1.2 million was subsequently advanced to FIU as the first tranche of funding to establish the pilot manufacturing facility described above.

A total of eight patents have been issued to FIU by the U.S. Patent and Trademark Office and other agencies in Southeast Asia for technology developed by Lion related to the use of platinum group metals as a catalyst in Lithium and Sulphur battery cathodes. Further patents are currently applied for. Under the Sponsored Research Agreement, Lion has exclusive rights to all intellectual property being developed by FIU, including patents granted.

Personnel

The Waterberg Project is operated by the Company primarily utilizing its own staff and personnel. Contract drilling, geotechnical, engineering and support services are also utilized as required. The Company's complement of managers, staff, and technical personnel currently consists of 8 individuals in South Africa and 4 individuals in Canada. PTM RSA, the wholly owned South African subsidiary of the Company, and Waterberg JV Co. also utilize contract services from a professional security firm as well as consultants and temporary workers from time to time. In addition to the 8 individuals described above, one specialized consultant has been engaged from time to time in South Africa to assist with the implementation and execution of the Waterberg Social and Labour Plan ("**Waterberg SLP**") as well as stakeholder and community communication and engagement activities with regard thereto.

2. PROPERTIES

Under IFRS Accounting Standards, the Company capitalizes all acquisition, exploration and development costs related to mineral properties. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development of the property, and any future profitable production, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company evaluates the carrying value of its property interests on a regular basis. Management is required to make significant judgements to identify potential impairment indicators. Any properties that management deems to be impaired are written down to their estimated net recoverable amount.

For more information on mineral properties, see below and Note 5 of the Financial Statements.

WATERBERG PROJECT

Recent Activities

Pre-production work is underway on the Waterberg Project although a formal construction start date has not yet been declared by Waterberg JV Co. as of the date of this MD&A. During the year ended August 31, 2026, $3.6 million of expenditure was capitalized at the Waterberg Project for work carried out pursuant to the Stage Five and Stage Six Budgets (as defined below). This work included metallurgical drilling, mineral resource geology, infrastructure engineering, and project area maintenance and security. Environmental management requirements and other regulatory compliance activities continue. Work on community engagement and components of the Waterberg SLP are also underway.

As of August 31, 2026, $57.3 million in accumulated net costs had been capitalized to the Waterberg Project. Total expenditures on the property since inception from all investor sources to August 31, 2026, are approximately $94.3 million.

On October 20, 2022, the Company announced that Waterberg JV Co. had approved in principle a $21 million preconstruction work program ("**Work Program**") for the Waterberg Project, focused on early infrastructure, de-risking and project optimization. Work items included infill and exploration drilling, initial road access, water supply, essential site facilities, a first phase accommodation lodge, a site construction power supply from state utility ESKOM, and advancement of the Waterberg SLP.

The first two stages of the Work Program totaling $6.1 million were completed in August 2023. Specific activities included mineral resource infill drilling, geotechnical drilling, an exploration borehole, mineral resource estimation, Waterberg DFS Update engineering, pre-construction engineering, electrical power supply engineering and the permitting and licensing of Construction Aggregate borrow pits at locations identified near the planned Waterberg Project mine site. The third and fourth stages of the Work Program, totaling $3.0 million, were completed in August 2024. Specific activities included the Waterberg DFS Update (see below) and normal project maintenance.

On February 18, 2025, the board of directors of Waterberg JV Co. unanimously approved a fifth stage of work (the " **Stage Five Budget**") in the amount of R42.0 million (approx. $2.60 million) for fiscal year 2025, to allow for the continuation of work programs underway. The shareholders of Waterberg JV Co. also approved the Stage Five Budget.

On September 17, 2025, the board of directors of Waterberg JV Co. unanimously approved a sixth stage of work (the " **Stage Six Budget**") in the amount of R92.1 million (approx. $5.71 million) for fiscal year 2026, to allow for the continuation of work programs underway. The Stage Six Budget was subsequently approved by a consent resolution of the requisite majority shareholders on September 26, 2025.

On March 27, 2026, the board of directors of Waterberg JV Co. approved an additional fiscal 2026 budget (the " **Supplemental Budget**") in the amount of R27.4 million (approx. $1.70 million) for additional metallurgical drilling, flotation testing, and plant design engineering work for an internal study to assess the viability of a staged approach to Waterberg Project development, beginning first with a smaller T-Zone mine (the "**T-Zone Study**"). Waterberg JV Co. shareholders later approved the Supplemental Budget at its annual general meeting held on May 8, 2026. A further amount to complete the T-Zone Study in fiscal 2027 is estimated at approx. R27.4 million (approximately $1.69 million) and is to be included in the fiscal 2027 budget, when presented for approval. See more discussion about the T-Zone Study at "Outlook" below.

On July 31, 2026, Waterberg JV Co. and Discovery Drilling (Pty) Ltd. completed a T-Zone metallurgical drilling program consisting of twenty-eight deflections drilled within twelve existing NQ boreholes drilled in earlier campaigns. A total of 703 kg of mineralized T-Zone material was recovered, logged, and recorded. The metallurgical drilling campaign successfully collected the target number of T-Zone kgs under budget and with fewer deflections than expected. From the collected core, several representative and suitably variable samples were selected. Composites from the laboratory samples were assembled for a comprehensive metallurgical testing program, totaling 370 kg of the original 703 kg core. Metallurgical testing of these composites are conducted by SGS South Africa (Pty) Ltd.'s Metallurgical Division, consisting of bench scale tests, lock cycle tests, MF2 circuit recoveries, and MF1 circuit recoveries and Jameson Cell flotation testing. Test results are also being evaluated to determine the suitability of Jameson Cell technology within the planned recovery circuit. Test results and information will be inputs to the T-Zone Study now underway.

Small scale physical work activities in accordance with the Stage Six Budget recently commenced at the Waterberg Project with more work planned. Activities include:

- Engagements with ESKOM and payment of an ESKOM Budget Quotation for a temporary 22KV, 3MvA, electrical supply at the mine site. Detailed engineering work is now underway to determine the best route for a ±30km powerline, associated equipment selection and initial procurement activities for construction once approved by ESKOM.
- Procurement activities are underway as a pre-cursor. Work underway includes the establishment of aggregate borrow pits, initial road construction, construction water supply, and first stage accommodation facilities. Progress is in varying stages, with first contractor site establishment occurring during August 2026.
- A construction manager to oversee activities was appointed by Fraser McGill Pty Ltd.'s project office and remains on-site.

Concentrate Offtake and Processing

Ideally, before mine financing and a construction decision are undertaken for the Waterberg Project, sales revenue can be confirmed by way of arrangements for Waterberg Project concentrate offtake or processing. The Company and Waterberg JV Co. are assessing commercial alternatives. Several alternatives are discussed below.

Note that should Waterberg JV Co. enter into offtake or processing terms with an entity other than Implats, the Offtake ROFR would allow Implats the opportunity to match the terms offered. Any transaction for concentrate offtake between Waterberg JV Co. and an entity involving any one or more shareholders must be entered into on a bona fide arms-length basis and for fair value.

Existing Smelters in South Africa

Obtaining reasonable terms for Waterberg Project concentrate offtake from an existing smelter/refiner in South Africa is considered a preferred option. Discussions with all integrated PGE producers in South Africa, including Implats, requesting concentrate offtake terms have occurred over the last several years. To date, issues concerning capacity, pricing and certainty of delivery timing have precluded any agreement. Discussions are ongoing and this option will continue to be pursued.

Construction of a Smelter in South Africa

The Waterberg DFS Update stated that " *Additional smelting capacity may need to be constructed in the industry to be able to treat the flotation concentrate from the Waterberg Project and the other potential Northern Limb mines*." Hence, the possibility of establishing new processing capacity is being considered. The Company has conducted internal research and formal studies to evaluate the economic feasibility of establishing a smelter and base metal refinery ("**BMR**") business in South Africa, jointly with third-party investors or partners. Such a facility could provide fair market offtake terms to Waterberg JV Co., and possibly to other PGE miners, allowing for the production and sale of an upgraded product in the market without the need for offtake by a third-party smelter operator.

Construction of a Smelter outside South Africa

The Company has also assessed the economic feasibility of constructing a smelter and BMR to process Waterberg Project concentrate outside of South Africa. An initial trade-off study was completed to determine the viability of exporting PGE concentrate from South Africa to the Kingdom of Saudi Arabia ("**Saudi Arabia**"). Shipping costs are expected to be generally offset by lower energy costs. The proposed smelter facility would benefit from existing infrastructure. On December 20, 2023, the Company announced a cooperation agreement ("**Cooperation Agreement**") with Ajlan & Bros Mining and Metals Co. ("**Ajlan**") to study the establishment of a stand-alone platinum group metals smelter and BMR in Saudi Arabia. The establishment of a PGE smelter and BMR in Saudi Arabia would align with the Kingdom of Saudi Arabia's Vision 2030 initiative to develop the Saudi mining and minerals industry to become the third pillar of Saudi Arabia's gross domestic product.

The Company believes that Saudi Arabia offers an attractive investment climate that includes highly competitive energy costs, a lower taxation rate, and significant government financing incentives. On November 26, 2024, the Ministry of Investment for Saudi Arabia entered a memorandum of understanding with Ajlan and the Company to study and consider potential financial support for the proposed PGE smelter and BMR.

Before Waterberg Project concentrate could be exported to Saudi Arabia for processing, a key requirement would be to secure government approval for the long-term export of unrefined precious metals in concentrate from South Africa. Platinum Group has been working with the Government of South Africa to identify local beneficiation opportunities and to analyze the possible impact of exporting concentrate on the value chain. Through these discussions the Government of South Africa has expressed their preference and support for beneficiation in South Africa.

Construction of a Matte Furnace in South Africa and a BMR in Saudi Arabia

As a result of the view expressed by the Government of South Africa, Ajlan and PTM have also studied the possibility of establishing a matte furnace in South Africa capable of smelting Waterberg Project concentrate. Such a facility would ideally be located at a site near the project with existing power, water and environmental authorizations. Converter matte produced from the facility could be exported to Saudi Arabia for conversion and further treatment in a BMR. End of life auto catalysts and petrochemical catalysts, sourced from the Gulf Region, could be co-processed in Saudi Arabia along with the Waterberg Project matte. South African government approval for the export of converter matte to Saudi Arabia would still be required and discussions with government have occurred. Under this scenario approximately 85% of planned investment and beneficiation would occur in South Africa. In discussions regarding this approach the Government of South Africa continues to express their preference and support for beneficiation in South Africa.

Waterberg DFS Update

On September 16, 2024, the Company published the results of the Waterberg DFS Update which updated and replaced the previous NI 43-101 technical report entitled "Independent Technical Report, Waterberg Project Definitive Feasibility Study and Mineral Resource Update, Bushveld Complex, South Africa" dated October 4, 2019, with an effective date of resources and reserves of September 4, 2019 ("**2019 DFS**"). Highlights of the Waterberg DFS Update include:

- Mineral reserve estimate: Proven and Probable mineral reserves increased by 20% to 23.41 million 4E oz (246.2 million tonnes at an average grade of 2.96 4E g/t, 0.08% copper ("**Cu**"), and 0.17% nickel ("**Ni**")).
- Increased Mineral Resources: Measured and Indicated mineral resources increased by 9.5% to 33.76 million 4E oz (345.03 million tonnes at an average grade of 3.04 4E g/t, 0.09% Cu and 0.18% Ni) using 2.5 4E g/t cut-off grade (2.0 4E g/t cut-off grade for F-Central Zone and F-South Zone). Inferred mineral resources increased by 6.6% to 8.52 million 4E oz (89.70 million tonnes at an average grade of 2.96 4E g/t, 0.08% Cu, and 0.15% Ni) using a 2.5 4E g/t cut-off grade (2.0 4E g/t cut-off grade for F-Central Zone and F-South Zone).
- Life of Mine ("**LOM**"): LOM increased from 45 to 54 years with annual steady state average production in concentrate of 353,208 4E oz and peak annual production of 432,950 4E oz.
- After-tax net present value of $569 million, at an 8% real discount rate and an Internal Rate of Return of 14.2% using average long term consensus metal prices as of May 2024 ("**Consensus Prices**" as defined below).

- On site LOM average cash cost (including base metal by-product credits and smelter discounts as a cost) of $658 per 4E oz, with an all-in sustaining cost of $761 per 4E oz.
- Reduced Water Consumption: The Waterberg DFS Update models dry stack tailings technology, including a dewatering plant and dry tailings handling system, reducing estimated steady state make-up water requirements by 36% to approximately 2.85 megalitres per day and reducing the tailings impoundment surface footprint by approximately 46.0% to 155 hectares.
- LOM free after-tax cashflow of $6.5 billion at Consensus Prices.
- Estimated total project capital of $946 million, including 8.5% for contingencies, and peak capital estimated at $776 million.
- Project capital cost estimates are subject to market conditions, which have been generally inflationary. Project financing to meet peak funding requirements for the Waterberg Project are envisaged to be provided by a combination of equity, proceeds from a secured loan facility, and possibly funding from a metal stream arrangement.

Mineral resources at the Waterberg Project are hosted in the T-Zone and F-Zone. The T-Zone is situated approximately 350 meters above the F-Zone with both zones striking northeast and dipping at approximately 38 degrees to the west. An arbitrary cut-off depth of 1,250-meters has been applied in all mineralized zones. Mineral resources for the Waterberg Project as reported in the Waterberg DFS Update have been estimated including the results of recent infill drilling as discussed above. Mineral resources have been estimated based on a total of 374,399 metres of diamond drilling in 474 diamond drill holes and 585 deflections and have been stated at a 2.5 4E g/t cut-off for all T-Zones, F-North and F-Boundary Zones, and a 2.0 4E g/t cut-off for the F-Central and F-South Zones (the "**Cut-Off Base Case**"). In the Waterberg DFS Update, the Cut-Off Base Case was applied to the mineral resource model as an input to the mine design. At the Cut-Off Base Case, total Measured and Indicated mineral resources (which includes mineral reserves) are estimated at 345.03 million tonnes grading 3.04 4E g/t for 33.76 million 4E oz (versus 305.54 million tonnes grading 3.14 4E g/t for an estimated 30.84 million 4E oz in the 2019 DFS). Total Proven and Probable mineral reserves are estimated at 246.2 million tonnes grading 2.96 4E g/t for 23.41 million 4E oz (versus 187.51 million tonnes grading 3.24 4E g/t for 19.48 million 4E oz in the 2019 DFS).

The mineral resources and reserves for the Waterberg Project are categorized and reported in terms of NI 43-101 and are tabulated below.

Mineral Resource Estimate effective August 31, 2024, on 100% Project basis

(Inclusive of Mineral Reserves)

Mineral Resource T-Zone 2024											
Mineral Resource Category	**Cut-off**	**Tonnage**	**Grade**							**Metal**	
	4E		**Pt**	**Pd**	**Rh**	**Au**	**4E**	**Cu**	**Ni**	**4E**	
	g/t	**M Tonnes**	**g/t**	**g/t**	**g/t**	**g/t**	**g/t**	**%**	**%**	**Kg**	**Moz**
Measured	2.5	5.24	1.10	2.06	0.05	0.78	3.99	0.13	0.07	20,917	0.673
Indicated	2.5	14.62	1.37	2.35	0.03	0.88	4.64	0.19	0.09	67,834	2.181
M+I	**2.5**	**19.86**	**1.30**	**2.28**	**0.04**	**0.86**	**4.47**	**0.17**	**0.08**	**88,751**	**2.853**
Inferred	2.5	18.23	1.18	2.00	0.04	0.85	4.07	0.15	0.07	74,159	2.384

Mineral Resource F-Zone 2024											
Mineral Resource Category	Cut-off	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	M Tonnes	g/t	g/t	g/t	g/t	g/t	%	%	Kg	Moz
Measured	2.0 & 2.5	78.08	0.87	2.01	0.05	0.15	3.08	0.08	0.20	240,471	7.73
Indicated	2.0 & 2.5	247.10	0.85	1.88	0.04	0.13	2.92	0.08	0.18	720,699	23.17
M+I	2.0 & 2.5	**325.17**	**0.86**	**1.92**	**0.05**	**0.14**	**2.96**	**0.08**	**0.19**	**961,170**	**30.90**
Inferred	2.0 & 2.5	71.47	0.81	1.70	0.04	0.12	2.67	0.06	0.15	190,940	6.14

Mineral Resource Waterberg Aggregate Total 2024											
Mineral Resource Category	Cut-off	Tonnage	Grade							Metal	
	4E		Pt	Pd	Rh	Au	4E	Cu	Ni	4E	
	g/t	M Tonnes	g/t	g/t	g/t	g/t	g/t	%	%	Kg	Moz
Measured	2.0 & 2.5	83.32	0.89	2.01	0.05	0.19	3.14	0.09	0.19	261,389	8.40
Indicated	2.0 & 2.5	261.72	0.88	1.91	0.04	0.18	3.01	0.09	0.18	788,532	25.35
M+I	2.0 & 2.5	**345.03**	**0.88**	**1.94**	**0.05**	**0.18**	**3.04**	**0.09**	**0.18**	**1,049,921**	**33.76**
Inferred	2.0 & 2.5	89.70	0.89	1.76	0.04	0.26	2.96	0.08	0.15	265,099	8.52

Mineral Resource Category	Prill Split Waterberg Project Aggregate			
	Pt	Pd	Rh	Au
	%	%	%	%
Measured	28.3	64.19	1.59	5.95
Indicated	29.3	63.43	1.45	5.83
M+I	**29.0**	**63.62**	**1.49**	**5.86**
Inferred	30.00	59.68	1.35	8.95

Notes:

(1) All mineral resources *in situ.*

(2) Mineral resources are reported inclusive of mineral reserves. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

(3) 4E = PGE (Pt + Pd + Rh) and Au.

(4) The mineral resources stated above are shown on a 100% project basis, that is, for the Waterberg Project.

(5) Mineral resource cut-off 2.5 g/t (4E) grade except for FZ-Central and FZ-South are at 2.0 g/t cut-off grade (4E). Cut-off grade calculations performed in March 2023 and were based on the following assumptions:

- Metal prices: Pt at US$1,050/oz, Pd at US$1,300 /oz, Au at US$1,650/oz, Rh at US$5,000/oz, Cu at US$3.50/lb and Ni at US$8.50/lb.
- Unit costs: US$63.99 / t milled for F-Zones and US$76 / t milled for T-Zone (based on the 2019 DFS and escalated for inflation).
- Metal recoveries: 4E concentrator recoveries at 82% for F-Zones and 81% for T-Zone. Base metal recoveries for the F-Zones at 50.0% for Ni and 88.6% for Cu, T-Zone at 46.0% for Ni and 86.6% for Cu.
- Smelter recovery/payabilities: 83.5% for 4E and 72.0% for Cu and Ni.

(6) Conversion factor used - kg to oz = 32.15076.

(7) Numbers may not add due to rounding.

(8) A 5% and 7% geological loss were applied to the Measured / Indicated and Inferred mineral resource categories, respectively.

Mineral reserves are a subset of the mineral resource envelope at the Cut-Off Base Case, and they include only Measured and Indicated mineral resources, with dilution and stope shapes considered. Mining thickness was set at 2.4 meters to 20 meters in the T-Zone and 2.4 meters to 118 meters in the F-Zone. Sublevel planning of 20 meters to 40 meters was considered in the mine plan for mineral reserves.

Proven Mineral Reserve Estimate 4E g/t - Effective August 31, 2024

		Pd	Pt	Rh	Au	4E	Cu	Ni	4E Metal	
Zone	Tonnes	(g/t)	(g/t)	(g/t)	(g/t)	(g/t)	(%)	(%)	Kg	Moz
T-Zone	**5,094,182**	**1.76**	**0.93**	**0.04**	**0.63**	**3.36**	**0.10**	**0.06**	**17,138**	**0.551**
F-Central	32,297,283	1.90	0.82	0.04	0.13	2.89	0.06	0.17	93,186	2.996
F-South	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.000
F-North	16,637,670	2.04	0.85	0.05	0.16	3.10	0.10	0.20	51,558	1.658
F-Boundary North	4,975,853	1.99	0.97	0.05	0.16	3.17	0.10	0.22	15,784	0.507
F-Boundary South	5,294,116	2.31	1.04	0.05	0.18	3.59	0.08	0.19	19,015	0.611

F-Zone Total	**59,204,921**	**1.98**	**0.86**	**0.05**	**0.14**	**3.03**	**0.08**	**0.19**	**179,543**	**5.772**
Waterberg Total	**64,299,103**	**1.97**	**0.86**	**0.05**	**0.18**	**3.06**	**0.07**	**0.17**	**196,681**	**6.323**

Probable Mineral Reserve Estimate 4E g/t - Effective August 31, 2024

		Pd	Pt	Rh	Au	4E	Cu	Ni	4E Metal	
Zone	**Tonnes**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(%)**	**(%)**	**Kg**	**Moz**
T-Zone	**14,137,694**	**2.05**	**1.18**	**0.02**	**0.75**	**4.01**	**0.16**	**0.08**	**56,623**	**1.820**
F-Central	99,814,040	1.72	0.74	0.04	0.12	2.61	0.07	0.17	260,936	8.389
F-South	10,643,204	1.85	0.99	0.05	0.13	3.02	0.03	0.11	32,127	1.033
F-North	36,573,456	2.12	0.90	0.05	0.16	3.23	0.09	0.20	118,079	3.796
F-Boundary North	13,312,581	1.91	0.99	0.05	0.17	3.11	0.10	0.23	41,432	1.332
F-Boundary South	7,421,801	1.89	0.92	0.04	0.13	2.98	0.06	0.18	22,128	0.711
F-Zone Total	**167,765,082**	**1.84**	**0.82**	**0.04**	**0.13**	**2.83**	**0.07**	**0.18**	**474,702**	**15.262**
Waterberg Total	**181,902,775**	**1.85**	**0.84**	**0.04**	**0.18**	**2.92**	**0.08**	**0.17**	**531,324**	**17.082**

Proven & Probable Mineral Reserve Estimate 4E g/t Effective August 31, 2024

		Pd	Pt	Rh	Au	4E	Cu	Ni	4E Metal	
Zone	**Tonnes**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(g/t)**	**(%)**	**(%)**	**Kg**	**Moz**
T-Zone	**19,231,876**	**1.97**	**1.11**	**0.03**	**0.72**	**3.84**	**0.14**	**0.07**	**73,760**	**2.371**
F-Central	132,111,323	1.76	0.76	0.04	0.12	2.68	0.06	0.17	354,121	11.385
F-South	10,643,204	1.85	0.99	0.05	0.13	3.02	0.03	0.11	32,127	1.033
F-North	53,211,126	2.10	0.88	0.05	0.16	3.19	0.10	0.20	169,637	5.454
F-Boundary North	18,288,434	1.93	0.98	0.05	0.17	3.13	0.10	0.23	57,216	1.840
F-Boundary South	12,715,917	2.06	0.97	0.05	0.15	3.24	0.07	0.19	41,143	1.323
F-Zone Total	**226,970,003**	**1.87**	**0.83**	**0.04**	**0.14**	**2.88**	**0.07**	**0.18**	**654,245**	**21.034**
Waterberg Total	**246,201,879**	**1.88**	**0.85**	**0.04**	**0.18**	**2.96**	**0.08**	**0.17**	**728,005**	**23.406**

Notes:
(1) The mineral reserves are based on using the long hole mining method with paste backfill. A minimum stope width of 2.4 m (true width) was used.
(2) The point of reference for the mineral reserves is defined as the point where the mined ore is delivered to the processing plant.
(3) 4E = PGE (Pd + Pt + Rh) and Au.
(4) A stope cut-off grade of 2.0 g/t 4E was used for mine planning for F-Central and F-South while a 2.5 g/t 4E was used for mine planning for the T-Zone and other F-Zones in the mineral reserves estimate.
(5) Long-term metal prices assumed for cut-off grade estimates were Pt = US$1,050.00/oz, Pd = US$1,300.00/oz, Rh = US$5,000.00/oz, Au = US$1,650.00/oz, Cu = US$3.50/lb, Ni = US$8.50/lb and exchange rate 17.22 ZAR = 1 US$.
(6) Long-term metal recoveries assumed for cut-off grade estimates were 4E 82% for the F-Zones and 4E 81% for the T-Zone. A smelter recovery of 4E 83.5% was assumed for all zones.

(7) Long-term operating costs assumed for the cut-off grade estimates were US$63.99 per tonne mined for the F-Zone and US$76.09 per tonne mined for the T-Zone and include mining, processing, infrastructure, general and administration, transport, royalties, and sustaining capital.
(8) Tonnage and grade estimates include planned dilution, geological losses, external overbreak dilution, and mining losses.
(9) Numbers may not add due to rounding.

Metals Markets and Price Deck Assumptions

The Waterberg Project has a considerable ramp up period and a long LOM. Metals markets and foreign exchange rates are difficult to predict for 10 to 20 years in the future. The Waterberg Project financial performance has been estimated in the Waterberg DFS Update at Consensus Prices as set out in the table below. These prices were based on a review of long term (2028) consensus price forecasts assembled by Bloomberg and Select Cap IQ as of May 31, 2024.

At Consensus Prices, the basket price per LOM average 4E oz is estimated at US$1,325.

Rand based costs in the Waterberg DFS Update are converted to US$ at forecast real exchange rates from 2025 to 2027 and then long term for 2028 and later at 20.07 (US$/ZAR). The exchange rate assumptions within Consensus Prices are based on Oxford Economics forward projection as of May 15, 2024.

Price Deck Assumptions

Description	**Commodity**	**Unit of Measure**	**Long term Real**
Consensus Prices	Pt	USD / oz	1,605
	Pd	USD / oz	1,062
	Au	USD / oz	1,812
	Rh	USD / oz	6,209
	Cu	USD / lb	4.53
	Ni	USD / lb	9.73
Exchange Rate 2025		USD/ZAR	18.92
Exchange Rate 2026		USD/ZAR	19.28
Exchange Rate 2027		USD/ZAR	19.67
Exchange Rate 2028		USD/ZAR	20.07
Exchange Rate Long Term		USD/ZAR	20.07

Readers are directed to review the full text of the Waterberg DFS Update, available for review under the Company's profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov for additional information.

The Waterberg DFS Update indicates that as a result of its shallow depth, good grade and fully mechanized mining approach, the Waterberg Project can be a safe mine within the lowest quartile of the Southern Africa platinum group element industry cost curve.

The Waterberg DFS Update mine plan models production at 4.8 million tonnes of ore per annum and a LOM average of 353,208 4E oz per year in concentrate. Maximum annual production is estimated in the Waterberg DFS Update at 432,950 4E oz in concentrate. The mine initially accesses the F-Central Zone orebody using a single set of twin decline tunnels (service decline and conveyor decline) with mining of 400,000 tonnes per month by fully mechanised long hole stoping methods. The Central-F steady state ore to waste ratio in the Waterberg DFS Update is a favourable 14.8 and approximately 47% of waste rock will be placed underground as backfill, with the balance to be trucked or conveyed to surface. Ore will be mucked to one of numerous underground rock breakers, where it will be sized and then transported to surface by conveyors. Paste backfill will be utilized, allowing for a high mining extraction ratio as mining can be completed next to backfilled stopes with few internal pillars. –

Mining Right Grant

A formal mining right application ("**MRA**") for the Waterberg Project, including the Waterberg SLP, was accepted for filing by the DMPR on September 14, 2018. An Environmental Impact Assessment ("**EIA**") and Environmental Management Program (" **EMP**") were filed with the DMPR on August 15, 2019. An initial EA was granted for the Waterberg Project on August 12, 2020, with the final EA issued on November 10, 2020. The mining right for the Waterberg Project (the "**Waterberg Mining Right**") was granted on January 28, 2021, notarially executed on April 13, 2021, was registered at the Mineral and Petroleum Titles Registration Office on July 6, 2021, and remains active.

On March 7, 2024, a group claiming to be the rightful leadership of two host communities filed an application in the High Court seeking to set aside the January 28, 2021, grant of the Waterberg Mining Right by the DMPR. Many of the applicants participated in earlier, unsuccessful appeals against Waterberg JV Co. The applicants requested condonation for the late filing of this appeal, claim informal rights to two farms overlaying a portion of the Waterberg Mining Right area, object to the grant of the Waterberg Mining Right, and object to the DMPR dismissing their previous appeals. The two farms in question are not expected to host any significant mine infrastructure. Attorneys acting on behalf of Waterberg JV Co. filed a notice of opposition and an answering affidavit seeking dismissal of the application. The DMPR has also filed a notice of opposition and an answering affidavit. The Land & Accountability Research Centre, at the University of Cape Town, filed an application to be admitted as Amicus Curiae on July 23, 2026. It is their intention to provide evidence to the court of local customs and practices.

The Company believes that all requirements specified under the National Environmental Management Act of 1998, the MPRDA and other applicable legislation have been complied with and that the DFFE correctly approved and the DMPR correctly issued the EA and the Waterberg Mining Right. Based on long term consultation and dialogue with local communities, the Company also believes that the leadership and the majority of residents in the host communities support the Waterberg Project.

Community Considerations

Beginning in late 2021, the Member of the Executive Committee (" **MEC**") for the Limpopo Department of Economic Development, Environment and Tourism, hosted several meetings and engagements and facilitated mediation sessions with representatives of Waterberg JV Co. and leaders from communities where mine infrastructure is planned to be located, to assist with the reconciliation of concerns. Many community concerns were addressed and a settlement agreement with the principal host community determining infrastructure locations was agreed and executed in April 2024. Work and negotiations on long term surface lease agreements are underway.

Waterberg JV Co. remains committed to engaging and working with all host communities to ensure that all legitimate concerns are addressed, and mining operations are conducted in a harmonious and respectful manner. Waterberg JV Co. aims to optimize the Waterberg Project for the benefit of all stakeholders.

Training for a new mechanised mining workforce is an important component of the Waterberg Project life of mine plan and the Waterberg SLP. Planning for training programs has been undertaken with the assistance of global mine training leader, NORCAT, of Sudbury, Ontario. The Waterberg DFS Update modelled a significant investment in training, focussed on the immediate area of the Waterberg Project, working in cooperation with local communities, colleges and facilities.

Water supply and delivery are important issues affecting local communities near the Waterberg Project. Waterberg JV Co. and the Capricorn District Municipality continue to work cooperatively for the development of water resources to the benefit of local communities and the Waterberg Mine. Detailed hydrological work studying the utilization of known sources for significant volumes of groundwater has been conducted and has identified several large-scale water basins that are likely able to provide mine process and potable water for the Waterberg Project and local communities. Test drilling of these water basins has been completed resulting in the identification of sufficient water supplies. Earlier drilling programs conducted by the Capricorn District Municipality identified both potable and high mineral unpotable water resources in the district. Drilling by Waterberg JV Co. has identified some potable water resources. Several boreholes proximal to the Waterberg Project identified large volumes of high mineral, unpotable water not suitable for agriculture. Hydrological and mill process specialists have tested the use of this water as mine process water. In general, ground water resources identified proximal to the Waterberg Project have the potential for usage by both the Waterberg Mine and local communities.

Work on the establishment of servitudes for power line routes and detailed planning and permitting with ESKOM for approximately a 70 km, 132MvA steady state operating power line to the Waterberg Project is currently on hold while the T-Zone Study is in progress. Power during the construction and development period may be supplied via a 3MvA / 22kV power line from the nearby grid at Bochum, approximately 30km from the mine site. Engineering design, equipment and power line route selection, and costing, is currently underway and are being performed by high voltage engineering company Kumena Consulting Pty Ltd. Community engagement regarding power line routes and consultations on, and completion of an EIA is in process. Power line environmental and servitude work is being completed by specialist consultants. Applications to Eskom for Cost Estimate Letters have been submitted and fees have been paid to Eskom for a Budget Quotation for the establishment/construction of this 22kV, 3MVA electrical feed to the Waterberg Project mine site.

Alternative renewable energy sources are also being considered for the Waterberg Project. One such option envisages a solar panel farm, including battery storage, to be built by a third-party operator at a suitable location near the Waterberg Project. The cost of construction would be carried by the third-party operator and the power provided would be charged to Waterberg JV Co. at rates that would include a return of capital to the third-party operator.

Social and Labour Plan

The initial Waterberg SLP was developed pursuant to DMPR guidelines for social and labour plans and had been submitted in accordance with section 46 of the MPRDA together with the Waterberg Mining Right application, which right was granted on January 28, 2021, and registered on July 6, 2021. The objective of the Waterberg SLP is to align the Company's social and labour principles with the related requirements established under the Mining Charter 2018, as applicable from time to time. These requirements include promoting employment and avoiding retrenchments, advancement of the social and economic welfare of all South Africans, contributing toward the transformation of the mining industry and contributing towards the socio-economic development of the communities proximal to the Waterberg Project. Contractors will be required to comply with the Waterberg SLP and policies, including commitment to employment equity and BEE, proof of competence in terms of regulations, commitment to undertake training programs, compliance with all policies relating to recruitment, training, health and safety, etc. In terms of human resources training, the Waterberg SLP will establish objectives for adult-based education training, learnerships and development of the skills required by the mining industry, portable skills training for transition into industries other than mining, education bursaries and internships. The initial Waterberg SLP also envisages a plan to establish local economic development objectives for projects such as infrastructure and educational support to local schools, the equipping and extension of a clinic/health facility, water and reticulation projects, and various other localized programs for small scale industry, agriculture, entrepreneurship and health and education.

To support the initial Waterberg SLP for affected communities near the Waterberg Project, expenditures amounting to an aggregate R428.9 million (approx. $26.60 million at August 31, 2026) were budgeted over a five-year period. The initial Waterberg SLP includes provisions for human resource development, local economic development, and transferrable skills management. Expenditures are subject to the grant of all required regulatory approvals, licenses and permits and the commencement of development activities on site. At the end of each five-year period a new social and labour plan will be established, considering actual expenditures to date and changes to adjust for community feedback, needs and preferences.

Waterberg JV Co. recently completed certain necessary maintenance and water infrastructure upgrades on the farm Early Dawn. The completed project is to be handed over to the control of the Capricorn District Municipality and Blouberg Local Municipality. Waterberg JV Co. also intends to commence with the necessary maintenance of certain water infrastructure on the farm Ketting. A contractor has been appointed, and Waterberg JV Co. has received formal written approval from the Capricorn District Municipality to commence with work. Waterberg JV Co. is still in the process of obtaining the community's consent to commence with the necessary maintenance. Both of these water infrastructure upgrades form a part of a Bulk Water Reticulation local economic development ("**LED**") Program under the Waterberg SLP.

The Medical Clinic Upgrade LED Program on the farm Goedetrouw has been completed. A number of local community members had been appointed as contract labour.

A contractor has further been appointed by Waterberg JV Co. to install shelving and upgrade fencing and the soccer field and netball court at the Seshane Primary School in Early Dawn. The contractor appointed contract workers from the local community to assist and work on the manufacturing, installation, and upgrading has commenced. This forms part of the Provision of Infrastructure and Educational Support to Local Schools LED Program.

Waterberg JV Co. is in the process of closing the initial five-year Waterberg SLP (2021 - 2025). However, certain LED and human resources development programs under this SLP will continue in parallel with a new second Waterberg SLP (2026 - 2030) (the "**New Waterberg SLP**") until Waterberg JV Co. has complied with the full plan. Certain infrastructural LED programs will only be implemented once a construction decision has been made (e.g. the full bulk water reticulation and road upgrade programs). The New Waterberg SLP commencing in 2026 has also been developed pursuant to DMPR guidelines for social and labour plans and written with community input and has been submitted to the DMPR for review and approval. A resolution letter from the Blouberg Local Municipality was received on June 29, 2026, whereby the Municipality formally endorses the New Waterberg SLP. Waterberg JV Co. is awaiting feedback from the DMPR regarding their progress in reviewing the draft. The draft New Waterberg SLP is simpler and less monetary spend will be committed under it, until such time as construction of the Waterberg Project commences. As indicated, obligations under the initial Waterberg SLP and New Waterberg SLP will have to be executed concurrently.

Environmental, Social and Governance ("ESG")

Being a responsible corporate citizen means protecting the natural environment associated with its business activities, providing a safe workplace for its employees and contractors, and investing in infrastructure, economic development, and health and education in the communities where the Company operates so that it can enhance the lives of those who work and live there beyond the life of such operations. The Company takes a long-term view of its corporate responsibility, which is reflected in the policies that guide its business decisions, and in its corporate culture that fosters safe and ethical behaviour across all levels of Platinum Group. The Company's goal is to ensure that its engagement with its stakeholders, including its workforce, industry partners, and the communities where it operates, is continued, mutually beneficial and transparent. By building such relationships and conducting ourselves in this manner, the Company can address specific concerns of its stakeholders and work cooperatively and effectively towards achieving this goal.

- *ESG Approach and Objectives*

  The Company and Waterberg JV Co. are committed to conducting business in a responsible and sustainable manner. Our core ESG values are:

  - maximizing the positive effect of our projects and operations for all stakeholders;
  - caring for the environment in which we operate;
  - contributing to both the short-term and long-term development of our host communities;
  - ensuring safe and secure workplaces for our employees;
  - contributing to the welfare of our employees and local communities; and
  - promoting good corporate governance, through openness, transparency, and accountability.

  We continue to work on enhancements to our community engagement processes for all our mining and environmental matters. We consider all stakeholders and confirm our commitment to the health and safety of our employees and surrounding communities. Health and safety also remain a top priority. Our ESG objectives include:

  - reducing planned water consumption;
  - attaining full compliance with regulations and reporting of greenhouse gas emissions;
  - achieving minimum impact on vegetation and supporting and enabling local biodiversity;
  - reducing planned industrial waste;
  - resolving individual community member grievances;
  - continuing and improving stakeholder communication and engagement programmes;
  - achieving zero significant environmental incidents; and

- reducing planned power consumption.

- *ESG Reporting and Assessment*

The Company's ongoing ESG analysis continues to refine the set of performance indicators to measure and monitor key environmental, social sustainability and governance activities at the Waterberg Project. We wish to achieve a high level of understanding and commitment from those who carry out our day-to-day activities. Our social performance indicators aim to cover social risk management, grievance management, community investment and human rights. Our environmental performance indicators aim to cover environmental impact mitigation, audits, water, energy, greenhouse gas emissions and environmental remediation and rehabilitation. Health and safety performance indicators are also to be recorded and monitored.

The Company has worked with Digbee Ltd. (" **Digbee**") since 2021 to independently assess its ESG development and disclosure at both the corporate and project level as it moves toward the construction phase of the Waterberg Project. The Digbee ESG platform is aligned with over 25 global reporting standards to generate an appropriate ESG score for development stage mining companies and address real risk.

As part of the Waterberg MRA process the Company developed a wide ranging set of studies and plans in relation to potential ESG impacts. These studies and plans were leveraged to form the basis of the Digbee ESG assessment and subsequent outcomes.

For 2026, an independent team of Digbee ESG experts evaluated the Company's ESG submission against a set of rigorous and standardized scoring criteria. To ensure accuracy and credibility, these scores were finalized after being peer reviewed. Platinum Group achieved an overall score of BBB with a range of CC to AA based on the information provided. The total score shown below reflects the calculated average of the average corporate and project scores awarded.

Awarded ESG Ratings (October 2026)



High Level Positive Outcomes

- The Project has progressed from care and maintenance to active pre-development, supported by a proposed phased implementation approach. Initial works are in progress covering roads, water and power infrastructure, and accommodation for Phase 1.

- The Company is making incremental progress in governance and Sustainability Integration. Key developments include enhanced documentation practices, sustainability-related performance indicators, a sustainability budget allocation of 8.3%, regular sustainability reporting, and independent audits of intercompany transactions in Canada and South Africa.

- The use of dry-stack tailings and a closed-loop water system has lowered the surface infrastructure footprint by 46% and reduced water consumption requirements by 36%. The DMPR has confirmed the changes, and the Mining Right remains secured.
- A revised five-year SLP covering 2026-2030, informed by community consultation, has been submitted to the DMPR. Annual SLP and Mining Charter reports were lodged on May 21, 2026. Planned an ongoing initiatives include 49 portable skills programmes, 15 tertiary bursaries, upgrades to the local clinic and sports facilities and improvements to rural water infrastructure.

Potential Risks and Opportunities

- The Company has yet to establish a company-wide risk management framework to systematically identify and address strategic and operational risks and opportunities.
- Implementation risks such as local procurement expectations, complex B-BBEE obligations, potential population influx, and municipal capacity constraints are recognised. However, some of the related responses, such as a detailed procurement plan, are still being developed as the project moves toward construction.
- Sustainability is clearly a stated focus for the Company, and the Company has adopted project and corporate commitments (e.g., human rights, stakeholder engagement, environmental management, and heritage protection). However, it has not yet committed to industry standards beyond Human Rights, so further formal alignment with recognised frameworks could strengthen stakeholder confidence and market perception as the project advances.
- Population growth associated with project-related influx, combined with limited municipal administrative capacity, presents a risk. Appropriate influx management and engagement with regional authorities will be necessary to manage additional demands on municipal infrastructure.

Environmental, Health, Safety and Technical Advisory Committee

As part of its mandate to assist the board of directors of the Company (the " **Board**") in its oversight of capital projects and material transactions undertaken by the Company, its subsidiaries or its affiliates from an environmental, technical, financial and scheduling perspective, the Environmental, Health, Safety and Technical Advisory Committee (the "**EHST Committee**") is responsible for developing and monitoring standards for ensuring a safe and healthy work environment and to promote sustainable development. The EHST Committee is also responsible for providing oversight of the Environmental, Health, Safety, and Social Responsibility Policies (the "**EHSSR Policies**"), the Human Rights Policy, and for monitoring the Company's practices in these areas, including the monitoring of (a) risks, challenges and opportunities to the Company's business associated with environmental, health, safety and social responsibility matters; (b) the Company's sustainability conduct, including environmental, health, safety and social policies and programs and overseeing performance in such areas; (c) the Company's compliance and applicable legal and regulatory requirements associated with environmental, health, safety, and community conduct; and (d) the Company's external reporting in relation to health, safety, environmental and community conduct.

Governance and Nomination Committee

The Governance and Nomination Committee of the Board also plays an important role in assisting the Board with its oversight of ESG matters. The Governance and Nomination Committee is responsible for developing and implementing governance guidelines and principles, providing governance leadership to the Company and monitoring governance programs and policies, including without limitation, the Code of Business Conduct and Ethics and the Commitment to Anti-Bribery Conduct. The Governance and Nomination Committee reviews the Company's policies to ensure compliance with the applicable rules and regulations, and where necessary or desirable on account of governance trends that are appropriate for the Company, recommends changes, or the adoption of further policies, to the Board for approval.

Environmental, Health, Safety, and Social Responsibility Policies

The EHSSR Policies supplement the requirements, guidelines, and standards of conduct specified in Platinum Group's other policies and affirm the Company's commitment to health and safety, social license and sustainable development, environmental stewardship, and human rights. The EHSSR Policies are intended to be a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of Platinum Group. The EHSSR Policies outline the Company's ESG expectations for all employees, directors, contractors, and consultants performing services for or on behalf of the Company.

Human Rights Policy

Along with integrating human rights into its risk assessment and due diligence processes, the Company is dedicated to fostering a culture of respect for human rights in the workplace. It also actively seeks positive interactions and collaborations with stakeholders who are impacted by its operations. The EHST Committee assists the Board in the oversight of the Human Rights Policy including, reviewing the effectiveness and compliance of this policy on a regular basis, monitoring the Company's performance, challenges and commitments in the prevention or mitigation of any human rights issues, and reviewing the proposed public disclosure of any Company human rights matters.

The Company has also adopted a Code of Business Conduct and Ethics, a Commitment to Anti-Bribery Conduct, a Clawback Policy, and a Whistleblower Policy, amongst other customary policies. Copies of the policies and committee charters may be found on the Company's website at www.platinumgroupmetals.net/corporate/governance/default.aspx (which are not incorporated by reference).

We also adhere to the corporate governance policies of the Toronto Stock Exchange (the " **TSX**") and the NYSE American, LLC.

On February 24, 2026, the Company held its Annual General Meeting. All resolutions were passed in the form proposed by an affirmative vote of the shareholders.

3. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

(A) Liquidity and Capital Resources

Recent Equity Financings

On November 13, 2024, the Company filed a final short form base shelf prospectus (the " **2024 Shelf Prospectus**") with the securities regulatory authorities in each of the provinces and territories of Canada and a corresponding registration statement on Form F-10 (the "**2024 Registration Statement**") with the SEC under the Multijurisdictional Disclosure System established between Canada and the United States. Pursuant to the 2024 Shelf Prospectus and the 2024 Registration Statement, the Company may offer and sell in Canada or the United States, Common Shares, debt securities, warrants, subscription receipts, or a combination thereof up to an aggregate initial offering price of $250 million from time to time, separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the offering and as set out in an accompanying prospectus supplement, during the 25-month period that the 2024 Shelf Prospectus and the 2024 Registration Statement remain effective.

On December 5, 2024, the Company filed a supplement to the 2024 Shelf Prospectus and announced an Equity Distribution Agreement with BMO Nesbitt Burns Inc. and Beacon Securities Limited (together the "**Canadian Agents**") and BMO Capital Markets Corp. (the " **US Agent**") whereby the Company could sell its Common Shares for up to $50.0 million in aggregate sales proceeds in "at the market" transactions (the "**2025 ATM**"). From December 5, 2024, to January 23, 2026, the Company sold 22,726,804 shares at an average price of $2.20 for gross proceeds of $50.0 million and net proceeds of $48.7 million after the deduction of fees paid to the US Agent.

On March 10, 2026, the Company filed a subsequent supplement to the 2024 Shelf Prospectus and announced a subsequent Equity Distribution Agreement with BMO Nesbitt Burns Inc. and Beacon Securities Limited (as the Canadian Agents) and BMO Capital Markets Corp. (as the US Agent) whereby the Company could sell its Common Shares for up to $60.0 million in aggregate sales proceeds in "at the market" transactions (the "**2026 ATM**"). Under the 2026 ATM to August 31, 2026, and to date, the Company has sold 1,059,233 common shares at an average price of $1.90 per share for gross proceeds of $2.01 million and net proceeds of $1.96 million after the deduction of fees paid to the US Agent. The Company does not anticipate making any additional sales pursuant to the 2026 ATM.

On May 29, 2025, the Company completed a non-brokered private placement with Deepkloof Limited (" **Deepkloof**"), a subsidiary of Hosken Consolidated Investments Limited ("**HCI**"), where the Company issued 800,000 Common Shares at $1.26 per share for gross proceeds of $1.0 million.

Proceeds from offerings above have been and will be used for the advancement of the Waterberg Project and general corporate purposes.

Intended Use of Proceeds	Actual Use of Proceeds
From the inception of the 2026 ATM until August 31, 2026, the Company issued 1,059,233 Common Shares and raised gross proceeds of $2.0 million. The net proceeds of any such sales under the 2026 ATM were and continue to be used for (i) staged development programs at the Company's Waterberg Project; and (ii) general corporate and administrative purposes.	At August 31, 2026, the Company has not spent any of the 2026 ATM funds but continues to anticipate spending these funds on (i) staged development programs at the Company's Waterberg Project; and (ii) general corporate and administrative purposes.
From the inception of the 2025 ATM until January 2026, the Company issued 22,726,804 Common Shares and raised gross proceeds of $50.0 million. The intended use of funds was, and continues to be for pre-construction site work, engineering and preparation, a potential phase one development program at the Waterberg Project, a Saudi Arabia smelter and BMR definitive feasibility study, a contingency provision and general, corporate and administrative expenses.	At August 31, 2026, the Company has spent $9.38 million of the funds raised pursuant to the 2025 ATM. These funds were used for pre-construction site work, preparations for a Saudi Arabia smelter and BMR definitive feasibility study and corporate and administrative expenses.
During the year ended August 31, 2025, the Company completed a private placement and issued 800,000 Common Shares for gross proceeds of $1.0 million. The Company intended to use the net proceeds of the private placement for its share of pre-construction site work, engineering and preparation costs on the Waterberg Project in South Africa, and for general corporate and working capital purposes.	At August 31, 2025, the Company had spent the proceeds of $1.0 million from the private placement. These funds were used for pre-construction site work, engineering and preparation costs and for general corporate and working capital purposes.

Liquidity

The Company's Financial Statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

At August 31, 2026, the Company had cash and cash equivalents of $43.3 million and working capital (current assets less current liabilities) of $42.2 million. During the year ended August 31, 2026, the Company incurred a loss of $3.0 million and incurred cash outflows from operating activities of $3.4 million.

As indicated above, on November 13, 2024, the Company filed the 2024 Shelf Prospectus and the corresponding 2024 Registration Statement. The Company received gross proceeds of $50.0 million using the 2025 ATM and $2.0 million under the 2026 ATM.

The continued operations of the Company and the recoverability of the amounts shown for mineral properties is dependent upon the ability of the Company to obtain the necessary financing to complete the development of the Waterberg Project and bring it to future profitable production. The Company does not generate cash flows from operations to fund its activities and therefore relies principally on the issuance of securities for financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

With shareholder approval at the Company's Annual General Meeting on February 24, 2026, the Company amended its share compensation and deferred share unit ("**DSU**") plans to, among other things, permit the Company to settle DSUs in cash, Common Shares or a combination of cash and Common Shares. These amendments provide the Company with greater financial flexibility than the prior terms of the DSU plan, which required settlement of DSUs in cash. On May 28, 2026, the Company further amended its share compensation plan to clarify and include provisions with respect to: (i) cashless exercise by net settlement for all participants; and (ii) the surrender of vested and exercisable options in exchange for a cash payment for US participants. The amendments were made pursuant to an exemption available under the TSX Company Manual from the requirement to obtain shareholder approval.

Contractual Obligations

The following table discloses the Company's contractual obligations as at August 31, 2026 (*in thousands of dollars):*

Payments Due by Year					
	< 1 Year	**1 - 3 Years**	**4 - 5 Years**	**> 5 Years**	**Total**
Lease Obligations	$ 202	$ 409	$ 281	$ -	$ 892
Environmental Bonds	67	201	134	-	402
Waterberg Project	3,761	511			4,272
Totals	**$ 4,030**	**$ 1,121**	**$ 415**	**$ -**	**$ 5,566**

Other contingencies: Refer to section 8 below - Risk Factors.

Amounts Receivable and Payable

Amounts receivable at August 31, 2026, totaled $0.3 million, (August 31, 2025 - $0.1 million) being comprised mainly of South African value added taxes.

Accounts payable and accrued liabilities at August 31, 2026, totaled $1.7 million (August 31, 2025 - $0.8 million) being comprised mainly of trade payables and unspent Waterberg JV Co. partner advances.

(B) Results of Operations

Year ended August 31, 2026

For the year ended August 31, 2026, the Company incurred a net loss of $3.1 million (August 31, 2025 - $4.5 million). General and administrative expenses totaled $3.7 million (August 31, 2025 - $3.7 million). Finance and other income totaled $1.5 million (August 31, 2025 - $0.3 million) due to increased cash on hand during the current year. Share based compensation totalled $1.0 million (August 31, 2025 - $1.2 million) with the difference due to the revaluation of deferred share units during the year. During the year, $3.2 million was spent at the Waterberg Project (August 31, 2025 - $2.1 million) with the increase due to drilling taking place in the current year and overall increased activity. For the year ended August 31, 2026, a recovery of $4.3 million was recognized in the currency translation adjustment (August 31, 2025 - $0.2 million) due to the increase in value of the South African Rand relative to the U.S. Dollar in both years.

Three-month period ended August 31, 2026

For the three-month period ended August 31, 2026, the Company earned a profit of $0.2 million (August 31, 2025 - $1.1 million loss). General and administrative expenses totaled $0.9 million (August 31, 2025 - $0.9 million). A foreign exchange gain of $0.1 million (August 31, 2025 - Nil) was due to the increase in value in the U.S. Dollar relative to the Canadian Dollar. Share based compensation expense totalled $0.1 million (August 31, 2025 - $0.4 million) with the recovery on the revaluation of DSUs being equivalent to the share compensation expense on the vesting equity instruments in the current period. For the three-month period ended August 31, 2026, a U.S. Dollar $0.1 million recovery was recognized in the currency translation adjustment (August 31, 2025 - $0.8 million) due to an increase in value of the South African Rand relative to the U.S. Dollar in both periods.

Quarterly Financial Information

The following tables set forth selected quarterly financial data for each of the last eight quarters *(in thousands of dollars, except for share data):*

Quarter ended	**Aug. 31, 2026**	**May 31, 2026**	**Feb. 28, 2026**	**Nov. 30, 2025**
Finance and other income [1]	$ 494	$ 443	$ 335	$ 196
Net (profit) loss	193	(955)	1,994	1,841
Basic (profit) loss per share [2]	0.00	(0.01)	0.02	0.02
Total assets	102,606	101,107	101,387	71,758
Quarter ended	**Aug. 31, 2025**	**May 31, 2025**	**Feb. 28, 2025**	**Nov. 30, 2024**
Finance and other income [1]	$ 135	$ 44	$ 36	$ 30
Net loss	1,135	1,156	411	1,835
Basic loss per share [2]	0.01	0.01	0.00	0.02
Total assets	62,099	54,939	48,471	50,170

Notes:
(1) The Company earns income from interest bearing accounts and deposits. Rand balances earn higher rates of interest than can be earned at present in Canadian or U.S. Dollars. Interest income varies relative to cash and short-term investments on hand.
(2) Basic loss per share is calculated using the weighted average number of Common Shares outstanding. The Company uses the treasury stock method to calculate diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted to Common Shares. In periods when a loss is incurred, the effect of share issuances under options would be anti-dilutive, resulting in basic and diluted loss per share being the same.

Annual Financial Information *(in thousands of dollars, except for share data)*

	Year ended August 31, 2026	**Year ended August 31, 2025**	**Year ended August 31, 2024**
Interest Income	$ 1,468[1]	$ 275[1]	$ 436[1]
Net loss	$ 3,073	$ 4,519	$ 4,607
Basic loss per share	$ 0.02[2]	$ 0.04[2]	$ 0.05[2]
Diluted loss per share	$ 0.02[2]	$ 0.04[2]	$ 0.05[2]
Total assets	$ 102,606	$ 62,099	$ 52,093
Non-current financial liabilities	$ 2,266	$ 1,864	$ 1,438
Short term debt	$ -	$ -	$ -
Dividends	$ Nil	$ Nil	$ Nil

Notes:
(1) The Company's only source of income during the years ending August 31, 2024 to 2026 was interest income from interest bearing accounts held by the Company.
(2) Basic loss per share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method for the calculation of diluted earnings per share. Diluted per share amounts reflect the potential dilution that could occur if securities or other contract to issue common shares were exercised or converted to common shares. In periods where a loss is incurred, the effect of potential issuances of shares under options would be anti-dilutive, and accordingly basic and diluted loss per share are the same.

4. DIVIDENDS

The Company has never declared nor paid dividends on its Common Shares. The Company has no present intention of paying dividends on its Common Shares, as it anticipates that in the foreseeable future all available funds will be invested to finance its business. The Company plans to consider a dividend policy upon the establishment of positive cash flow.

5. RELATED PARTY TRANSACTIONS

All amounts receivable and accounts payable owing to or from related parties are non-interest bearing with no specific terms of repayment. Transactions with related parties are as follows *(in thousands of dollars)*:

(i) During the year ended August 31, 2026, an amount of $349 (August 31, 2025 - $338) was paid or accrued to independent directors for directors' fees and services.

(ii) During the year ended August 31, 2026, the Company was paid or accrued payments of $52 (August 31, 2025 - $52) from West Vault Mining Inc., a company with one officer and director in common (Frank Hallam), in compensation for accounting and administrative services.

(iii) In fiscal 2018, Deepkloof made a strategic investment in the Company by way of a private placement. Through the terms of the May 2018 private placement, HCI acquired a right to nominate one person to the Board and a right to participate in future equity financings of the Company to maintain its pro-rata interest. HCI has exercised its right to nominate one person to the Board. As of August 31, 2026, HCI's ownership of the Company was reported at 27,767,994 Common Shares, representing a 21.71% interest in the Company. In May 2025, Deepkloof subscribed to a private placement of 800,000 Common Shares at $1.26 per share for gross proceeds to the Company of $1.0 million.

Key Management Compensation

The remuneration the CEO, CFO and other key management personnel and the directors during the years ended August 31, 2025 to 2026 is as follows:

Year ended	August 31, 2026	August 31, 2025
Salaries	$ 1,163	$ 1,093
Directors' fees	349	338
Share-based payments - management	612	599
Share-based payments - directors[1]	18	433
Total	**$ 2,142**	**$ 2,463**

[1]Share-based payments - directors, includes the revaluation of fully vested DSU's

6. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any special purpose entities nor is it party to any off-balance sheet arrangements.

7. OUTSTANDING SHARE DATA

The Company has an unlimited number of Common Shares authorized for issuance without par value.

At August 31, 2026, the Company had 127,885,112 common shares issued and outstanding 3,048,430 incentive stock options, 583,836 restricted share units and 1,086,688 DSUs outstanding. As of the date of this MD&A, the Company has 128,029,935 common shares issued and outstanding, 3,491,755 incentive stock options, 640,663 restricted share units and 1,116,216 DSUs outstanding.

8. RISK FACTORS

The Company is subject to a number of risks and uncertainties, each of which could have an adverse effect on results, business prospects or financial position. For a comprehensive list of the risks and uncertainties affecting our business, please refer to the section titled "Risk Factors" in the 2026 AIF and 2026 40-F, and the documents incorporated by reference therein. The Company's 2026 AIF and 2026 40-F may be found on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Certain risk factors are discussed below in more detail.

International Conflicts

Geopolitical tensions and events, including international conflict, war, military action, terrorism, trade disputes and the international responses to them, have in the past caused, and may in the future cause, uncertainty or volatility in global energy markets, supply chains, consumer demand and financial markets. Russia's invasion of Ukraine, which began in 2022, has prompted international sanctions against Russia and may lead to further sanctions or other international action. Any of these could destabilize commodity prices, supply chains and the broader global economy. Recent and ongoing hostilities involving Israel, Iran, the United States and the Houthi movement in Yemen are currently disrupting oil supplies, commodity prices, supply chains and global economies. Commodity price volatility and supply chain disruptions may adversely affect the Company's business and financial condition.

The extent and duration of these conflicts and related international actions, and the effectiveness of any agreed ceasefires, cannot be accurately predicted at this time. These conflicts may magnify the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. Because the situation is changing rapidly, unforeseen impacts may arise and may adversely affect the Company's business, results of operations and financial condition.

Tariffs, Duties and Trade Disputes

During 2025 and 2026 various countries have implemented automobile-specific and broad-based national tariffs on imported goods. The United States continues to threaten further tariffs. Some tariffs have been implemented then cancelled immediately, while others have remained in place as of the date of this MD&A. No tariffs have been implemented specifically against platinum and palladium but as tariffs will increase the cost of most items (including automobiles) the demand for such products may decline, also then reducing the demand for platinum and palladium. Further, the effects of a global trade war resulting from new tariffs would negatively affect demand and consumption of all goods throughout the world, thus having a negative effect on the Company. At this time the full effects of newly implemented tariffs are undetermined.

On July 30, 2025, the U.S. Department of Commerce received an antidumping duty petition concerning imports of unwrought palladium from Russia, filed on behalf of Stillwater Mining Company and the United Steel Paper, and Forestry, Rubber, Manufacturing, Energy, Industrial and Service Workers International Union. A countervailing duty petition concerning imports of unwrought palladium from Russia was also filed. While the U.S. Department of Commerce decided an antidumping duty of 132.83% and a countervailing duty of 109.10%, trade remedy laws required an independent finding of economic injury before these duties could take effect. The proposed triple-digit tariffs on Russian palladium ultimately were not issued because the U.S. International Trade Commission ("**USITC**") officially blocked them. On May 29, 2026, the USITC voted unanimously in the negative, determining that the U.S. domestic industry was not materially injured or threatened by Russian imports. As a result, the investigation officially ended, and no tariff orders will be put in place.

Relations between South Africa and the United States

Relations between the United States and South Africa recently reached their lowest point since the end of apartheid. Driven by South Africa's ties to Russia and China, its genocide case against Israel, and Washington's rejection of Pretoria's "neutral" stance, the divide widened sharply following 30% U.S. tariffs imposed in 2025 and a targeted U.S. refugee program for white South Africans. Relations deteriorated even further at the start of November 2026, when the United States notified South Africa that it intends to terminate it from the African Growth and Opportunity Act (AGOA) trade preference program from January 1, 2027. This ongoing diplomatic friction presents escalating risks to corporate operations, supply chains, and financial stability. The recent U.S. recognition of South Africa's critical minerals importance introduces a strategic pivot point that could help to stabilize bilateral trade and bring Washington and Pretoria back to the negotiating table. The relationship between South Africa and the United States may continue to change over the coming months and these developments could have a positive or negative effect on the Company.

9. OUTLOOK

The Company's key business objective is to advance the Waterberg Project to a development and construction decision. Ideally, before a construction decision is undertaken, arrangements will be in place for project financing and concentrate offtake or processing. As discussed above, in the absence of a concentrate offtake arrangement for Waterberg Project PGE concentrate, the Company is studying the economic feasibility of establishing a smelter and BMR business, jointly with third-party investors, capable of processing Waterberg Project concentrate as an alternative to a traditional concentrate offtake arrangement.

The base case for mine development in the Waterberg DFS Update is focused first on bulk mining of F-Zone material from the F-Central deposit, followed by later mining from the T-Zone. Although no decision has been made to alter the base case scenario, given the current price and outlook for gold, the T-Zone Study (as described above) is investigating staged development at the Waterberg Project, first with decline development into the T-Zone, followed by smaller scale T-Zone mining and then later expansion into the F-Central deposit at the scale planned in the Waterberg DFS Update. As compared to F-Central ore, proven and probable reserves for the T-Zone have a more favourable 4E prill split of approximately 29% platinum (28% F-Central), 51% palladium (66% F-Central), 1% rhodium (1% F-Central) and 19% gold (5% F-Central). T-Zone proven and probable reserves also have a higher 4E grade of 3.84 g/t (2.68 g/t F-Central).

The F-Central deposit, with true mining widths (hanging wall to footwall) of up to 107 metres, and with approximately 87% of production planned from mining widths more than 15 metres, is very favourable for low-cost bulk mining. The T-Zone, with approximately 92% of production planned from mining widths between 2.4 metres and 15 metres, and 8% from areas up to 20 metres thick, also allows for bulk mining (being longitudinal longhole stoping) albeit at a higher cost per tonne versus the F-Central deposit.

At current metal prices, increased revenue per tonne from mining the T-Zone could more than offset higher mining costs and allow for a lower initial capex using a staged development approach as described above. The T-Zone Study is examining the financial impact of deferring capital for power supply, paste backfill, milling capacity, and underground conveyors, while first operating a T-Zone mine before using free cash flow to then develop a second stage F-Central mine. The use of Jameson Cells is also being studied. T-Zone ore and waste can be trucked to surface for processing during initial mining stages, allowing for a shortened ore build-up period and a reduced capital footprint in both underground development and other underground infrastructure requirements. The completion of underlying work programs and the T-Zone Study is expected to take until the end of calendar 2026 and will be assessed by Company management in calendar Q1 of 2027.

Since April 2025, due to a combination of factors including a surge in Chinese investment, jewelry demand, signs of market tightness, a rebound in the outlook for global internal combustion vehicle production, and an overall rise in precious metal prices, the prices of platinum and palladium surged until January 2026 and since then have pulled back roughly 50% from their highs. The improved basket price of PGE minerals over the last 18 months resulted in good financial results for producers and may allow some existing deep, inefficient, near-end-of-life mines to continue to operate for a longer period, potentially reducing the deficit in mined platinum and palladium.

Notwithstanding the impact of war in the Middle East, and the resulting economic uncertainty, looking forward in the medium and long term, platinum prices are projected to be strong due to persistent supply deficits. Palladium prices are projected to weaken in the long term due to oversupply and falling internal combustion engine auto demand, though some short-term and medium-term gains are possible. Platinum is forecast to remain strong due to persistent supply deficits and growing investment demand. Platinum's expected strong price outlook may benefit palladium due to substitution, and both metals could benefit from a broad precious metals bull market. The outlook for gold continues to be strong despite a pullback from recent high prices.

As the world seeks to decarbonize and look for solutions to climate change, the unique properties of PGEs as powerful catalysts are being applied to various technologies as possible solutions for emissions control and more efficient energy generation and storage. Broader industrial market development strategies to bring new technologies to market which use palladium and platinum may benefit future demand.

As well as the discussions within this MD&A, readers are encouraged to also see the Company's disclosure made under the heading "Risk Factors" in the 2026 AIF and separate 2026 40-F.

10. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's consolidated financial statements in conformity with IFRS Accounting Standards required management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as income and expenses. The Company's accounting policies are described in Note 2 of the Company's audited financial statements for the year ended August 31, 2026.

Assessment of impairment indicators for Mineral Properties

The Company applies judgment to assess whether there are impairment indicators present that give rise to the requirement to conduct an impairment test. Events or changes in circumstances that could trigger an impairment test include; (i) significant adverse changes in the business climate including decreases in forecasted future metal prices; (ii) significant changes in the extent or manner in which the asset is being used or their physical condition including significant decreases in mineral reserves; and (iii) significant decreases in the market price of the asset.

Assumption of control of Waterberg JV Co.

The Company has judged that it controls Waterberg JV Co. as it owns 37.62% of the outstanding shares of Waterberg JV Co. directly and indirectly through its 49.90% ownership of Mnombo, which has a 26.00% direct ownership of Waterberg JV Co., giving the Company and Mnombo an effective 63.62% aggregate interest. The Company has judged that it controls Mnombo through its 49.90% ownership of the outstanding shares of Mnombo, its current ability to direct the relevant activities of Mnombo including contributing all material capital to Mnombo for its capital calls from Waterberg JV Co. (and previous since acquiring its 49.90% share). Currently there are no other sources of funding known to be available to Mnombo. The Company is also the manager of Waterberg JV Co. and maintains its right to be manager so long as it continues to hold the highest number of shares of Waterberg JV Co. If in the future Waterberg JV Co. is not deemed to be controlled by the Company, the assets and liabilities of Waterberg JV Co. would be de-recognized at their carrying amounts. Amounts recognized in other comprehensive income would be transferred directly to retained earnings. If a retained interest remained after the loss of control, it would be recognized at its fair value on the date of loss of control. Although the Company controls Waterberg JV Co. it does not have omnipotent knowledge of Mnombo's other shareholders' activities. 50.10% of Mnombo's shareholders are historically disadvantaged South Africans.

11. APPLICATION OF NEW AND REVISED IFRS

Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

Together, these two amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. They also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion and adds new disclosures for certain instruments with contractual terms that can change cash flows.

This amendment is effective for fiscal 2027 and the Company has considered the amendment and assessed that it will have no material impact on adoption.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. The new standard introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing, and financing, and by specifying certain defined totals and subtotals. IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. Further, IFRS 18 also provides additional guidance on principals of aggregation and disaggregation which apply to the primary financial statements and notes. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027 (fiscal 2028 for PTM), including for interim financial statements, with retrospective application required and early adoption is permitted. The Company is currently assessing the impact that IFRS 18 will have on its financial statements when adopted.

12. OTHER INFORMATION

Additional information relating to the Company for the year ended August 31, 2026, may be found on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Readers are encouraged to review the Company's audited financial statements for the year ended August 31, 2026, together with the notes thereto as well as the Company's 2026 40-F and separate 2026 AIF filed in Canada.

13. LIST OF DIRECTORS AND OFFICERS

Directors		Officers
Diana Walters	Stuart Harshaw	Frank R. Hallam (President & CEO)
Frank R. Hallam	John Copelyn	Greg Blair (CFO)
Timothy Marlow	Mpho Makwana	Kris Begic (VP, Corporate Development)
		Mimy Fernandez-Maldonado (Corporate Secretary)

CERTIFICATION
REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a)

I, Frank R. Hallam, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

November 24, 2026

/s/ Frank R. Hallam
Frank R. Hallam
President, Chief Executive Officer and Director

CERTIFICATION
REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a)

I, Gregory Blair, certify that:

1. I have reviewed this annual report on Form 40-F of Platinum Group Metals Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

November 24, 2026

/s/ Gregory Blair
Gregory Blair
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 40-F of Platinum Group Metals Ltd. (the "Company") for the period ended August 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank R. Hallam, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Frank R. Hallam
Frank R. Hallam
President, Chief Executive Officer and Director
November 24, 2026

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 40-F of Platinum Group Metals Ltd. (the "Company") for the period ended August 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory Blair, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gregory Blair
Gregory Blair
Chief Financial Officer
November 24, 2026

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended August 31, 2026 of Platinum Group Metals Ltd. of our report dated November 24, 2026, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in Exhibit 99.2 to this Annual Report on Form 40-F.

We also consent to the incorporation by reference in the Registration Statements on Form F-10/A (No. 333-282924) of Platinum Group Metals Ltd. of our report dated November 24, 2026 referred to above.

We also consent to reference to us under the heading "Independent Auditor" in the Annual Information Form, filed as Exhibit 99.1 to this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statement.

/s/PricewaterhouseCoopers LLP
Chartered Professional Accountants
Vancouver, Canada

November 24, 2026

CONSENT OF EXPERT

The undersigned hereby consents to the inclusion in the Annual Report on Form 40-F and the documents incorporated by reference therein ("Annual Report") of Platinum Group Metals Ltd. (the "Company") for the year ended August 31, 2026 of references to, and the information derived from, the report titled "Waterberg Definitive Feasibility Study Update" dated October 9, 2024, with an effective date of resources and reserves of August 31, 2024, and to the references, as applicable, to the undersigned's name included in or incorporated by reference with respect to the disclosure of technical and scientific information contained in the Annual Report (the "Technical Information"). The undersigned further consents to the incorporation by reference in the Company's Registration Statement on Form F-10 (No. 333-282924), as amended and supplemented, filed with the United States Securities and Exchange Commission, of the references to the undersigned's name and the Technical Information in the Annual Report.

/s/ Charles J. Muller
Charles J. Muller
November 24, 2026

CONSENT OF EXPERT

The undersigned hereby consents to the inclusion in the Annual Report on Form 40-F and the documents incorporated by reference therein ("Annual Report") of Platinum Group Metals Ltd. (the "Company") for the year ended August 31, 2026 of references to, and the information derived from, the report titled "Waterberg Definitive Feasibility Study Update" dated October 9, 2024, with an effective date of resources and reserves of August 31, 2024, and to the references, as applicable, to the undersigned's name included in or incorporated by reference with respect to the disclosure of technical and scientific information contained in the Annual Report (the "Technical Information"). The undersigned further consents to the incorporation by reference in the Company's Registration Statement on Form F-10 (No. 333-282924), as amended and supplemented, filed with the United States Securities and Exchange Commission, of the references to the undersigned's name and the Technical Information in the Annual Report.

/s/ Gordon I. Cunningham
Gordon I. Cunningham
November 24, 2026

CONSENT OF EXPERT

The undersigned hereby consents to the inclusion in the Annual Report on Form 40-F and the documents incorporated by reference therein "Annual Report") of Platinum Group Metals Ltd. (the "Company") for the year ended August 31, 2026 of references to, and the information derived from, the report titled "Waterberg Definitive Feasibility Study Update" dated October 9, 2024, with an effective date of resources and reserves of August 31, 2024, and to the references, as applicable, to the undersigned's name included in or incorporated by reference with respect to the disclosure of technical and scientific information contained in the Annual Report (the "Technical Information"). The undersigned further consents to the incorporation by reference in the Company's Registration Statement on Form F-10 (No. 333-282924), as amended and supplemented, filed with the United States Securities and Exchange Commission, of the references to the undersigned's name and the Technical Information in the Annual Report.

/s/ Michael Murphy
Michael Murphy
November 24, 2026

CONSENT OF EXPERT

The undersigned hereby consents to the inclusion in the Annual Report on Form 40-F and the documents incorporated by reference therein ("Annual Report") of Platinum Group Metals Ltd. (the "Company") for the year ended August 31, 2026 of references to, and the information derived from, him as an independent qualified person (the "Technical Information"). The undersigned further consents to the incorporation by reference in the Company's Registration Statement on Form F-10 (No. 333-282924), as amended and supplemented, filed with the United States Securities and Exchange Commission, of the references to the undersigned's name and the Technical Information in the Annual Report.

/s/ Robert van Egmond
Robert van Egmond, P.Geo.
November 24, 2026