

Group Ten Metals Inc. (TSXV:PGE, US OTCQB: PGEZF) – Exploring for Strategic Metals Next to the Largest PGM Miner in the U.S.



Investment Highlights

- **Group Ten Metals (TSX-V: PGE, US OTCQB: PGEZF)** (“PGE”, or “Company”) is a junior mining company with a focus on battery metals, platinum group metals (“PGMs”), and gold. The Company owns three district-scale projects 100% in its exploration portfolio, with a focus on its flagship asset in the Stillwater district of Montana, USA.
- **Adjacent to North America’s Largest PGM Mines:** PGE’s Stillwater West project adjoins the Stillwater and East Boulder mines, operated by Sibanye-Stillwater Ltd (NYSE: SBSW, JSE: SSW) the only major PGM producer in the U.S. and the highest grade major PGM deposit in the world. The Stillwater and East Boulder mines together produced 593,974 oz 2E PGM in 2019 at an AISC of US\$784 per oz from the J-M Reef deposit.
- **2020 Exploration Campaign:** PGE recently completed its 2020 drilling program with a focus on the most advanced prospects at Stillwater West with the intention of expanding drill-defined “Platreef-style” bulk tonnage PGM-Ni-Cu-Co mineralization and advancing these areas to maiden resources in 2021.
- **Well Financed for Planned Exploration:** PGE recently raised \$4.5 million in a private placement that shores up cash reserves for the next phase of exploration.
- **Based on our analysis and valuation models, we are initiating coverage with a BUY rating and a fair value per share estimate of \$0.48 per share.**

Current Price (C\$):	\$ 0.39
Fair Value (C\$):	\$ 0.48
Projected Upside:	22.69%
Action Rating:	BUY
Perceived Risk:	VERY HIGH

Shares Outstanding:	145,012,036
Market Capitalization (C\$):	\$ 56,554,694
P/E	-
P/B	7.57
YoY Return	130.00%
YoY TSXV Return	56.69%

*Note all \$ amount are C\$ unless otherwise stated.

Key Financial Data (FYE - Sept 30)			
(C\$)	2019		Q2-2020
Cash	\$	2,261,726	\$ 3,929,363
Working Capital	\$	2,893,221	\$ 4,499,505
Mineral Assets	\$	2,498,097	\$ 2,969,244
Total Assets	\$	5,646,879	\$ 8,307,121
Net Income (Loss) for the 6M	\$	(1,791,489)	\$ (3,369,632)
EPS for the 6M	\$	(0.03)	\$ (0.03)

January 11th, 2021

Group Ten Metals (TSX-V: PGE, US OTCQB: PGEZF) is a battery metals, Platinum Group Metal (“PGM”), and gold explorer advancing its Stillwater West project, a mineral property in the State of Montana that is prospective for PGMs, gold, and key battery metals including nickel, copper, and cobalt. Group Ten’s drill results, and a substantial project database that totals over 31,000 meters of drill data, confirms that Stillwater West shares characteristics with the geologically similar lower Bushveld Complex in South Africa, while Sibanye-Stillwater’s J-M Reef deposit shares many similarities with the upper Bushveld Complex deposits.

The productive mines of the Bushveld Complex fall into two distinct types: narrow “reef-style” deposits which require labor-intensive, selective mining methods, and the bulk tonnage deposits of the Platreef deposits. Most of the world’s platinum and rhodium has historically been produced from narrow, higher-grade “reef” deposits in the Bushveld complex. In the 1970s, driven by the need for US-sourced platinum and palladium for use in automobiles and armed with known similarities between the Bushveld and Stillwater complexes, the J-M Reef deposit was discovered at a comparable level in the layered stratigraphy as the Merensky Reef at the Bushveld. The first Stillwater PGM mine was commissioned on that deposit in 1986 and has since produced more than 14 million ounces of platinum and palladium.

In the 1990s exploration in the Bushveld Complex led to the discovery and development of bulk-tonnage style PGM deposits with wide intervals of mineralization in the lower stratigraphy of the complex, below the reef deposits. These giant nickel-copper-PGM mines include Anglo American’s Mogalakwena mines, Ivanhoe’s Platreef mine, and Platinum Group Metals’ Waterberg project. This district, known as the “Platreef” or Northern limb of the Bushveld, now hosts more than 400 Moz of PGMs and gold, plus 10s of billions of pounds of nickel and copper, in deposits that are amenable to bulk mining methods, placing them among the most profitable and long-lasting mines in the world.

Group Ten’s exploration has identified multiple “Platreef-style” horizons along a 25 km long section lower Stillwater Complex stratigraphy that is comparable to the lower Bushveld Complex. The Stillwater and East Boulder mines approximately 500 meters above Group Ten are the highest-grade major PGM mines in the world and demonstrate the tenor and endowment of PGM metal in the world class Stillwater complex at grades of more than 16 g/t Pd+Pt and containing nearly 100 Moz. The Sibanye-Stillwater mines on the J-M reef are the only PGM mines in the US, the dominant PGM source in North America, and the largest outside of Africa and Russia.

Based on our analysis of the company’s activities, we believe that the Stillwater West project is likely to be the main value driver for the Company in the near-to-medium term, and that other assets in PGE’s portfolio are non-core though show significant potential for partnership and longer-term value realization. As such, we will focus primarily on Stillwater West in this initiating report. With the Stillwater West flagship project being accelerated towards maiden resources with the recently completed exploration campaign, PGE offers investors exposure to a mineral group that is

underexplored, despite the strong market fundamentals driving longer-term demand for PGMs and battery metals. In addition, the project's strategic location in a producing U.S. mining district that includes a smelter and refinery complex is expected to be beneficial at a time when the US has listed five of the Company's target commodities as 'critical' with a view to securing domestic supplies.

The Stillwater West Project

Located in the PGM-rich Stillwater District within the State of Montana, the Stillwater West property consists of 54 square kilometers of mining claims. The company entered into an agreement to acquire 100% of the project in 2017, with an equity earn-in as outlined in the table below. In June 2020, PGE satisfied all conditions and wholly owns the Stillwater West project, subject to a 2% NSR with a 1% buy-down provision and annual advanced royalty payments.

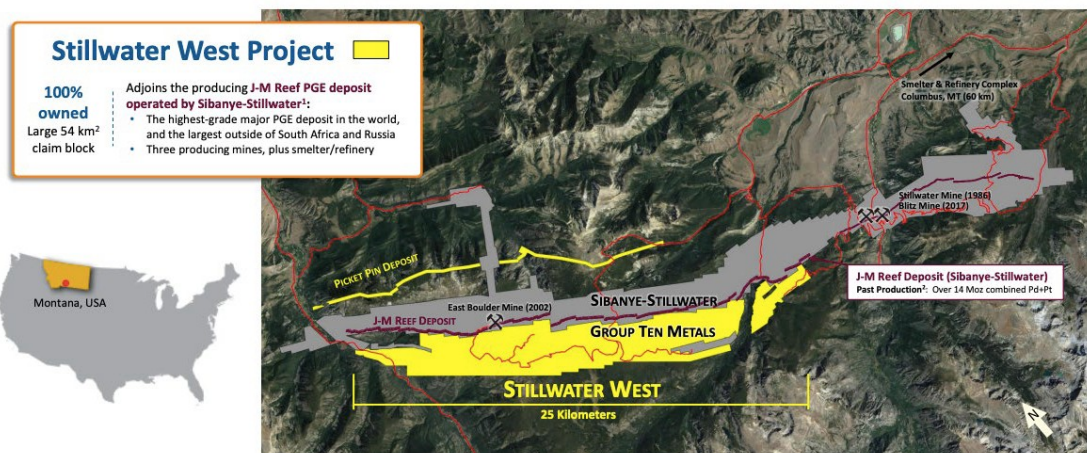
Stillwater West Earn-In Agreement

1. issue a total of 3.6 million shares of the Company starting with 900,000 shares within ten days of regulatory approval and 900,000 shares on or before May 31 of each of 2018, 2019, and 2020;
2. complete \$40,000 in cash payments with \$20,000 on or before each of May 31, 2018 and 2019;
3. make advance royalty payments until commencement of commercial production of \$15,000 within ten days of exchange approval, \$30,000 on or before May 31, 2018, and \$50,000 on or before May 31, 2019 and annually thereafter; and
4. execute a work contract for a minimum of \$50,000 per year for the duration of the option agreement for technical and management work.

Source: Company

The Stillwater West project is situated adjacent to the Stillwater and East Boulder underground mines owned and operated by Sibanye-Stillwater, which together produced 593,974 oz 2E PGM in 2019 at an AISC of US\$784 per oz. In addition to being in close proximity to Sibanye-Stillwater's producing mines, Stillwater West is also about 60 km away from Sibanye-Stillwater's Columbus Metallurgical Complex, a PGM and base metals smelting and refinery facility that could feasibly service Stillwater West in the future should it reach the production stage.

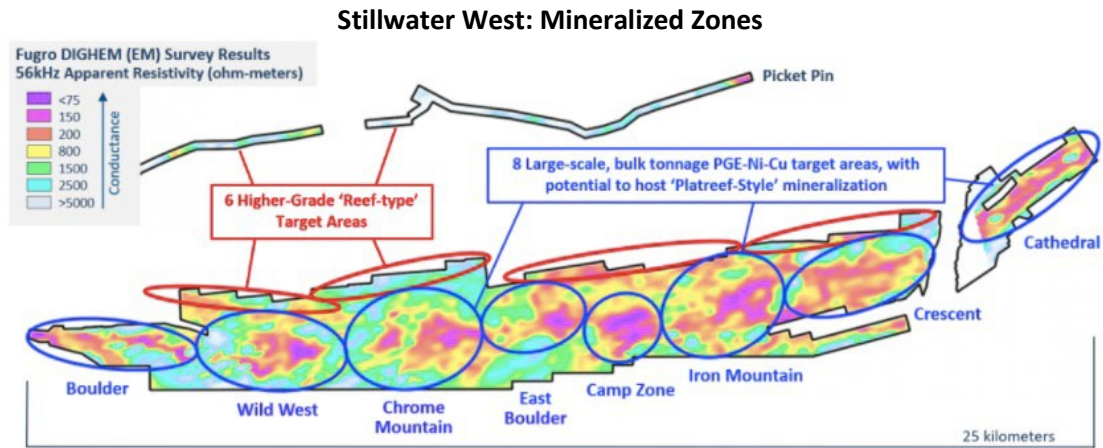
The Stillwater West Property



Source: Company

The Stillwater West project is prospective for PGM-nickel-copper-cobalt and gold mineralization found in nickel-copper sulphides, hosted in both Platreef-style and reef-type deposits. Both these deposit styles are discussed further in the mineralization and geology section of this report. A total of 14 multi-kilometer-scale mineralized exploration target areas have been identified to date, across a 25km strike length. Eight of these zones are prospective for Platreef-style deposits, whilst the other six have potential to host reef-type deposits that are geologically similar to the J-M Reef deposit, now being mined at the Stillwater and East Boulder Mines. To date, PGE has focused mainly on the Platreef-style deposit potential on the lower portion of the Stillwater West Property, based on the Company's drill results, an extensive database, and known similarities with South Africa's Bushveld complex. The value of the database cannot be understated here as the Company's systematic approach in bringing together past surveys (geophysical, geochemical, and geological), plus data from over 28,000 meters of past drill data have allowed Group Ten to move quickly in advancing drill-defined mineralized zones based on these new exploration targets towards maiden resources in the three most advanced areas. In addition, PGE's modeling work demonstrates several untested anomalies adjacent to known mineralization highlighting the potential for significant expansion of defined mineralization.

The Platreef deposit model is attractive because of its amenability to bulk tonnage extraction methods, which typically carry a lower CAPEX and operating cost per tonne, and because it offers a 'commodity basket' that is balanced between battery and platinum group metals, while also including gold. Production at the Platreef district in South Africa on the northern limb of the Bushveld complex has been dominated by Anglo American's giant Mogalakwena mines. In production since 1993, it is ranked among the most profitable and long-lived mines in the industry, producing platinum at below \$300 per ounce from bulk mineable nickel and copper sulphide ore, enriched in platinum, palladium, other PGMs, and gold. Ivanhoe's adjacent Platreef mine has similar projections and will soon be in production using underground bulk mining methods. Platinum Group Metals' Waterberg project rounds out the Platreef district, bringing the district total to more than 400Moz combined PGMs plus gold, and over 10 billion pounds of nickel and copper. Group Ten's work at Stillwater West has confirmed the "Platreef-in-Montana" deposit model with the delineation of multiple Platreef-style horizons along the 25-kilometer-long property.



Source: Company

In terms of accessibility, the Stillwater West property benefits from the existing regional infrastructure in place because of active mining operations by Sibanye-Stillwater and from past exploration and mining activity on Group Ten's ground. Local access to the property is generally from the north onto roads cut by past exploration and mining activities on the project, although access from the west and east are also relevant to some project areas.

Primary access is from the north via Montana State highways south of Interstate 90. The property is west of the city of Billings, which is the largest population center in Montana with a population more than 100,000. Billings is serviced by both an international and municipal airport, with the Laurel Municipal Airport having three runways that exclusively services private general aviation craft. Grid power is available to the general area as a result of the Stillwater and East Boulder Mines operating in the region. The district hosts a number of resource industry operations including several oil refineries in Billings, and Sibanye-Stillwater's smelting facility and base metal refinery smelter located in Columbus Montana, halfway between Billings and their mines adjacent to the Stillwater West project.

In terms of climate and geography, the property area is situated within an interior continental climate region that exhibits warm summers and cold winters with semi-arid precipitation of approximately 14 inches (36 cm) annually in Billings. Sibanye's mining operations proceed year-round. Higher elevations associated with the Stillwater Complex within the Beartooth Mountains see cooler temperatures and higher precipitation but are typical of the Rocky Mountain region. The average temperature and precipitation for the Billings area is provided in the below table.

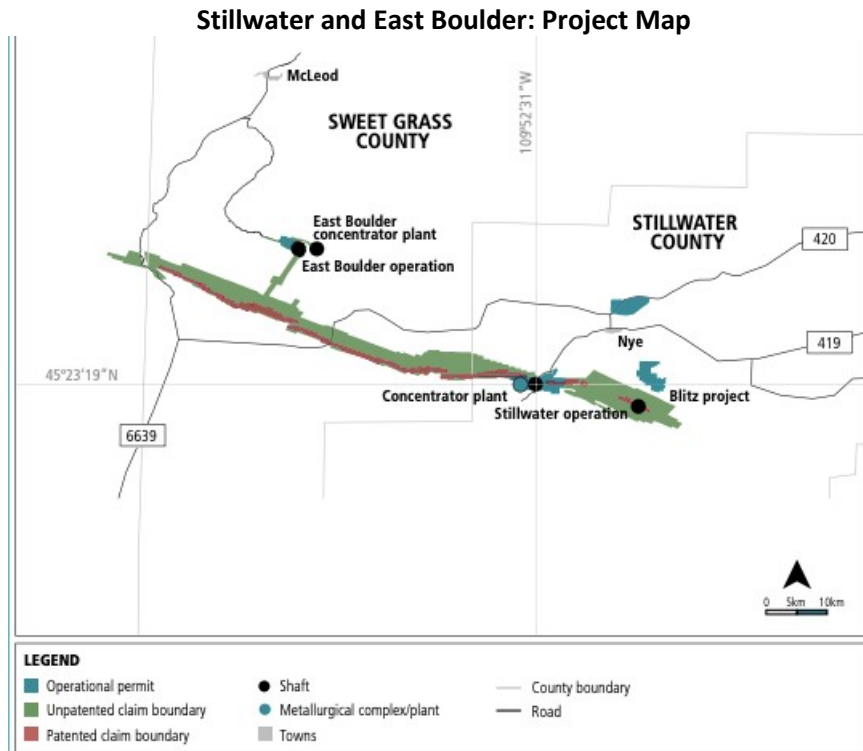
Billings, Montana Climate

TABLE 7.1 BILLINGS, MONTANA CLIMATE			
	Average Temperature Low (°F)	Average Temperature High (°F)	Precipitation (inches)
January	13	37	0.62
February	18	44	0.49
March	25	53	0.87
April	34	63	1.55
May	43	72	2.39
June	51	81	1.98
July	56	88	1.19
August	55	88	0.92
September	45	77	1.42
October	35	65	1.32
November	24	48	0.64
December	16	39	0.57
Annual	35	63	13.96

Source: Sibanye-Stillwater Ltd.

Sibanye-Stillwater's Adjacent Project

An important feature of PGE's property is its proximity to the Stillwater and East Boulder operations run by Sibanye-Stillwater. The Sibanye-Stillwater-owned deposit start at surface with mining extending as deep as 2 km along the J-M Reef horizons. The operations comprise shallow to intermediate depth underground PGM mines that were acquired by Sibanye in 2017 when it acquired Stillwater Mining Co. in a US\$2.2 billion transaction – the largest PGM-focused mining acquisition globally in over a decade. Both the Stillwater and East Boulder mines feed ore from the prolific J-M Reef deposit, which is the highest-grade major PGM deposit in the world, the largest PGM deposit outside of Africa and Russia by a wide margin, and the only significant source of PGMs in the U.S.



Source: Sibanye-Stillwater Ltd.

The Stillwater Mine has been in production since 1986 and comprises both the original mining section (annual production run rate of 380,000 oz Pt and Pd) as well as the Blitz Expansion section, which is currently producing 75,000 oz Pt and Pd and is expected to scale up to an incremental 300,000 oz Pt and Pd. The East Boulder Mine has operated since 2002 and currently produces an average of 230,000 oz Pt and Pd in concentrate, with Sibanye-Stillwater attempting to bring up production capacity to 275,000 oz Pt and Pd via the development of additional ramp system capacity. The current split between platinum and palladium concentrate production from Sibanye-Stillwater's U.S. PGM operations is estimated at 78% palladium and 22% platinum. The mines also produce lesser amounts of nickel, copper, gold, and other commodities.

Key features of the Stillwater and East Boulder Mines' economics are summarized in the table below:

Stillwater and East Boulder: Mine Economics

	Stillwater	East Boulder	Total
2E PGM Production Capacity (Oz):	455,000	230,000	685,000
Processing Capacity (tpd):	3,100	1,800	4,900
Recovery Factor (%):	92.20%	90.80%	
Projected End of Life:	2046	2054	
2P 2E PGM Reserves (Oz):	16,716,000	10,167,000	26,883,000
M&I 2E PGM Resources (Oz):	21,492,000	14,255,000	35,747,000
Inferred 2E PGM Resources (Oz):	26,706,000	18,621,000	45,327,000
2020 Planned Drilling (Meters):	213,500	57,600	271,100
2020 Drilling Spend (ZAR):	150,700,000	26,300,000	177,000,000
2020 ZAR per Meter:	705.85	456.60	652.90
2019 Drilling (Meters):	200,906	44,764	245,670
2019 Drilling Spend (ZAR):	140,600,000	18,800,000	159,400,000
2019 ZAR per Meter:	699.83	419.98	648.84

Source: Sibanye-Stillwater Ltd., Couloir capital

The company's proximity to the Stillwater and East Boulder Mines within an established mining district offers a number of potential significant benefits. First is that its land package shares a common geologic setting within the Stillwater Igneous Complex – a truly world-class magmatic system - with Sibanye-Stillwater, one of the largest and highest-grade PGM deposits in the world. This speaks to the amount of metal hosted in the Stillwater complex, and the potential for the adjacent Stillwater West property to share those metal-rich geological features for both reef-type and Platreef-type deposits. Drilling by PGE has already intercepted some of the widest mineralization in the district with more contained metal on a grade-thickness basis than its famous neighbour. These intercepts demonstrate the potential for bulk tonnage systems utilizing the Platreef deposit model and speaks to the metal-rich nature of the Stillwater complex and the potential of Stillwater West.

In addition to the highly prospective geology of the Stillwater West project, the existing mining infrastructure may result in dramatically reduced capital costs and the ability to fast track discoveries through development. This combination of highly prospective geology setting including the successful confirmation of the Platreef model and meeting key milestones such as the development of resources within a brownfields mining district makes the Stillwater West project a potential takeout candidate. There is obvious synergy with Sibanye-Stillwater in this regard, especially in light of their stated interest in further US acquisitions including possible diversification into battery metals. Aside from Sibanye-Stillwater, other majors may be attracted to the 'mining-friendly' nature of the district and the potential to build upon existing infrastructure and good will established by the Stillwater mines in the region.

History of the Stillwater Complex

The Stillwater Complex has been known to contain copper, nickel, and chromium since at least 1883, when prospectors first identified anomalous mineralization. The district was first geologically mapped in the 1930s by Princeton University geologists, who acknowledged that the Stillwater Igneous Complex shared geological similarities with the Bushveld Igneous Complex, pointing to the prospect of Merensky Reef-type PGM mineralization. Chromite was mined during World War II and processed at a plant at the site of the current Stillwater Mine surface facilities. Exploration in the 1950s included drilling within the iron formations which form part of the basement rocks at Stillwater, and exploration in the 1960s and 1970s by AMAX and Anaconda Minerals targeted nickel and copper sulphide mineralization in the lower part of the Stillwater Complex. Whilst PGM-bearing sulphides were first discovered in the early 1930s, significant exploration for PGMs did not start until the 1960s, when two separate groups, the Johns-Manville Corporation and Anaconda began exploration for them. In 1973, Johns-Manville geologists discovered the J-M Reef deposit. In 1977, Anaconda initiated surface exploration on the eastern part of the J-M Reef before establishing the Minneapolis Adit between 1979 and 1981. In 1983, the Stillwater Mining Company, a partnership of Chevron Resources Company, the Manville Corporation, and Anaconda Minerals Company, was formed to continue exploration along the J-M Reef from both the surface and underground at the Minneapolis Adit. Commercial

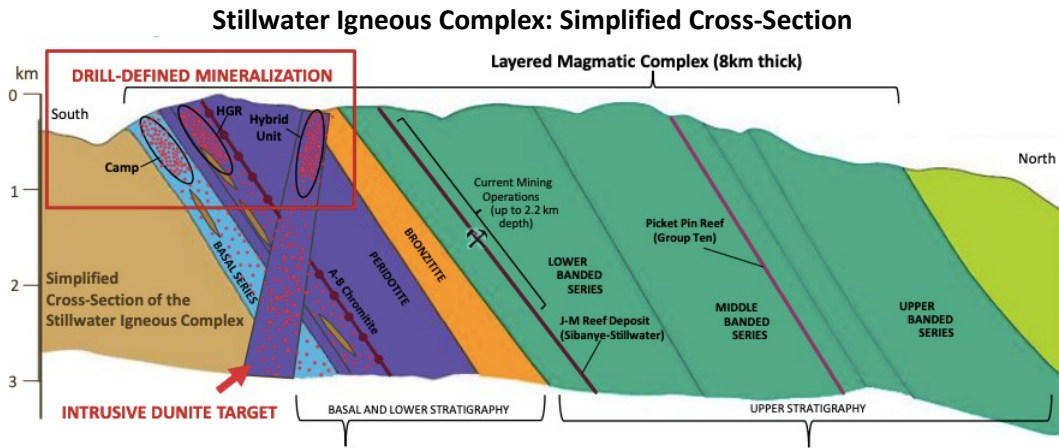
underground mining at the Stillwater Mine began in 1986. In 2017, Sibanye Gold Ltd. completed acquisition of Stillwater Mining Company for US\$2.2 billion and became Sibanye Stillwater Ltd.

Geology & Mineralization

The Stillwater Complex, which is in the northern Beartooth Mountains of southern Montana, is a large, layered igneous intrusive system. The Stillwater Complex is subdivided into three major series: from bottom to top, these are the Basal Series, the Ultramafic Series, and the Banded Series. Each series is subdivided into distinctive stratigraphic units (i.e. the Lower Banded Series, Middle Banded Series, and Upper Banded Series). The J-M Reef deposit, which underpins Sibanye-Stillwater's Stillwater and East Boulder Mines, sits in the Lower Banded Series.

The J-M Reef is a PGM stratiform magmatic reef type deposit, which is geologically similar to the Merensky Reef of the Bushveld Igneous Complex in South Africa, which hosts most of the world's known PGM reserves. Both deposits are hosted by mafic / ultramafic-layered intrusives that are considered to have similar geological origins. The PGM mineralization at the J-M Reef occurs in association with a relatively thin horizon of copper-nickel sulphides. The PGM concentration is believed to be the result of magmatic processes that created immiscible sulphide droplets that interacted with the magma, concentrating PGMs along with copper, nickel and iron into a high-grade zone comprising the J-M Reef. The J-M Reef shows a high degree of variability in grades and thickness, and has PGM grades that are significantly higher than the Merensky Reef. The J-M Reef thickness typically ranges from 0.9 meters to 2.7 meters, averaging 1.8 meters. In the extreme, keel-shaped zones can form that transgress the footwall mafic rocks, commonly reaching thicknesses of 6 meters and greater. There is no correlation of thickness to grade, so as these sulphide zones thicken, they can maintain grade and become an important source of metal.

Palladium and platinum are the main PGMs, with palladium being the more significant of the two. It is currently believed that the in situ Pd: Pt ratio is 3.4:1 to 3.6:1 within the J-M Reef. Other associated PGMs (rhodium, iridium, ruthenium, osmium) and gold also occur, though in low concentrations. The J-M Reef contains approximately 0.25-3% visible disseminated copper-nickel sulphide minerals, predominantly chalcopyrite, pyrrhotite, and pentlandite, with microscopic PGM minerals and platinum-iron alloys. Copper, nickel, gold and rhodium are by-products of production fed from the J-M Reef deposit.



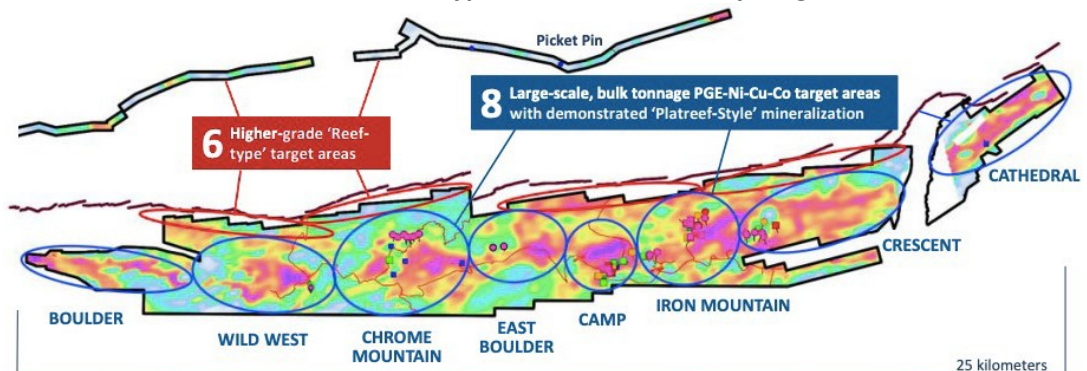
Source: Company

Based on our discussion above on the Stillwater District's geology as well as the property-specific geology of Stillwater West advised by the company, we believe that PGE's project is likely prospective for the following types of mineralization:

- **Platreef-style deposits:** These deposits are found lower in the layered stratigraphy comprising the Ultramafic Series and Basal Series. They are typically 10-200 meters thick, with nickel-copper sulphide mineralization enriched in PGMs (with by-products including gold). The deposits are typically most suited to bulk tonnage mining methods, such as block cave or open pit extraction.
- **Reef-type deposits:** Higher up in the layered stratigraphy within the Lower Banded Series, mineralization is typically narrow at 0.5-2 meters thick, with grades between 2-20 g/t 2E PGM in nickel-copper sulphide material. Due to their narrower geometries and extension to depth, reef-type deposits are typically suited to underground mining.

At PGE's Stillwater West Project, there are currently eight identified zones with Platreef-style mineralization, each measuring 2-4km long. In addition, six of the 14 target zones exhibit reef-type deposit characteristics, with these zones longer at between 3km and 8km.

Stillwater West: Platreef and Reef-Type Mineralization at Key Target Zones



PGE's Exploration Work at Stillwater West

Work by Group Ten began in 2017 after announcing acquisition of the Stillwater West project, with early field programs, compilation of the extensive project database, and the start of the first systematic exploration and modeling effort focused on Platreef-style bulk tonnage targets in the lower Stillwater complex.

Since that time, PGE has tripled its land position and launched successively larger exploration campaigns with exploration investment doubling in each of four exploration years to include modeling of drill-defined mineralization in five areas and drilling at the three most advanced target areas.

2018 marked PGE's first comprehensive field exploration campaign at Stillwater West with exploration initiatives including:

- Re-logging and re-assaying of select intervals of the more than 11,000 meters of available past drill core.
- The establishment of the first property-wide geologic database for modeling and target refinement.
- Development of a predictive geologic model to guide future exploration.
- Ground-based sampling, prospecting and mapping programs.
- 3D modeling of geophysical data.
- Prioritization of all targets across the project's 25km strike length.

Target prioritization divided the property's 25km strike length into 14 multi-kilometer target areas, identifying six with potential or demonstrated "reef-type" mineralization, and eight with potential or demonstrated "Platreef-style" mineralization. Five of the eight Platreef-style target areas have sufficient drill-defined mineralization to allow development of 3D block models for targeting and internal mineral inventory purposes, including one area with drill-defined high-grade gold mineralization.

As detailed below, PGE's strategy is to focus on advancing three of these areas to inferred resource status on a priority basis, while also working to expand mineralization in those areas and advancing earlier-stage targets as well.

Work in 2019 expanded upon past programs, adding:

- Commencement of the company's maiden core drilling program at the HGR and Camp target areas, being two of the three most advanced targets.
- Assaying of samples of historic drill core retained by the US Geological Survey.
- Geological sampling and mapping on less developed targets.
- Soil geochemistry survey on the western part of Stillwater West.
- Engaging GoldSpot Resources for application of their Artificial Intelligence and machine learning techniques to the exploration effort.

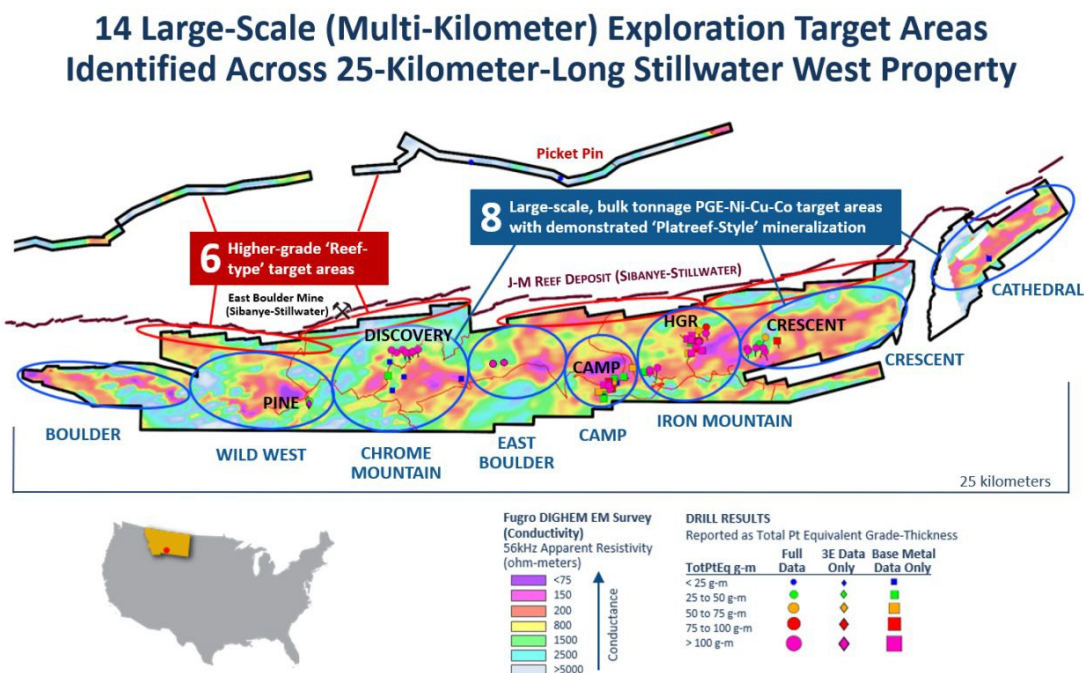
Work in 2020 built upon that base, including:

- Completion of a property-scale Induced Polarization (IP) geophysical survey, the largest ever completed in the Stillwater district, totalling over 77 line-kilometres and 33 km² with imaging to a depth of 800 meters.
- Drilling at Chrome Mountain, including the Discovery target area, the third of the three priority areas.
- Resource modelling at the Discovery, Camp, and HGR target areas, incorporating results from Group Ten's 2019 and 2020 campaigns and some of the more than 31,000 meters of total drill data across the project.
- Drill results are pending from the 2020 program.

Target Areas at Stillwater West

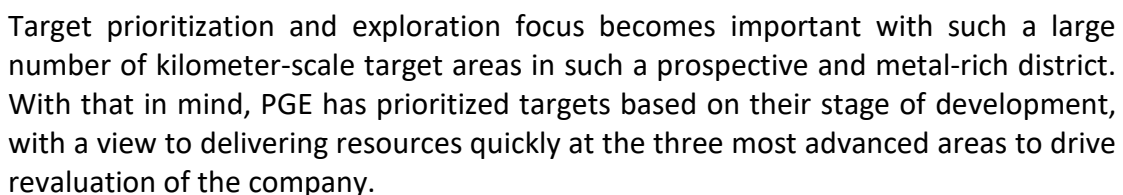
PGE's systematic approach has identified a total of 14 multi-kilometer-scale target areas along the approximate 25-km strike length of the property (see figure below). These 3- to 8-km-long target areas are defined by major high-level electro-magnetic conductors with broad coincident soil geochemical anomalies and are further corroborated by geological results, including drilling, in a majority of those areas.

The 14 target areas are further divided into eight 'Platreef-style' bulk tonnage PGE-Ni-Cu sulphide target areas (blue ellipses) and six 'Reef-type' higher-grade PGE target areas (red ellipses) including the Picket Pin PGE reef deposit:



The higher-grade 'Reef-type' PGE target areas (in red) occur both above and below Sibanye-Stillwater's J-M Reef deposit, which hosts a Measured and Indicated resource of 31 million ounces at a grade of 17.0 grams per tonne (g/t) Pt+Pd, plus an additional 49 million ounces at 16.6 g/t Pt+Pd in Inferred resources¹, plus past production of 14 million ounces at similar grades², as discussed above. Also as noted earlier, the J-M

PGE is focused on the eight 'Platreef-style' bulk tonnage PGE-Ni-Cu target areas (in blue) that occur within the ultramafic and basal part of the Stillwater Complex, being geologically comparable to the setting in the Bushveld Complex described above. These targets are highlighted by strong electro-magnetic conductive signatures that are characteristic of large bodies of massive to extensively disseminated sulphides and have overlapping highly elevated palladium, platinum, gold, nickel, copper, and chromium values in soils and rock sampling. More advanced target areas also have multiple drill holes that have intercepted significant levels of platinum, palladium and gold along with nickel, copper, cobalt, rhodium, vanadium and chromium over widths of 300 to 400 meters in thickness, starting from surface.



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anomalies. Mineralization is open to expansion at all three targets based on drilling to date with geophysical anomalies from airborne EM and ground-based IP indicating significant extension potential along trend and to depth.

The Pine target is a fourth, earlier-stage target with compelling high-grade gold, palladium, and nickel results, and drill-defined high-grade gold located within a recently identified gold-in-soil anomaly that is coincident with a large geophysical anomaly. Preliminary modeling of high-grade gold mineralization at the Pine target is demonstrating the potential for high-grade gold emplacement at Stillwater. Further work on this target area is anticipated in 2021.

The Crescent target area is a fifth earlier stage target, with drill-defined Platreef-style mineralization and known reef occurrences. PGE has completed preliminary compilation and modeling in this area and is planning to advance Crescent in 2021.

The remaining three target areas - Wild West, East Boulder, and Cathedral - have demonstrated extensive mineralization in soil sampling with limited rock and drill results, plus coincident airborne geophysical signatures. PGE is completing target development and early-stage programs in these areas with a view to further advancements in 2021.

The following provides more detail on the results to date and potential of each of the eight Platreef-style target areas, approximately following PGE's order of priority.

Chrome Mountain Advanced-Stage Target Area (Includes Discovery)

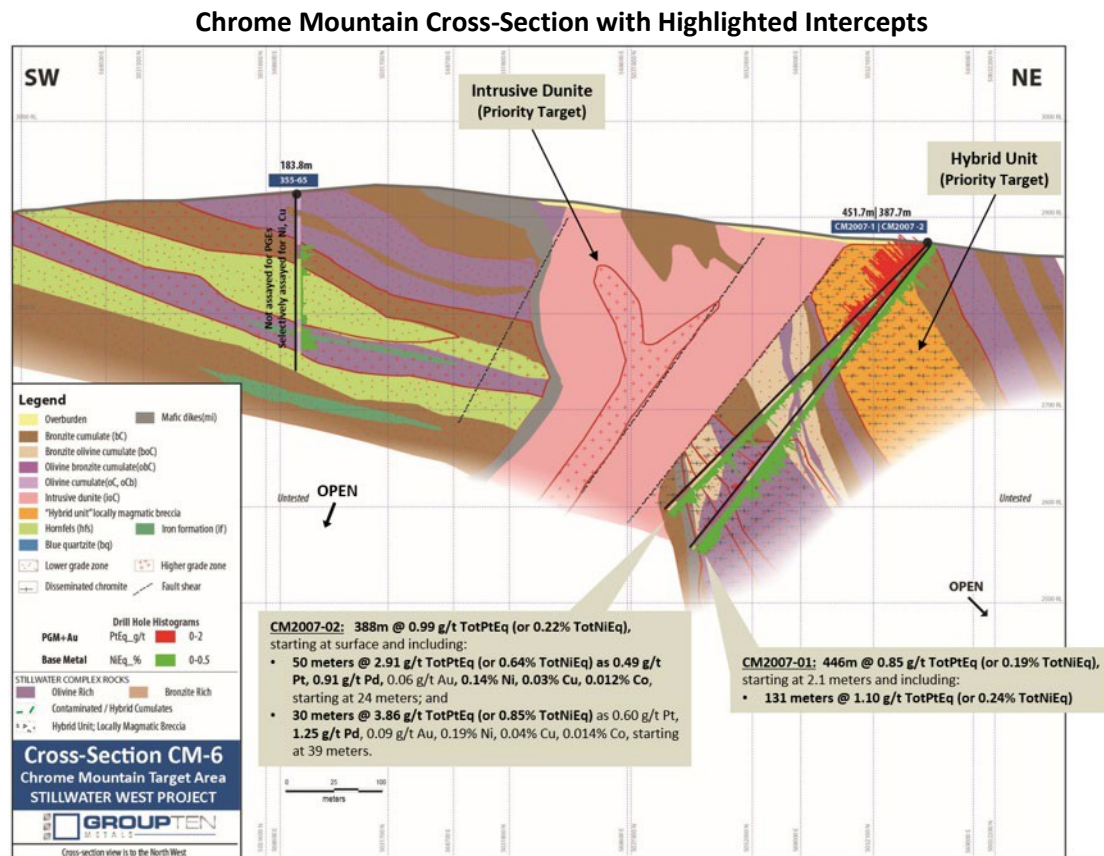
The Chrome Mountain target area covers approximately 2.9km by 2.3km and is defined by multi-kilometer-scale electromagnetic geophysical conductors that correspond with broad coincident soil and rock geochemical anomalies, and associated drill-defined PGM, nickel, copper and cobalt mineralization in the advanced Discovery area, with limited drilling elsewhere in the target area.

PGE drilled five holes at Chrome Mountain in 2020 (results are pending), adding to 31 holes drilled in the area in past campaigns. The company has been able to obtain most of the core samples drilled on the property since 2001 for re-logging and sampling to investigate PGM and base metals mineralization. This was especially meaningful at Chrome Mountain because the obtained core included ten holes in the Discovery target, plus other holes, greatly enhancing the company's modeling effort. Results confirmed the presence of Platreef-style mineralization with key intercepts returning 118 meters at 1.73 g/t Pt Eq., including 1 g/t 3E. In addition, 6 holes returned mineralized intercepts of over 200 meters in thickness over a strike length of 600 meters - ideal bulk tonnage conditions. Rock samples returning up to 16 g/t 3E in unexplored areas (or with limited exploration history) point to underexplored mineral potential at Chrome Mountain.

- **Re-Assayed hole CM-2007-02:** 388 meters of 1 g/t Pt Eq., or 0.22% Ni Eq., including 30 meters of 3.86 g/t Pt Eq., or 0.85% Ni Eq., starting at 39 meters.

- **Re-Assayed hole CM-2007-04:** 243 meters of 1.62 g/t Pt Eq., or 0.35% Ni Eq., starting at surface, and including 118 meters of 2.15 g/t Pt Eq., or 0.47% Ni Eq.
- **Re-Assayed hole CM-2007-07:** 226 meters of 1.58 g/t Pt Eq., or 0.34% Ni Eq., starting at surface, including 24 meters of 2.69 g/t Pt Eq., or 0.59% Ni Eq.
- **Re-Assayed hole CM-2007-08:** 210 meters of 1.64 g/t Pt Eq. or 0.36% Ni Eq. starting at surface, including 20 meters of 2.78 g/t Pt Eq. or 0.61% Ni Eq.

The cross section below highlights some of the drilling from the Discovery target within the Chrome Mountain advanced-target area.



Camp Advanced-Stage Target Area

Camp is one of the most advanced target areas with drilling by AMAX from the late 1960s and early 1970s that was focused on exploration for disseminated nickel and copper that is complemented by drilling campaigns in 2004, 2008, and 2019 which focused on PGM's along with nickel and copper mineralization. This body of work, plus geophysical and geochemical surveys, has allowed PGE to target PGM-enriched nickel sulphides in a similar fashion to the approach taken at the other more advanced areas, defining a 1.8km-long target which includes known mineralization between the East Boulder and Iron Mountain target areas.

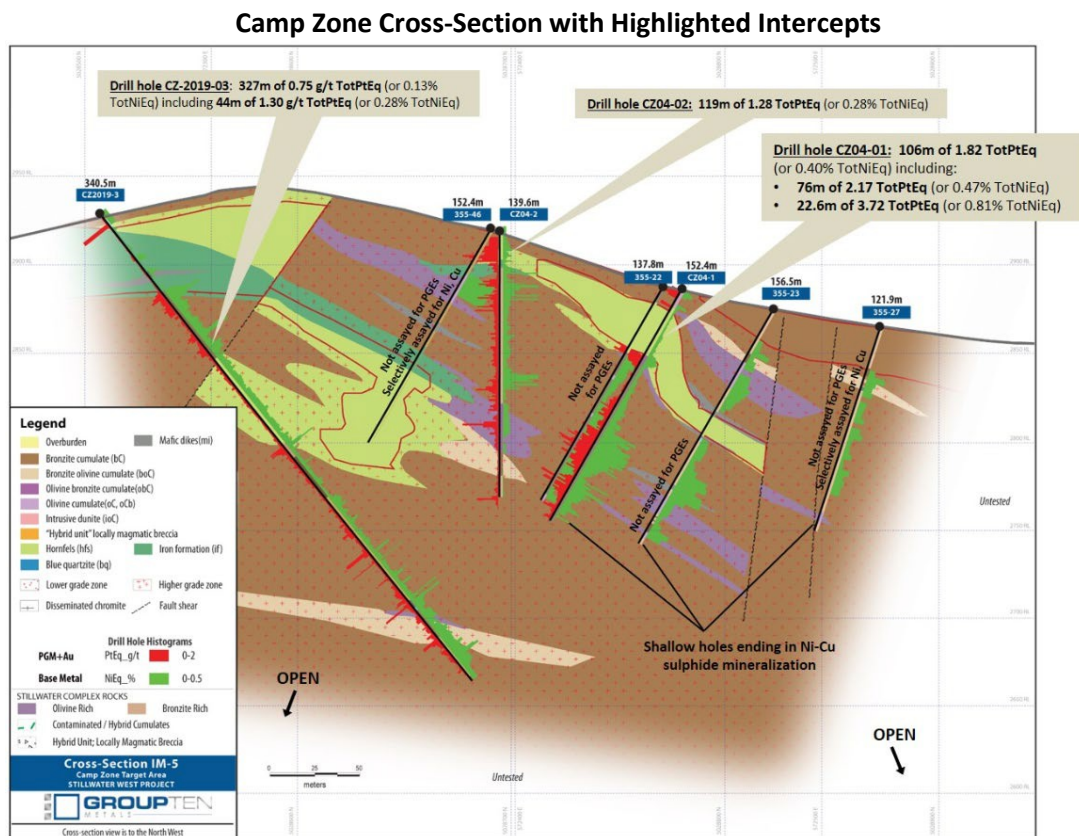
PGE's developing block model centers on a continuous zone of nickel-copper sulphide mineralization over approximately 1.5 kilometers strike and to depth of 400 meters from surface, where it remains open to expansion along strike and to depth. Drilling

to date demonstrates thick intervals of palladium and platinum enrichment along with nickel, copper and cobalt in sulphides, supporting the potential for Platreef-style deposits in the lower Stillwater Complex.

Drilling by AMAX includes hole 355-16 which returned 27.4 meters at 4.48 g/t Pt Eq. (or 1.09% Ni Eq.), and hole CZ04-1 (drilled in 2004 and re-assayed by PGE), which returned 83.5 meters at 1.57 g/t Eq. (or 0.38% Ni Eq.). Drilling by AMAX includes only selective assays for nickel and copper, with essentially no precious metal or other results.

Despite the multiple mineralized hits on historical drill intercepts, the company did note that the Camp target has seen limited historical drilling, largely to a depth of 150 meters or less. As a result, the full extent of mineralization at the Camp target is still a question, especially as mineralization appears to be open in all directions and the adjacent area has yet to be explored via soil sampling.

In addition, AMAX's work at the Camp target in the 1970s includes initial bench-scale metallurgical testing, with results that are very encouraging and demonstrate the potential for effective nickel and copper sulphide flotation along with recovery of a significant PGM component. PGE is now compiling this work and collecting samples to complete fresh studies.



Source: Company

At the Camp target, further re-assays and the analysis on PGE's own drill holes yielded thick intervals of Ni-Cu-PGM mineralization. These intercepts confirm that Camp target remains open in all directions. Results from ground-based IP surveys completed at 200 meter centers show correlation between grade and IP response with large untested anomalies in the Camp target area particularly at depth, where encountered grades were in-places much higher. We note the drilling intercepts at Camp target suggest a mix of wide intervals of bulk tonnage platereef style mineralization, with narrower intervals of significantly higher grade suggestive of reef-type mineralization.

Camp Zone Drilling and Re-Assay Highlights

HOLE ID	INTERVAL			PRECIOUS METALS				BASE METALS				TOTAL METAL EQUIVALENT		GRADE THICKNESS Grade x Width	
	From (m)	To (m)	Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	3E (g/t)	Ni (%)	Cu (%)	Co (%)	NiEq (%)	TotPtEq (Pt g/t)	TotNiEq (Ni %)	TotPtEq (gram-meter)	TotNiEq (%-meter)
CZ-2019-01	0.0	398.5	398.5	0.07	0.13	0.02	0.23	0.11	0.04	0.014	0.18	1.14	0.25	452.5	99.0
including	80.8	230.7	150.0	0.12	0.22	0.04	0.39	0.18	0.08	0.017	0.27	1.78	0.39	266.7	58.3
including	117.2	179.2	62.0	0.18	0.34	0.05	0.57	0.30	0.13	0.025	0.44	2.81	0.61	174.3	38.1
including	117.2	125.0	7.8	0.24	0.48	0.04	0.76	0.50	0.20	0.042	0.74	4.44	0.97	34.5	7.6
including	162.6	179.2	16.6	0.49	0.64	0.09	1.21	0.44	0.19	0.031	0.63	4.51	0.99	75.0	16.4
including	162.9	166.4	3.5	1.76	1.44	0.25	3.45	1.53	0.49	0.099	2.11	14.01	3.07	49.5	10.8
including	218.8	225.6	6.7	0.70	1.38	0.24	2.32	0.31	0.34	0.013	0.52	5.59	1.22	37.5	8.2
CZ-2019-03	5.8	332.8	327.1	0.03	0.06	0.02	0.11	0.08	0.03	0.010	0.13	0.75	0.16	245.3	53.7
including	58.8	103.0	44.2	0.05	0.10	0.02	0.17	0.14	0.06	0.017	0.23	1.30	0.28	57.5	12.6
including	265.8	325.5	59.7	0.05	0.11	0.02	0.18	0.12	0.04	0.013	0.18	1.06	0.23	63.6	13.9
IM-2008-01	3.0	121.9	118.9	0.09	0.14	0.08	0.31	0.15	0.05	0.015	0.22	1.45	0.32	172.5	37.7
including	7.0	62.2	55.2	0.16	0.28	0.16	0.59	0.26	0.09	0.021	0.37	2.54	0.56	140.2	30.7
including	7.6	24.7	17.1	0.16	0.23	0.14	0.53	0.35	0.14	0.027	0.51	3.08	0.67	52.5	11.5
including	27.7	53.6	25.9	0.18	0.37	0.20	0.75	0.27	0.09	0.019	0.38	2.82	0.62	73.1	16.0
including	31.4	43.0	11.6	0.21	0.30	0.29	0.80	0.38	0.10	0.024	0.51	3.45	0.76	40.0	8.7
CZ04-1	44.1	150.3	106.2	0.09	0.21	0.05	0.34	0.18	0.11	0.019	0.29	1.82	0.40	193.1	42.3
including	74.3	150.3	76.0	0.11	0.23	0.05	0.39	0.22	0.14	0.021	0.36	2.17	0.47	164.8	36.1
including	93.9	116.5	22.6	0.16	0.39	0.08	0.64	0.40	0.22	0.032	0.62	3.72	0.81	84.1	18.4
CZ04-2	0.0	118.6	118.6	0.05	0.17	0.04	0.26	0.12	0.07	0.013	0.20	1.28	0.28	151.6	33.2
including	5.0	44.5	39.5	0.06	0.24	0.06	0.36	0.12	0.08	0.013	0.21	1.47	0.32	58.3	12.8

Source: Company

Iron Mountain (includes HGR target) Advanced-Stage Target Area

The Iron mountain target area is the third advanced stage target and is located on the eastern side of Stillwater West covering 2.9km of strike. This area was targeted by AMAX in the 1970's for nickel and copper with a number of historical drill holes spread out through the zone. At Iron mountain, the company reported 46 historical holes, which upon re-assaying, saw 13 of these holes returning hits spanning more than 100 gram-meters of Pt Eq. Gram-meters is a measure of contained metal using the width of the mineralized intercept times its grade in grams per tonne. Intervals over 100 gram-meters are economically very significant and could result from 10 meters of 10 g/t or 100 meters of 1 g/t. On top of the fairly large percentage of historical holes returning strong grade-thickness measures, the widest mineralized intercept over 326

meters of continuous mineralization at 1.21 g/t TotPtEq or 394 g-m with a second drill hole returning 272 m at 1.90 g/t TotPtEq or 518 g-m. These holes represent the widest mineralized intercepts drilled in the Stillwater Complex. For context, the Sibanye-Stillwater feeder deposit in the J-M Reef averages a grade-thickness value of 34 gram-meters Pt and Pd. Within the larger Iron Mountain target zone, the HGR target is considered the most advanced sub-zone, with 21 holes returning over 25 gram-meters Pt Eq, and analysis by PGE suggests that Iron Mountain is open in all directions at depth.

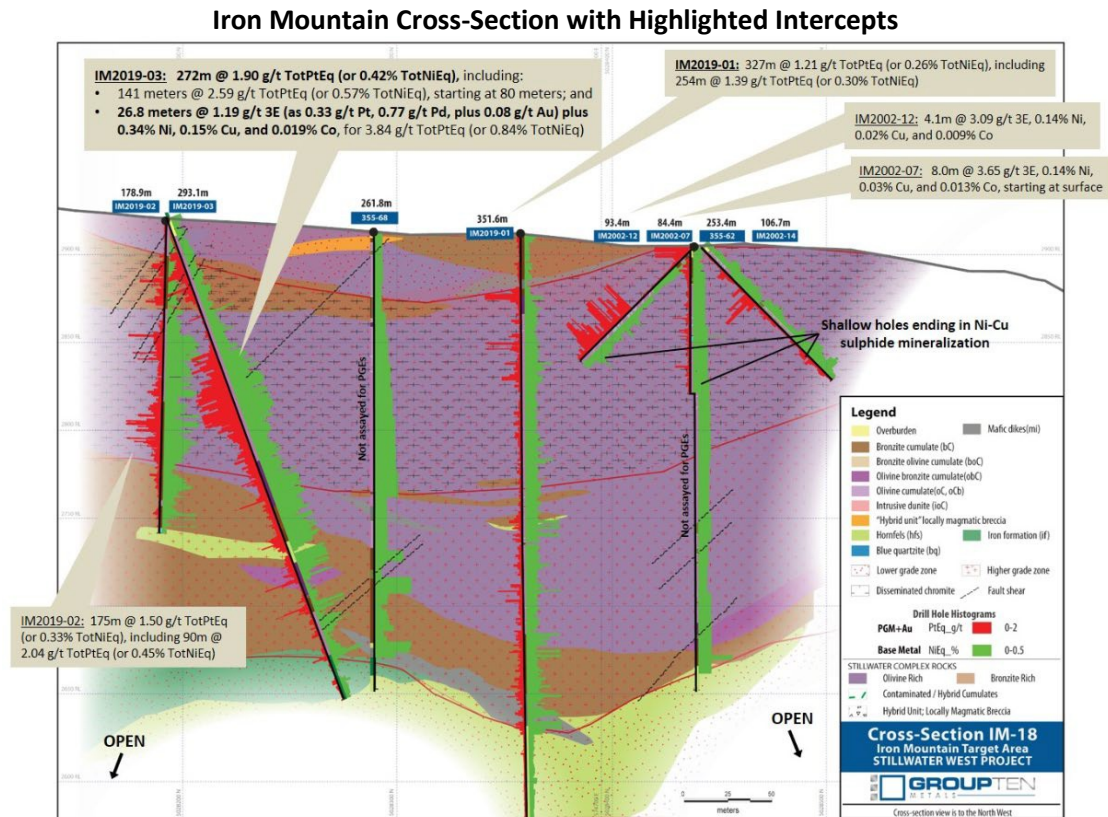


Figure 2 – CROSS SECTION IM-18 – IRON MOUNTAIN TARGET AREA, STILLWATER WEST PROJECT, MONTANA, USA

Total Platinum Equivalent (TotPtEq g/t) and Total Nickel Equivalent (TotNiEq %) calculations reflect total gross metal content using metals prices as follows (all USD): \$6.00/lb nickel (Ni), \$3.00/lb copper (Cu), \$20.00/lb cobalt (Co), \$900/oz platinum (Pt), \$1,400/oz palladium (Pd), and \$1,400/oz gold (Au). Values have not been adjusted to reflect metallurgical recoveries. Total metal equivalent values include both base and precious metals. Nickel equivalent values may be converted to copper equivalent values by multiplying the NiEq value by the price ratio of the two (ie times two per the above prices), such that 0.5% NiEq equates to 1.0% CuEq. Intervals are reported as drilled widths, and are believed to be representative of true widths.

HOLE ID	INTERVAL			PRECIOUS METALS				BASE METALS				TOTAL METAL EQUIVALENT		GRADE THICKNESS	
	From (m)	To (m)	Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	3E (g/t)	Ni (%)	Cu (%)	Co (%)	NiEq (%)	TotPtEq (Pt g/t)	TotNiEq (Ni %)	TotPtEq (gram-meter)	TotNiEq (%-meter)
IM2019-01	0.0	326.9	326.9	0.06	0.11	0.02	0.18	0.14	0.05	0.014	0.21	1.21	0.26	394.1	86.2
	including	31.0	284.7	253.7	0.07	0.13	0.02	0.31	0.16	0.06	0.015	0.24	1.39	353.4	77.3
	including	33.8	36.9	3.0	0.49	1.99	0.13	2.61	0.16	0.05	0.013	0.23	4.82	14.7	3.2
IM2019-02	0.0	175.1	175.1	0.07	0.13	0.05	0.25	0.16	0.09	0.014	0.25	1.50	0.33	262.4	57.4
	including	64.6	154.8	90.2	0.09	0.18	0.09	0.36	0.21	0.14	0.015	0.33	2.04	183.9	40.2
	including	115.2	118.3	3.0	0.24	0.44	0.67	1.35	0.51	0.17	0.015	0.64	4.91	15.0	3.3
IM2019-03	0.0	272.5	272.5	0.11	0.22	0.03	0.36	0.20	0.11	0.016	0.30	1.90	0.42	517.7	113.3
	including	79.9	220.7	140.8	0.16	0.34	0.05	0.55	0.26	0.16	0.018	0.40	2.59	364.3	79.7
	including	79.9	133.5	53.6	0.26	0.59	0.07	0.92	0.28	0.13	0.019	0.41	3.16	169.4	37.1
AND	including	94.5	121.3	26.8	0.33	0.77	0.08	1.19	0.34	0.15	0.019	0.48	3.84	103.0	22.5
	AND	140.8	215.8	75.0	0.09	0.18	0.04	0.31	0.25	0.20	0.017	0.41	2.31	173.3	37.9

Source: Company

In addition to this, PGE subsequently reported that a historical drill hole at HGR that was re-assayed for precious metals mineralization returned significant gold intercepts,

ranging all the way to 14.3 g/t Au for maximum PGM and gold mineralization of 19.06 g/t 3E.

High-Grade Gold Results in Drill Core at Iron Mountain

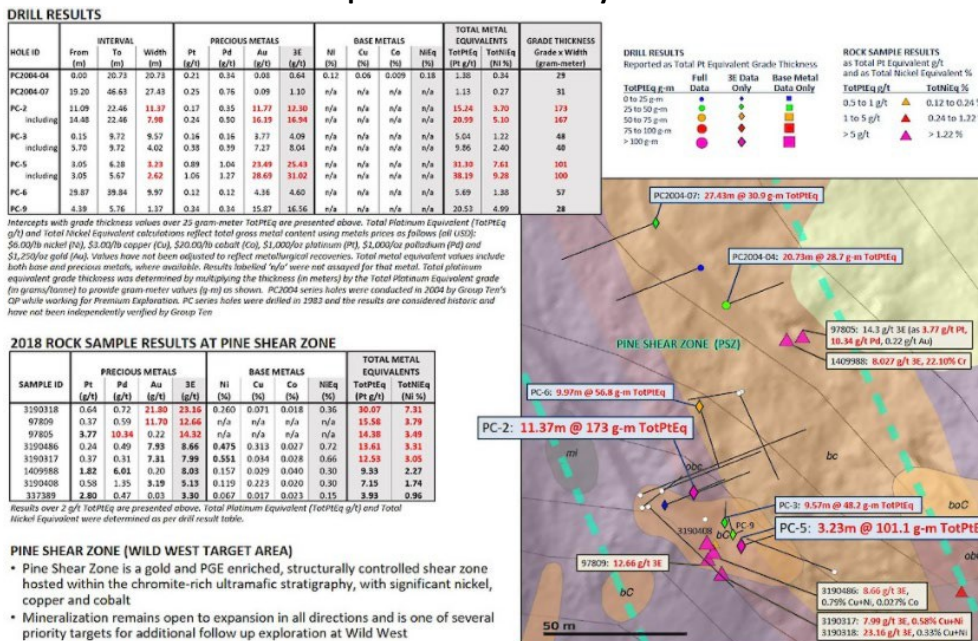
SAMPLE ID	PRECIOUS METALS				BASE METALS			GOLD SUITE/INDICATOR			
	Pt (g/t)	Pd (g/t)	Au (g/t)	3E (g/t)	Ni (%)	Cu (%)	Co (%)	As (%)	Bi (ppm)	Cr (%)	S (%)
355-71 (129.75m)	1.37	2.64	13.90	17.91	4.27	0.02	0.036	2.25	202	4.82	1.54
355-71 (129.91m)	1.28	2.33	8.41	12.02	3.04	0.10	0.033	1.65	148	3.11	1.17
355-71 (130.09m)	1.66	3.10	14.30	19.06	4.66	0.03	0.049	2.45	295	7.69	1.86

Source: Company

Wild West (includes Pine high-grade gold target) Early-Stage Target Area

The two west-most Platreef-style target areas, Wild West and Boulder cover an area of approximately 3.8km by 1.7km, with 22 historical drill holes targeted at a smaller mineralized zone within Wild West named the Pine target. Both historical drill intercepts and the company's rock sampling on the Pine target confirmed significant PGM, gold and base metals mineralization, with rock samples returning as high as 23.1 g/t 3E (Pt, Pd, and Au aggregated) and a highlighted intercept including 2.6 meters at 1.06 g/t Pt, 1.27 g/t Pd, 28.7 g/t Au, for 31.02 g/t 3E.

Wild West: Rock Sample and Drill Re-Assays on the Pine Shear Zone



Source: Company

Work at the Pine zone included completing re-assays, rock sampling and reconnaissance scale ground-based IP geophysics. Based on historical and previous PGE work, the Pine zone has been recognized as a high-grade gold and PGM area, with the mineralization associated with sheared, chromite-bearing ultramafic rocks. Similar mineralization was confirmed in the 2019 re-assay and sampling work, with thin intercepts of up to 31.02 g/t 3E encountered in historical drill holes and two rock

samples from the Pine Shear zone having gold grades higher than 10 g/t Au with PGM-equivalent grades higher than 15 g/t 3E. The rock samples were collected from rubble crop close to the historical drill hole sites.

Wild West Re-Assay and Sample Highlights

HOLE ID	INTERVAL			PRECIOUS METALS			
	From (m)	To (m)	Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	3E (g/t)
PC-2	11.09	22.46	11.37	0.17	0.35	11.77	12.30
including	14.48	22.46	7.98	0.24	0.50	16.19	16.94
PC-3	0.15	9.72	9.57	0.16	0.16	3.77	4.09
including	5.70	9.72	4.02	0.38	0.39	7.27	8.04
PC-5	3.05	6.28	3.23	0.89	1.04	23.49	25.43
including	3.05	5.67	2.62	1.06	1.27	28.69	31.02
PC-6	29.87	39.84	9.97	0.12	0.12	4.36	4.60
PC-9	4.39	5.76	1.37	0.34	0.34	15.87	16.56
PC2004-04	0.00	20.73	20.73	0.21	0.34	0.08	0.64
including	0.00	7.92	7.92	0.36	0.66	0.08	1.10
PC2004-07	19.20	46.63	27.43	0.25	0.76	0.09	1.10
including	33.83	40.54	6.71	0.47	1.74	0.18	2.38

SAMPLE ID	PRECIOUS METALS				BASE METALS			GOLD SUITE/INDICATOR			
	Pt (g/t)	Pd (g/t)	Au (g/t)	3E (g/t)	Ni (%)	Cu (%)	Co (%)	As (ppm)	Bi (ppm)	Cr (%)	S (%)
3190321	1.28	1.10	13.80	16.18	0.27	0.17	0.023	517	56	1.05	<0.01
3190322	0.92	0.98	10.50	12.40	0.19	0.09	0.016	144	19	0.45	<0.01

Source: Company

Gold Potential

In addition to co-product levels of gold demonstrated in Platreef-style mineralization to date at Stillwater West, PGE has identified significant expansion potential of high-grade gold with the identification of highly anomalous gold in soils up to two kilometers to the west of drill-defined high-grade gold at the historic Pine target. The soil anomaly in this area is coincident with a large conductive body shown in geophysical survey results. In addition, PGE has discovered high-grade gold in magmatic layers 9km east of Pine at the HGR target, where similar gold levels occur along with a 'gold suite' of elements identified by PGE. High-grade gold was previously thought to be contained to a shear zone structure at Pine but is now being recognized more broadly across the property showing the potential for additional high-grade gold across the Stillwater project.

Crescent and Cathedral Early-Stage Target Areas

The final two target areas being investigated for Platreef-style deposits by PGE are the Cathedral and Crescent target zones, which both cover 3.9km of aggregate area. At Crescent, ten shallow past holes all hit significant mineralization, whilst PGE's work at Cathedral has been largely restricted to rock sampling. However, the one historical drill intercept at Cathedral that has survived to the present returned base metal mineralization. Again, PGE saw evidence at both target zones that the high PGM

enrichment of nickel-copper sulphides was indicative of the areas' broader mineralization, justifying further exploration to determine economic viability. The tables below outline major drilling and rock sampling results from the Crescent and Cathedral targets at Stillwater West.

Crescent Target Highlighted Drill Intercepts

Target Zone	Hole ID	Width (m)	Pt (g/t)	Pd (g/t)	Au (g/t)	3E PM (g/t)	Ni (%)	Cu (%)	Co (%)	Pt Eq. (g/t)	Ni Eq. (%)
Crescent	IM2006-01	143.9	0.05	0.08	0.02		0.14	0.14	0.02	0.79	0.19
Crescent	IM2006-02	194.7	0.05	0.11	0.02		0.18	0.15	0.03	0.85	0.21
Crescent	IM2006-04	35.5	0.09	0.11	0.01		0.21	0.14	0.01	0.8	0.19
	and	164.3	0.06	0.11	0.05		0.22	0.17	0.04	1.02	0.25
Crescent	IM2006-07	25.6	0.01	0.01			0.03	0.23	0.06	1.09	0.27

Source: Company, Couloir Capital

Crescent and Cathedral Highlighted Rock Samples

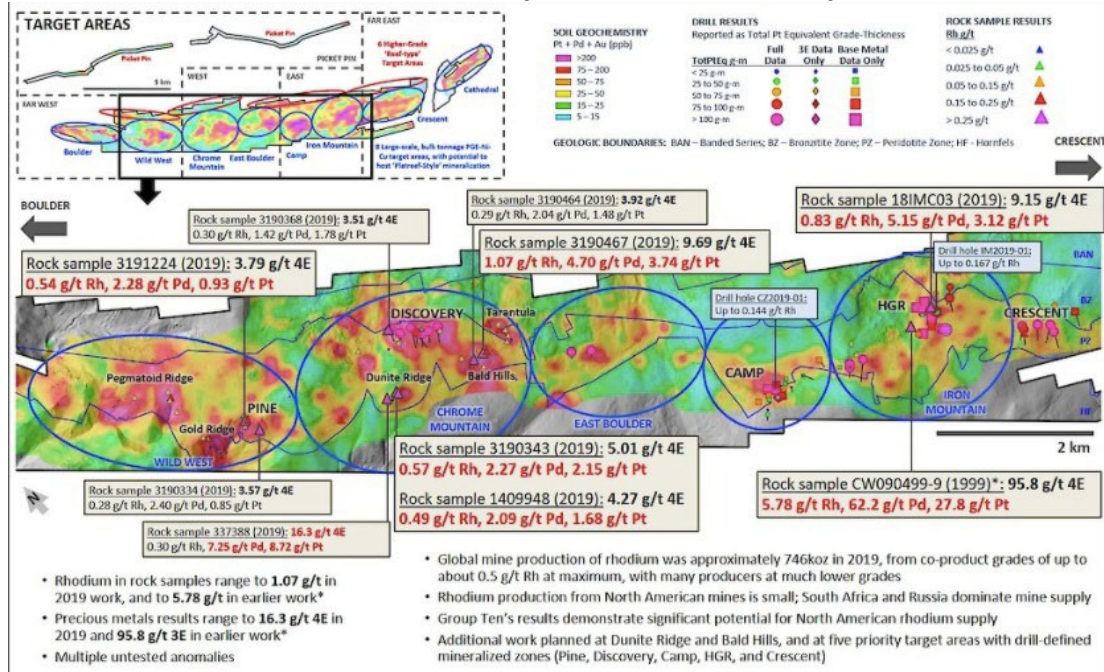
Target Zone	Sample ID	Pt (g/t)	Pd (g/t)	Au (g/t)	3E PM (g/t)	Ni (%)	Cu (%)	Co (%)	Pt Eq. (g/t)	Ni Eq. (%)
Crescent	7293	1.47	7.64	0.11	9.22	0.207	0.071	0.022	10.54	2.56
Crescent	1090	0.62	5.74		6.35			0.12	7.99	1.94
Cathedral	136	3.99	6.1	0.13	10.22	0.053	0.01	0.003	10.53	2.56
Cathedral	IC-78-4	4.55	5.88		10.43				10.43	2.53
Cathedral	IC-78-1	5.08	1.95		7.03				7.03	1.71

Source: Company, Couloir capital

Rhodium Potential at Stillwater West

As a final note on PGE's previous exploration work, we highlight that the company also reported significant rhodium presence at number of key prospect areas, which is significant given the element's strategic importance and the relative lack of onshore North American rhodium supply. PGE took a total of 207 historical drill core samples and 51 rock samples (with a focus on chromite-bearing rocks) from surface in a reconnaissance-scale survey aimed at target zones and sub-zones west of the Iron Mountain target. Rhodium grades on several assays were strong, with 30 rock samples at Chrome Mountain and Wild West returning greater than 0.10 g/t Rh to a max of 1.07 g/t Rh. Furthermore, the assays returning significant rhodium intercepts from the subzones at Chrome Mountain are important as they also returned high Pt and Pd intercepts, suggesting full PGM mineralization at the target area. After crashing in March 2020, rhodium prices are over US\$14,000 per ounce, having undergone significant ups and downs in 2020, but over a five year period have appreciated greatly from below US\$1,000 per ounce in October of 2015 – pointing to longer-term favorable demand-supply mechanics.

PGE's Rhodium Assays Over Soil Geochemistry

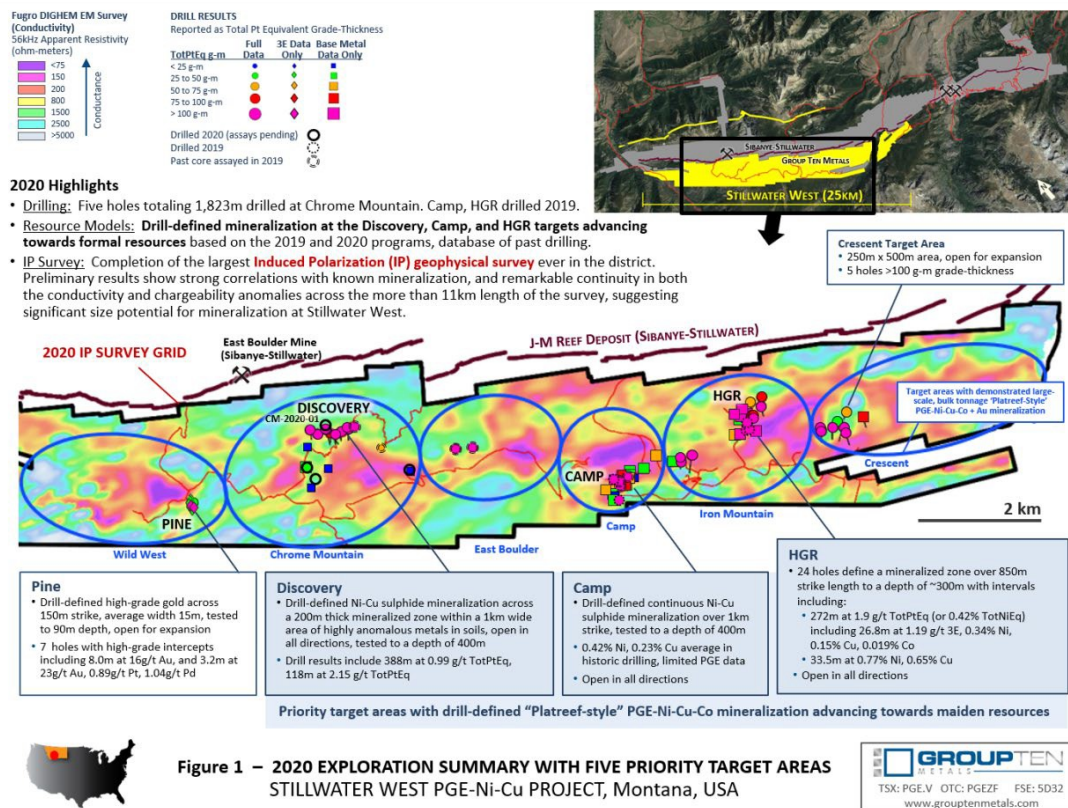


Source: Company

2020 Exploration Campaign & Upcoming Catalysts

PGE recently completed its 2020 exploration campaign - its largest to date - which focused on a large Induced Polarization ("IP") geophysical survey and drilling on the key Chrome Mountain target area.

2020 Drill Targets



Source: Company

A five-hole, 1,823-meter drill campaign was launched in mid-August which focused on the Chrome Mountain target area, in follow-up to the 2019 campaign which focused on the HGR and Camp target areas. Like the 2019 campaign, drilling in 2020 had the primary objectives of driving the conversion of drill-defined mineralized zones towards formal mineral resources, while also expanding the areas of known mineralization at priority targets identified by the Company. PGE's drill programs are also designed to provide important understanding of the location and characteristics of the mineralized magmatic stratigraphy that hosts these bulk tonnage deposits.

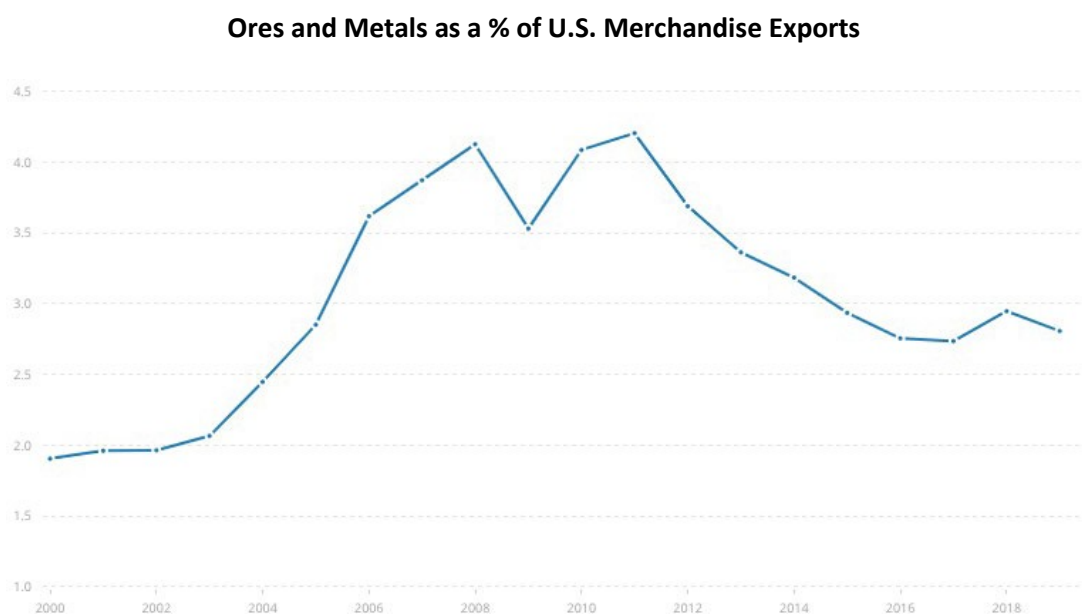
Resource modeling is in progress at the Discovery, Camp, and HGR target areas, incorporating results from Group Ten's 2019 and 2020 campaigns and some of the more than 31,000 meters of total drill data across the project.

The 2020 drill program was focused at the Chrome Mountain advanced stage target area testing both the Discovery target as well as a number of geophysical targets identified in the 2020 IP survey. With the completion of the 2020 and 2019 drill campaign PGE is positioned to advance the three advanced stage targets toward a maiden resource in 2021. This offers investors a near-term catalyst of significance – advancing to the maiden resource is considered a major milestone in the development cycle. It also provides a more tangible estimation of the Stillwater West Project's economic viability as a mineral asset, allowing investors to consider it on the basis of early analysis of its resource potential. With the company's successful recent financing

in which it raised \$4.50 million, we consider the company to be well funded for the next phase of exploration and development work. The Company has not finalized its exploration plans for 2021, however improving market conditions should provide a positive backdrop for PGE if it should decide to raise additional funds for an expanded program.

Industry Outlook

With a population of 328.24 million, a GDP of US\$21.43 trillion and a GDP per capita of US\$65,281, the U.S. ranks 13th globally for GDP per capita, according to the World Bank's data for 2019. In 2019, the U.S. had merchandise exports of US\$1.65 trillion, with 2.81% of these exports being ores and metals, according to the World Bank. The graph below outlines the contribution of mining products to merchandise exports between 2000 and 2019 (note that the Y axis is measured in percentage terms):

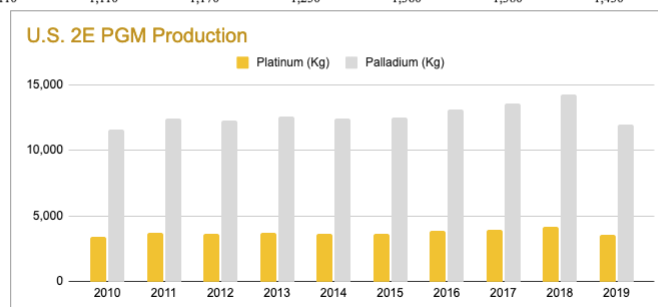


Source: World Bank

The U.S. historical production of the key commodities explored by PGE is presented in the charts below. Based on the U.S. Geological Survey ("USGS") data underpinning our charts, U.S. platinum and palladium production has increased at a CAGR of 0.47% and 0.38%, respectively, between 2010 and 2019. U.S. PGM production pales in comparison to that of South Africa, which holds most of the world's reserves in the Bushveld Complex, and South African combined 2E PGM production comprised 53.85% of the global total in 2019.

U.S. Historical PGM, Au, Ni and Cu Production

U.S. Production	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Platinum (Kg)	3,450	3,700	3,620	3,720	3,660	3,670	3,890	3,980	4,160	3,600
Palladium (Kg)	11,600	12,400	12,300	12,600	12,400	12,500	13,100	13,600	14,300	12,000
Gold (Tons)	231	234	235	230	210	214	222	237	226	200
Nickel (Tons)					4,300	27,200	24,100	22,100	17,600	14,000
Copper (KTons)	1,110	1,110	1,170	1,250	1,360	1,380	1,430	1,260	1,220	1,300



Source: USGS, Couloir Capital

Despite its major consumption of PGMs (as demonstrated in the table below), the U.S. only has one major onshore supplier in Sibanye-Stillwater, making it highly reliant on imports to service domestic consumption needs. In addition to its reliance on a single miner for PGMs, the U.S. also only has a single onshore nickel mine owned and operated by Lundin Mining Corp. (TSX: LUN).

U.S. PGM Statistics

Salient Statistics—United States:	2015	2016	2017	2018	2019^a
Mine production: ¹					
Palladium	12,500	13,100	13,600	14,300	12,000
Platinum	3,670	3,890	3,980	4,160	3,600
Imports for consumption: ²					
Palladium	85,300	80,400	86,000	92,900	76,000
Platinum	42,700	42,300	53,200	58,500	38,000
PGM waste and scrap	123,000	154,000	354,000	40,700	38,000
Iridium	1,010	1,300	1,420	1,020	910
Osmium	8	27	856	25	—
Rhodium	10,600	10,700	11,600	14,500	14,000
Ruthenium	8,230	8,410	14,600	17,900	9,900
Exports: ³					
Palladium	23,000	17,500	52,300	53,300	50,000
Platinum	14,400	14,000	16,700	18,900	17,000
PGM waste and scrap	246,000	48,100	55,500	31,800	19,000
Rhodium	759	794	844	2,010	1,600
Other PGMs	781	736	939	2,600	1,300
Consumption, apparent: ^{4, 5}					
Palladium	117,000	118,000	89,300	95,900	80,000
Platinum	40,800	43,200	51,500	53,800	33,000
Price, dollars per troy ounce: ⁶					
Palladium	694.99	617.39	874.30	1,036.43	1,500.00
Platinum	1,056.09	989.52	951.23	882.66	850.00
Iridium	544.19	586.90	908.35	1,293.27	1,500.00
Rhodium	954.90	696.84	1,112.59	2,225.30	3,300.00
Ruthenium	47.63	42.00	76.86	244.41	270.00

Source: USGS

Management Overview

Management and insiders own a total of 8.64% of outstanding shares. We see insider shareholding as a positive indicator, as it implies that management and the board are likely to be aligned with investors in their interests and motivations. Generally

speaking, insider share ownership above 10% is seen as relatively high. The table below outlines insider shareholding:

Management Shareholding			
Name	Position	Shares	% of Total
Michael Rowley	CEO, President & Director	4,006,954	2.76%
Rebecca Moriarty	CFO		0.00%
Greg Johnson	Executive Chairman	5,365,000	3.70%
Gregor Hamilton	Independent Director	2,815,333	1.94%
			8.40%

Source: SEDI, Couloir Capital

The biographies of key management individuals (as provided by the company) are outlined below.

Michael Rowley – CEO, President & Director

Michael Rowley has over 25 years executive experience in the exploration, mineral testing, and mine environmental industries, including capital markets and operations. One of Group Ten's founding shareholders, Mr. Rowley is active in additional publicly traded companies, including fellow Metallic Group member, Granite Creek Copper.

Greg Johnson – Executive Chairman

Mr. Gregory Johnson has 30 years of experience in the mining industry with a record of success in exploration, development and financing of large-scale base and precious metals projects from discovery stage through advanced economic assessment. In addition to his expertise in the exploration for platinum group elements, gold, silver, nickel and copper, Mr. Johnson has developed broad experience in the capital markets and has been involved in raising over \$650-million in project financing for his companies, as well as building their shareholder bases and securing participation of major institutional investors. He began his career with Placer Dome Inc. (now Barrick Gold Corp.) where he held various senior roles in domestic and international exploration. One of the founders of NovaGold Resources, Mr. Johnson was a co-recipient of the PDAC's Thayer Lindsay International Discovery Award for his role in the discovery and advancement of the 40-million-ounce Donlin Creek gold deposit in Alaska. As President and CEO of South American Silver and Wellgreen Platinum, Mr. Johnson led the significant expansion and advancement of several major precious and base metal deposits. He currently serves as Chairman and CEO of Metallic Minerals Corp., a leading silver explorer in the Yukon Territory. Mr. Johnson has also been recognized for his work in sustainable development and community engagement and was awarded the Robert E. Leckie Award by the Yukon government for excellence in environmental stewardship. Mr. Johnson holds a BSc Honors in Geology from Western Washington University.

Gregor Hamilton – Independent Director

Mr. Hamilton has 24 years of experience in the mining sector as a geologist, investment banker and entrepreneur. Mr. Hamilton began his career in mineral exploration in South America and later worked for 11 years in investment banking in London and Sydney, specializing in structured finance and M&A. Since 2010, Mr.

Hamilton has been involved in the acquisition and development of mineral properties within both public and private resource companies. Mr. Hamilton has a BSc in Geology from the University of Edinburgh and an MSc in Mineral Project Appraisal from the Royal School of Mines, Imperial College, London.

Rebecca Moriarty – CFO

Ms. Rebecca Moriarty is a Chartered Professional Accountant with over 20 years of experience in the mining industry. Her background includes a unique combination of technical and business accounting expertise, having received a degree in geology from Queens University and a CPA designation. Ms. Moriarty is supported by the Malaspina Consultants team, a Vancouver-based financial consulting and advisory firm staffed with highly experienced accounting personnel. Prior to joining Malaspina, Ms. Moriarty worked with PricewaterhouseCoopers LLP where she was a manager working exclusively with resource companies.

Financials Overview

At the end of Q2-FY2020, the company had cash and working capital of \$3.93 million and \$4.50 million, respectively. The company's current ratio of 6.37x demonstrates the ability of current assets to sufficiently cover current liabilities, implying a solid liquidity position at the end of September. Monthly cash burn (negative free cash flow) for the three months ended September 30, 2020 was \$0.54 million, up from the comparative period in 2019. Given the cash to monthly cash burn coverage is high, especially post-financing, we do not anticipate any financing events in the short-term to cover operational cash bleed. The company holds a small related party debt. The following table summarizes the company's liquidity position:

Key Financial Data (FYE - Sept 30)				
(C\$)		2019		Q2-2020
Cash	\$	2,261,726	\$	3,929,363
Working Capital	\$	2,893,221	\$	4,499,505
Current Ratio		12.32		6.37
Debt	\$	12,090	\$	14,697
Monthly Cash Burn for the 6M	\$	(367,769)	\$	(543,197)
Cash from Financing Activities (6M)	\$	2,617,654	\$	4,926,818

Source: Company, Couloir Capital

The following table outlines the company's outstanding options and warrants:

Options	Strike	Exercise Value
2,390,000	\$ 0.15	\$ 358,500
350,000	\$ 0.12	\$ 42,000
2,350,000	\$ 0.12	\$ 282,000
350,000	\$ 0.18	\$ 63,000
200,000	\$ 0.15	\$ 30,000
495,000	\$ 0.20	\$ 99,000
1,445,000	\$ 0.22	\$ 310,675
1,050,000	\$ 0.15	\$ 157,500
300,000	\$ 0.18	\$ 54,000
2,550,000	\$ 0.26	\$ 650,250
Warrants	Strike	Exercise Value
3,022,674	\$ 0.23	\$ 680,102
4,573,453	\$ 0.21	\$ 960,425
3,810,566	\$ 0.21	\$ 800,219
7,816,058	\$ 0.25	\$ 1,954,015
22,876,550	\$ 0.30	\$ 6,862,965

Source: Company, Couloir Capital

The company currently has 11.48 million options (weighted average exercise price of \$0.18 per share), and 42.10 million warrants (weighted average exercise price of \$0.27 per share) outstanding. At this time, all of PGE's options and all of its warrants are in-the-money. Should the options and warrants be exercised, PGE will be able to raise \$13.30 million, suggesting significant reserve liquidity.

Revenue and EPS Forecasts

At current, PGE is in the exploration stage and is many years away from commercial production. As a result, we will not be providing near-term revenue and EPS forecasts.

Net Asset Valuation Model

As the company has yet to achieve the Preliminary Economic Assessment milestone, which provides the initial projections around potential production scheduling and forecasted cost structure, we will be unable to provide valuation based on a NAV model.

Comparables Valuation

As our sole viable valuation method, we consider PGE's relative valuation against other PGM and nickel mining companies that we believe to be comparable. The following table outlines the relative valuation metrics of PGM and nickel miners that are comparable to PGE based on exploration stage, asset profile, or a similar aspect. Whilst using concession area is a crude metric by which to provide relative valuation,

and is the least accurate relative metric by which to compare the mineral assets of a peer group selection (compared to using net resource, 2P reserves or forward production or cash flow guidance), it does provide an initial benchmark valuation. As the company continues to publish results from planned drilling campaigns and approaches a maiden resource, we will move to rollback our reliance on relative valuation based on concession area and instead rely on more concrete mineral asset characteristics.

Company	Location	Stage	Concession Size (Ha) Net Au eq. Oz	Enterprise Value (C\$)	EV/ Hectare (\$/Ha)
Group Ten Metals Inc.	Montana	Exploration	5,400	\$ 52,640,028	\$ 9,748.15
Palladium One Mining Inc.	Finland	Exploration	2,485	\$ 55,893,854	\$ 22,492.50
New Age Metals Inc.	Ontario & Alaska	Exploration	9,000	\$ 11,880,911	\$ 1,320.10
Clean Air Metals Inc.	Ontario	Exploration	32,008	\$ 49,961,867	\$ 1,560.92
Canadian Palladium Resources Inc.	Ontario	Exploration	922	\$ 16,174,874	\$ 17,543.25
Canada Nickel Company Inc.	Ontario	Exploration	5,384	\$ 182,759,919	\$ 33,945.01
Generation Mining Ltd.	Ontario	Development	21,965	\$ 112,732,123	\$ 5,132.35
Platinum Group Metals Ltd.	South Africa	Development	86,400	\$ 454,077,420	\$ 5,255.53
Average					\$ 12,124.73

Source: Couloir Capital, Public Disclosures

Based on the above metrics and our aforementioned adjustments, we believe that PGE should be trading at a valuation of \$69.39 million or \$0.48 per share on an EV/hectare basis, implying that the company is trading slightly below fair value. Note that we have come to the valuation by converting the implied EV to equity via the addition of cash and removal of debt.

Conclusion

After accounting for our valuation methodologies, we have arrived at fair value per share estimate of \$0.48 per share. We are initiating coverage on PGE with a BUY rating, and expect the following catalysts to materially impact our valuation estimate:

- News regarding exploration results on the Stillwater West Project.
- News regarding divestments of non-core properties.
- Financing-related news that in any way significantly alters the company's capital structure.

Risks

The following outlines some of the key risk considerations that investors should keep in mind when evaluating PGE as an investment opportunity:

- **Poor Drilling and Exploration Results:** Results from historical exploration work and more recent work done by PGE has thus far yielded positive results pointing to promising mineralization at the Stillwater West Property. As PGE ventures into additional drilling work aimed at improving its understanding of the project and its resource profile, poor results may imply a deterioration of the property's mineral potential, making it less valuable as an exploration asset. We note also that the main minerals that PGE is searching for do not always appear in strong concentrations simultaneously, with some reported intercepts having strong PGM mineralization but not base metals, and vice versa.
- **Market Price Exposure and Impact on Execution Risk:** Sunk capital is relatively low at the exploration stage relative to further along the development cycle. However, on the flipside, PGE exploration and development activities will be particularly sensitive to market pricing during the exploration stage given its likely reliance on markets for future funding needs.
- **Lack of Maiden Resource/ Early Stage Explorer:** PGE's property lacks any compliant resource estimation, putting it on the higher end of the risk spectrum for resource projects. It also means there is minimal basis for intrinsic valuation, meaning investors are exposing themselves to outsized risk and value loss if any of the above risk factors should materialize.
- **Capital Structure Deterioration Related to Ongoing Cash Burn:** There is the potential that the company's cash burn could sap liquidity to the point of the company needing to raise capital. Assuming no cash flows, there is a chance that PGE would do so via equity issuance. Depending on the price of the issuance, such issuance could be dilutive to existing shareholders. Though this risk is mitigated by the recent closing of a \$4.50 million financing, liquidity may be an issue in the future depending on various factors.

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Each company within an analyst's universe, or group of companies covered, is assigned:

- 1. A recommendation or rating, usually BUY, HOLD, or SELL;*
- 2. A 12-month target price, which represents an analyst's current assessment of a company's potential stock price over the next year; and*
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The analyst believes that the security will outperform other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) BUY rating.

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The analyst believes that the security is expected to perform in line with other companies in their sector on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) HOLD rating.

Sell

Investors are advised to sell the security or hold alternative securities within the sector. Stocks in this category are expected to under-perform other companies on a risk adjusted basis or for the reasons stated in the research report the analyst believes that the security is deserving of a (continued) SELL rating.

Tender

The analyst is recommending that investors tender to a specific offering for the company's stock.

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An analyst comment about an issuer event that does not include a rating.

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Very High Risk: Venture type companies or more established micro, small, mid or large cap companies whose risk profile parameters and/or lack of liquidity warrant such a designation. These companies are only appropriate for investors who have a very high tolerance for risk and volatility and who can incur temporary or permanent loss of a very significant portion of their investment capital.

High Risk: Typically, micro or small cap companies which have an above average investment risk relative to more established or mid to large cap companies. These companies will generally not form part of the broad senior stock market indices and often will have less liquidity than more established mid and large cap companies. These companies are only appropriate for investors who have a high tolerance for risk and volatility and who can incur a temporary or permanent loss of a significant portion of their investment capital.

Medium-High Risk: Typically, mid to large cap companies that have a medium to high investment risk. These companies will often form part of the broader senior stock market indices or sector specific indices. These companies are only appropriate for investors who have a medium to high tolerance for risk and volatility and who are prepared to accept general stock market risk including the risk of a temporary or permanent loss of some of their investment capital

Moderate Risk: Large to very large cap companies with established earnings who have a track record of lower volatility when compared against the broad senior stock market indices. These companies are only appropriate for investors who have a medium tolerance for risk and volatility and who are prepared to accept general stock market risk including the risk of a temporary or permanent loss of some of their investment capital.