

PLATINUM GROUP METALS LTD
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May 14, 2018

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File No. 333-213985

PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus dated October 14, 2016

May 14, 2018

PLATINUM GROUP METALS LTD.

114,000,000 Common Shares

This prospectus supplement (this "**Prospectus Supplement**") of Platinum Group Metals Ltd. (the "**Company**" or "**PTM**"), together with the short form base shelf prospectus dated October 14, 2016 (the "**Prospectus**"), relates to the issuance of (i) up to 114,000,000 common shares of the Company (the "**Common Shares**") issuable from time to time on exercise of 114,000,000 Warrants (as defined below) expected to be issued by the Company pursuant to the Unit Offering (as defined below); (ii) up to 17,100,000 Common Shares issuable from time to time on exercise of additional Warrants that may be issued by the Company on exercise of the Over-Allotment Option (as defined herein); and (iii) such indeterminate number of additional Common Shares that may be issuable by reason of the anti-dilution provisions contained in the Warrant Indenture (as defined herein). See "Description of the Warrants." The Common Shares issuable upon exercise of the Warrants are sometimes referred to herein as the "**Warrant Shares**."

The Company filed a preliminary prospectus supplement dated May 3, 2018 and a final prospectus supplement dated May 11, 2018 to its short form base shelf prospectus dated October 14, 2016 with the securities commission or similar regulatory authority in each of the provinces of Canada, except Québec, and in connection therewith a preliminary prospectus supplement dated May 3, 2018 and a final prospectus supplement filed as of May 14, 2018 to its registration statement on Form F-10 with the United States Securities and Exchange Commission (the "**SEC**") relating to the offering (the "**Unit Offering**") by the Company of units (the "**Units**"). The Unit Offering is expected to be completed on or about May 15, 2018 (the "**Closing Date**").

Each Unit consists of one Common Share (an "**Offered Share**") and one common share purchase warrant (a "**Warrant**"). Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at a price of US\$0.17 per Common Share (the "**Warrant Exercise Price**") until the date that is 18 months following the Closing Date (as defined herein) (the "**Expiry Date**").

This Prospectus Supplement registers the issuance of the Common Shares upon exercise of the Warrants under the United States Securities Act of 1933, as amended, in accordance with the multi-jurisdictional disclosure system adopted by the SEC and the securities commission or similar regulatory authority in each of the provinces of Canada (except Quebec). This Prospectus Supplement does not qualify in any of the provinces or territories of Canada the distribution of the securities to which it relates.

As further described under "Recent Updates", the Company has entered into a subscription agreement for a private placement with Hosken Consolidated Investments Limited ("**HCI**"), whereby HCI or a subsidiary of HCI, upon closing of the private placement, will become a shareholder of the Company and hold approximately 9.09% of the outstanding Common Shares based on the current number of issued and outstanding Common Shares. Pursuant to the subscription agreement, HCI will hold a right to participate in future equity financings of the Company to maintain its pro-rata shareholding. The closing of the Unit Offering is conditioned in part upon the private placement closing prior

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to or concurrently with the closing of the Unit Offering. HCI has indicated its interest in participating in the Unit Offering. However, no assurance can be provided that HCI will participate in the Unit Offering.

This offering is made by a foreign issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Prospectus Supplement and the accompanying Prospectus in accordance with Canadian disclosure requirements. Prospective investors should be aware that such requirements are different from those of the United States. Financial statements included or incorporated by reference herein have been or will be prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States companies.

Prospective investors should be aware that the acquisition of Warrant Shares may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein. Prospective investors should read the tax discussions contained in this Prospectus Supplement and the accompanying Prospectus.

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The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the laws of British Columbia, Canada, that the majority of its officers and directors are residents of Canada, that some or all of the experts named in the registration statement are not resident in the United States, and that a substantial portion of the assets of the persons are located outside the United States.

Neither the United States Securities and Exchange Commission nor any state or Canadian securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus Supplement and the Prospectus or determined if this Prospectus Supplement and the Prospectus are truthful or complete. Any representation to the contrary is a criminal offence.

The outstanding Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "PTM" and on the NYSE American LLC (the "NYSE American") under the symbol "PLG". On May 2, 2018, the last trading day prior to the date of the public announcement of the Unit Offering, the closing price of the Common Shares on the TSX was CAN\$0.245 and the closing price of the Common Shares on the NYSE American was US\$0.20. On May 11, 2018, being the last day on which the Common Shares traded prior to filing of this Prospectus Supplement, the closing price of the Common Shares on the TSX was CAN\$0.175 and the closing price of the Common Shares on the NYSE American was US\$0.14. The Company has applied to list the Warrant Shares issuable upon the exercise of the Warrants on the TSX and the NYSE American. Listing of these securities will be subject to the Company fulfilling all of the listing requirements of the TSX and NYSE American, as applicable.

An investment in the Warrant Shares is highly speculative and involves a high degree of risk. See "Cautionary Note Regarding Forward Looking Statements" and "Risk Factors".

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this Prospectus Supplement, which describes the terms of the Common Shares issuable upon exercise of the Warrants and also adds to and updates information contained in the Prospectus and the documents incorporated by reference therein. The second part, the Prospectus, gives more general information, some of which may not apply to the Common Shares issuable upon exercise of the Warrants. This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering to which it relates. Other documents are also incorporated, or are deemed to be incorporated by reference, into the Prospectus and reference should be made to the Prospectus for full particulars thereof.

Investors should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus and on the other information included in the registration statement on Form F-10 of which this Prospectus Supplement and the Prospectus form a part (the "Registration Statement"). The Company has not authorized anyone to provide investors with different information. The Company is not making an offer of the Warrant Shares in any jurisdiction where such offer is not permitted. An investor should assume that the information appearing in this Prospectus Supplement or the Prospectus is accurate only as of the date on the front of those documents and that information contained in any document incorporated by reference herein or therein is accurate only as of the date of that document unless specified otherwise. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein and therein were obtained from market research, publicly available information and industry publications. The Company believes that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. The Company has not independently verified such information, and it does not make any representation as to the accuracy of such information.

The Company's annual consolidated financial statements that are incorporated by reference into this Prospectus Supplement and the Prospectus have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS").

Unless otherwise indicated, all information in this Prospectus Supplement assumes no exercise of the Over-Allotment Option.

Unless the context otherwise requires, references in this Prospectus Supplement to the "Company" include Platinum Group Metals Ltd. and each of its subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein, 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", "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 Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein include, without limitation, statements with respect to:

the receipt and realization of proceeds from the Share Transaction (as defined below) component of the Maseve Sale Transaction (as defined below);

the timing and completion of the Unit Offering;

the use of proceeds upon exercise of the Warrants;

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the timely completion of additional required financings and the potential terms thereof;

the Company's submission of a plan to the NYSE American to regain compliance with the continued listing criteria, the NYSE American's acceptance thereof, the Company regaining compliance with the continued listed criteria, and the potential of the NYSE American initiating delisting procedures;

the repayment and compliance with the terms of indebtedness;

any potential exercise by Impala Platinum Holdings Ltd. ("**Implats**") of the Purchase and Development Option (as defined below);

the successful closing of the HCI Private Placement (defined below), the use of proceeds therefrom and any board appointments or participation in the Unit Offering or future financings of the Company involving the issuance of equity or securities convertible into equity by HCI;

the completion of the Definitive Feasibility Study ("**DFS**") and filing of a mining right application for, and other developments related to, the Waterberg Project (as defined below);

the adequacy of capital, financing needs and the availability of and potential for obtaining further capital;

revenue, cash flow and cost estimates and assumptions;

future events or future performance;

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;

project economics;

future metal prices and exchange rates;

mineral reserve and mineral resource estimates; and

potential changes in the ownership structures of the Company's projects.

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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 Prospectus Supplement, the Prospectus and in the documents incorporated by reference herein and therein 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:

the Company's additional financing requirements;

risks relating to delays in or the Company's inability to receive or realize the proceeds of, or possible litigation resulting from, the Share Transaction component of the sale of the Maseve platinum and palladium mine ("**Maseve Mine**"), also known as Project 1 ("**Project 1**") and Project 3 ("**Project 3**") of what was formerly the Western Bushveld Joint Venture (the "**WBJV**");

the inability of the Company to generate sufficient cash flow or raise sufficient additional capital to make payment on its indebtedness, and to comply with the terms of such indebtedness, and the restrictions imposed by such indebtedness;

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the LMM Facility (as defined below) is, and any new indebtedness may be, secured and the Company has pledged its shares of Platinum Group Metals (RSA) Proprietary Limited ("**PTM RSA**") and PTM RSA has pledged its shares of Waterberg JV Resources (Pty) Limited ("**Waterberg JV Co.**") to Liberty Metals & Mining Holdings, LLC, a subsidiary of Liberty Mutual Insurance ("**LMM**") under the LMM Facility, which potentially could result in the loss of the Company's interest in PTM RSA and the Waterberg Project in the event of a default under the LMM Facility or any new secured indebtedness;

risks relating to the Company's ability to continue as a going concern;

the Company's history of losses;

the Company's negative cash flow;

uncertainty of estimated production, development plans and cost estimates for the Waterberg Project;

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 South African Rand and the Canadian Dollar;

volatility in metals prices;

the failure of the Company or the other shareholders 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 (Pty) Ltd. ("**Mnombo**") or the former shareholders of Maseve Investments 11 Proprietary Limited ("**Maseve**");

completion of the DFS for the Waterberg Project, which is subject to resource upgrade and economic analysis requirements;

the ability of the Company to retain its key management employees and skilled and experienced personnel;

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;

litigation or other legal or administrative proceedings brought against the Company;

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actual or alleged breaches of governance processes or instances of fraud, bribery or corruption;

the possibility that the Company may become subject to the Investment Company Act of 1940, as amended (the "**Investment Company Act**");

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 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 access rights and infrastructure for its mineral properties;

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environmental regulations and the ability to obtain and maintain necessary permits, including environmental authorizations 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 (the "**MPRDA**");

risks of doing business in South Africa, including but not limited to, labour, economic and political instability, potential changes to and failures to comply with legislation and interruptions or shortages in the supply of electricity or water;

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 South African Mining Industry (the "**Mining Charter**") or any subsequent mining charter;

certain potential adverse Canadian tax consequences for foreign-controlled Canadian companies that acquire the Common Shares;

the risk that the Company's Common Shares may be delisted, or that the Company may be required to effect a reverse stock split in order to maintain the listing of the Common Shares on the NYSE American;

volatility in the price of the Common Shares;

the lack of a public market for the Warrants, and the potential inability of prospective investors to resell the Warrant Shares at or above the Warrant Exercise Price, if at all;

possible dilution to holders of Common Shares upon the exercise or conversion of outstanding stock options, warrants or convertible notes, as applicable;

any designation of the Company as a "passive foreign investment company" and potential adverse U.S. federal income tax consequences for U.S. shareholders; and

the other risks disclosed under the heading "Risk Factors" in the Prospectus, in this Prospectus Supplement and in the Form 20-F (as defined herein) and AIF (as defined herein), as well as in the documents incorporated by reference herein and therein.

These factors should be considered carefully, and investors should not place undue reliance on the 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 the Forward Looking Statements, there may be other factors that cause actions or results not to be as anticipated, estimated or intended.

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The mineral resource and mineral reserve figures referred to in this Prospectus Supplement, the Prospectus and the documents incorporated herein and therein 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.

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.

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CAUTIONARY NOTE TO UNITED STATES INVESTORS

The Company is permitted under the multijurisdictional disclosure system adopted by the securities regulatory authorities in Canada and the United States (the "MJDS") to prepare this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. All mineral resource and mineral reserve estimates included in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein, have been or will be prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). 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 set out in Industry Guide 7. Consequently, mineral reserve and mineral resource information included and incorporated by reference in this Prospectus Supplement and the Prospectus is not comparable to similar information that would generally be disclosed by U.S. companies in accordance with the rules of the SEC.

In particular, Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of proven and probable mineral reserves used in NI 43-101 differ from the definitions in Industry Guide 7. Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issued imminently in order to classify mineralized material as reserves under the SEC standards. Accordingly, mineral reserve estimates included and incorporated by reference in this Prospectus Supplement and the Prospectus may not qualify as "reserves" under SEC standards.

In addition, the information included and incorporated by reference in this Prospectus Supplement and the Prospectus may use the terms "mineral resources", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" to comply with the reporting standards in Canada. Industry Guide 7 does not currently recognize mineral resources and U.S. companies are generally not permitted to disclose mineral resources in documents they file with the SEC. Investors are specifically cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into mineral reserves under Industry Guide 7. Further, "inferred mineral resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an inferred mineral resource exists. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or, except in limited circumstances, other economic studies. It cannot be assumed that all or any part of "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" will ever be upgraded to a higher category of mineral resources or that mineral resources will be classified as mineral reserves. Investors are cautioned not to assume that any part of the reported "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" included and incorporated by reference in this Prospectus Supplement and the Prospectus is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted under NI 43-101; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. In addition, the documents included and incorporated by reference in this Prospectus Supplement and the Prospectus may include information regarding adjacent or nearby properties on which the Company has no right to mine. The SEC does not normally allow U.S. companies to include such information in their filings with the SEC. For the above reasons, information included and incorporated by reference in this Prospectus Supplement and the Prospectus that describes our mineral reserve and resource estimates or that describes the results of pre-feasibility or other studies is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

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MINERAL RESERVE AND MINERAL RESOURCE DISCLOSURE

Due to the uncertainty that may be attached to inferred mineral resource estimates, it cannot be assumed that all or any part of an inferred mineral resource estimate will be upgraded to an indicated or measured mineral resource estimate as a result of continued exploration. 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. Inferred mineral resource estimates are excluded from estimates forming the basis of a feasibility study.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

DESCRIPTION OF EXISTING INDEBTEDNESS

LMM Facility

The Company is party to a secured credit facility (the "**LMM Facility**") in favor of LMM, as agent and a lender, and the other lenders from time to time party thereto (collectively, the "**LMM Lenders**") dated as of November 2, 2015, as most recently amended and restated as of February 12, 2018 and as further amended (the "**LMM Facility Agreement**"). The LMM Facility is a US\$40.0 million facility and was drawn down in full in a single advance in November 2015. The LMM Facility matures on October 31, 2019 (the "**LMM Maturity Date**"), provided that the Company (i) completes the Required Financing (defined below) before May 31, 2018, (ii) uses the first US\$12.0 million of gross proceeds from the Required Financing to reduce outstanding indebtedness under the LMM Facility and (iii) is not otherwise in default under the LMM Facility Agreement (collectively, the "**Required Financing Conditions**"). Otherwise, the LMM Maturity Date is September 30, 2018 and the Company must complete the Required Financing before May 31, 2018 and the Additional Required Financing (defined below) between May 31, 2018 and July 31, 2018, as further discussed below. The Company intends that the Unit Offering, together with the HCI Private Placement (as defined below), will fulfill its obligation to complete the Required Financing.

Interest at LIBOR plus 9.5% is accrued under the LMM Facility monthly and capitalized. If the Required Financing Conditions are not satisfied, then after June 30, 2018 interest is accrued and paid to LMM quarterly. Payment and performance of the Company's obligations under the LMM Facility are guaranteed by PTM RSA and secured by a security interest in favor of LMM, on behalf of the LMM Lenders, in all of the Company's present and after-acquired real and personal property, together with the proceeds thereof, and a pledge over all of the issued shares in the capital of PTM RSA and the shares that PTM RSA holds in Waterberg JV Co. The LMM Facility contains various representations, warranties and affirmative and negative covenants of the Company, and provisions regarding default and events of default, in each case relating to the Company and related entities, including Waterberg JV Co. and Mnombo.

The Company was a party to a first secured credit facility (the "**Sprott Facility**") in favor of Sprott Resource Lending Partnership, as agent (in such capacity, the "**Sprott Agent**") and a lender, and the other lenders from time to time party thereto, (collectively, the "**Sprott Lenders**") dated as of February 13, 2015 and as later amended and restated. On March 20, 2018, the Company made a payment of US\$107,755 to reduce the indebtedness under the Sprott Facility. Later, on April 10, 2018 the Company used US\$46.98 million from the proceeds of the Plant Sale Transaction (as defined below) to immediately repay all remaining indebtedness under the Sprott Facility, consisting of the outstanding principal amount of US\$40.0 million, a bridge loan of US\$5.0 million, all accrued and unpaid interest of approximately US\$1.78 million and, pursuant to the third amendment to the Sprott Facility, a fee of US\$200,000 due upon the repayment of the Sprott Facility.

For more information regarding the Sprott Facility, see the Interim MD&A (as defined below), the Form 20-F, the AIF and the Annual MD&A (as defined below).

From the remaining proceeds of the Plant Sale Transaction, pursuant to the fifth amendment to the original LMM Facility Agreement, the Company then paid an amount of US\$6.32 million to LMM on April 10, 2018. A further payment of Rand 3.26 million (US\$271,667) was received from Royal Bafokeng Platinum Limited ("**RBPlat**") on April 9, 2018, for the exchange rate variance through the closing process of the Plant Sale Transaction from April 4, 2018 to April 5, 2018, and the amount in U.S. dollars was paid to LMM on April 13,

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2018. These payments totaling US\$6.59 million have been applied to reduce outstanding indebtedness under the LMM Facility, consisting of a US\$400,000 fee due to LMM upon the repayment of the Sprott Facility and US\$6.19 million to reduce the PPA Termination Payment (as defined below).

The LMM Facility was originally in second secured position relative to the Sprott Facility. Once the Sprott Facility was fully repaid, the LMM Facility assumed the first secured position.

With respect to the RBPlat (as defined below) shares received by the Company in the Share Transaction, the Company has agreed to pledge such shares under the LMM Facility, complete the sale of such shares in a commercially reasonable and prompt manner and in any event within 120 days of receipt, with the proceeds of such sale to be used to reduce the outstanding indebtedness under the LMM Facility.

The Company has agreed to raise US\$15.0 million in subordinated debt (in form and substance satisfactory to LMM), equity or securities convertible into equity before May 31, 2018 (the "**Required Financing**"). The first US\$12.0 million of gross proceeds of the Required Financing must be used to reduce the outstanding indebtedness under the LMM Facility. Assuming the Required Financing Conditions are met, the Company has also agreed to use 50% of the proceeds from the exercise of any warrants or other convertible securities issued by the Company for repayment of outstanding indebtedness under the LMM Facility. However, if the Required Financing Conditions are not met, then in addition to completing the Required Financing prior to May 31, 2018 and using the first US\$12.0 million of gross proceeds to reduce outstanding indebtedness under the LMM Facility, the Company will be required to raise, from and after May 31, 2018 and prior to July 31, 2018, an additional US\$20.0 million in Common Shares or subordinated debt (in form and substance satisfactory to LMM) (the "**Additional Required Financing**"), from which the first US\$20.0 million of net proceeds must be used to reduce outstanding indebtedness under the LMM Facility. Further, in any event, the Company has also agreed to use 50% of the net proceeds from any equity or debt financings in excess of US\$500,000 in the aggregate (excluding intercompany financings, the Required Financing and the Additional Required Financing, as applicable) for repayment of outstanding indebtedness under the LMM Facility. See the risk factor entitled "The Company will require additional financing, which may not be available on acceptable terms, if at all." The Company has also agreed under the LMM Facility to limit its use of cashless exercise features in warrants and convertible securities that it may issue, excluding securities already outstanding and the cashless exercise of Warrants to be issued in the Unit Offering in accordance with their terms.

In connection with the second amendment and restatement of the LMM Facility Agreement, certain events of default were added to the LMM Facility Agreement, including, without limitation, the occurrence of any of the following: the Company fails to remain listed on the TSX; RBPlat fails to remain listed on the JSE Limited; the RBPlat shares are cease traded (or equivalent) for a period of 30 days or more; the Company fails to apply the proceeds from the sale of RBPlat shares received upon completion of the Share Transaction to reduce indebtedness under the LMM Facility within three days of receipt; RBPlat makes an indemnity claim or seeks to reduce the amounts payable to the Company; Africa Wide Mineral Prospecting and Exploration Proprietary Limited ("**Africa Wide**") is paid in connection with the Maseve Sale Transaction an amount greater than 347,056 shares of RBPlat or the South African Rand equivalent of US\$854,935.01; the Company fails to apply the Maseve rehabilitation deposit (the "**Environmental Deposit Amount**") to reduce its indebtedness under the LMM Facility within three business days of receipt; or the Environmental Deposit Amount received by the Company is less than Rand 58,000,000 (approximately US\$4.7 million as of May 10, 2018). The Company has agreed to maintain consolidated, unrestricted cash and cash equivalents of at least US\$2.0 million and working capital in excess of US\$1.0 million beginning May 31, 2018.

In connection with the LMM Facility, in November 2015 the Company and LMM entered into a production payment agreement pursuant to which the Company agreed to pay LMM a production payment of 1.5% of net proceeds received on concentrate sales or other minerals from the Maseve Mine (the "**PPA**"). The Company, PTM RSA and LMM entered into a Production Payment Agreement Termination Agreement, dated as of October 30, 2017 and amended as of February 12, 2018, May 1, 2018, and May 10, 2018, pursuant to which the Company must pay LMM either US\$15.0 million before May 31, 2018 or US\$25.0 million from May 31, 2018 to the LMM Maturity Date (the applicable payment, the "**PPA Termination Payment**"). The PPA Termination Payment is considered to be indebtedness under the LMM Facility and is secured by the same collateral as the LMM Facility.

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As of May 10, 2018, after applying approximately US\$6.19 million toward the PPA Termination Payment, as described above, the Company's outstanding obligations under the LMM Facility consist of approximately US\$8.81 million required to satisfy the PPA Termination Payment if paid before May 31, 2018, or if later, approximately US\$18.81 million, plus approximately US\$53.07 million in principal, accrued interest, fees and accrued production payments. Pursuant to the terms of the LMM Facility, all payments to LMM are first applied to the PPA Termination Payment.

For more information regarding the LMM Facility and the PPA Termination Payment, see the Interim MD&A, the Form 20-F, the AIF and the Annual MD&A.

Convertible Notes

On June 30, 2017, the Company issued and sold to certain institutional investors US\$20.0 million in aggregate principal amount of 6 7/8% convertible senior subordinated notes due July 1, 2022 (the "**Notes**"). The Notes are governed by an indenture between the Company and The Bank of New York Mellon dated June 30, 2017, as supplemented on January 31, 2018 (together, the "**Note Indenture**"). The Notes bear interest at a rate of 6 7/8% per annum, payable semi-annually on January 1 and July 1 of each year, beginning on January 1, 2018, in cash or at the election of the Company, in Common Shares or a combination of cash and Common Shares, and will mature on July 1, 2022, unless, subject to certain exceptions, such notes are earlier repurchased, redeemed or converted.

Subject to certain exceptions, the Notes will be convertible at any time at the option of the holder, and may be settled, at the Company's election, in cash, Common Shares, or a combination of cash and Common Shares. If any Notes are converted on or prior to the three and one-half year anniversary of the issuance date, the holder of the Notes will also be entitled to receive an amount equal to the remaining interest payments on the converted Notes to the three and one-half year anniversary of the issuance date, discounted by 2%, payable in Common Shares. The initial conversion rate of the Notes is 1,001.1112 Common Shares per US\$1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately US\$0.9989 per Common Share, representing a conversion premium of approximately 15% above the NYSE American closing sale price for the Company's Common Shares of US\$0.8686 per share on June 27, 2017. The conversion rate will be subject to adjustment upon the occurrence of certain events. If the Company pays interest in Common Shares, such shares will be issued at a price equal to 92.5% of the simple average of the daily volume-weighted average price of the Common Shares for the 10 consecutive trading days ending on the second trading day immediately preceding the payment date, on the NYSE American exchange or, if the Common Shares are not then listed on the NYSE American exchange, on the principal U.S. national or other securities exchange or market on which the Common Shares are then listed or admitted for trading.

Notwithstanding the foregoing, no holder will be entitled to receive Common Shares upon conversion of Notes to the extent that such receipt would cause the converting holder or persons acting as a "group" to become, directly or indirectly, a "beneficial owner" (as defined in the Note Indenture) of more than 19.9% of the Common Shares outstanding at such time or, in the case of Citadel Equity Fund Ltd. (one of the note holders), if it or its affiliates would become a "beneficial owner" of more than 4.9% of the Common Shares outstanding at such time. In addition, the Company will not issue an aggregate number of Common Shares pursuant to the Notes that exceeds 19.9% of the total number of Common Shares outstanding on June 30, 2017.

Prior to July 1, 2018, the Company may not redeem the Notes, except upon the occurrence of certain changes to the laws governing Canadian withholding taxes. On or after July 1, 2018 and before July 1, 2019, the Company shall have the right to redeem all or part of the Notes at a price, payable in cash, of 110.3125% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date; on or after July 1, 2019 and before July 1, 2020, the Company shall have the right to redeem all or part of the outstanding Notes at a price, payable in cash, of 105.15625% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to but excluding, the redemption date; and on or after July 1, 2020, until the maturity date, the Company shall have the right to redeem all or part of the outstanding Notes at a price, payable in cash, of 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

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Upon the occurrence of a fundamental change as defined in the Note Indenture, the Company must offer to purchase the outstanding Notes at a price, payable in cash, equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any.

The Company agreed in the Note Indenture to cause a prospectus and a registration statement to be filed with Canadian securities regulatory authorities and with the U.S. Securities and Exchange Commission, as applicable, and become usable and effective within six months after June 30, 2017, and to remain usable and effective for certain periods. The Note Indenture provides that if the Company does not do so, it shall pay additional interest on the Notes at a rate of 0.25% per annum for the first 90 days and at a rate of 0.50% per annum thereafter, until the Notes are freely tradable by holders other than affiliates and certain other events have occurred. The Company has not filed the prospectus and registration statement and, accordingly, currently pays additional interest as provided for in the Note Indenture.

The Notes are unsecured senior subordinated obligations and are subordinated in right of payment to the prior payment in full of all of the Company's existing and future senior indebtedness pursuant to the Note Indenture. The Company may issue additional Notes in accordance with the terms and conditions set forth in the Note Indenture. The Note Indenture contains certain additional covenants, including covenants restricting asset dispositions, issuances of capital stock by subsidiaries, incurrence of indebtedness, business combinations and share exchanges.

On July 25, 2017, US\$10,000 of Notes were converted into 13,190 Common Shares of the Company. On January 1, 2018, the Company made the first semi-annual interest payment on the Notes, issuing 2,440,629 Common Shares of the Company in payment of US\$691,110 of interest. As at May 10, 2018, US\$19.99 million principal amount of the Notes remain outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the offering of the Common Shares issuable from time to time on exercise of the Warrants. Other documents are also incorporated or deemed to be incorporated by reference in the Prospectus and reference should be made to the Prospectus for full particulars thereof.

Copies of the documents incorporated by reference in this Prospectus Supplement and the Prospectus and not delivered with this Prospectus Supplement may be obtained on request without charge from Frank Hallam at Suite 788, 550 Burrard Street, Vancouver, British Columbia, Canada, V6C 2B5, telephone (604) 899-5450 and are also available electronically at www.sedar.com and www.sec.gov.

The following documents, filed by the Company with the securities commissions or similar regulatory authorities in certain provinces of Canada and filed with, or furnished to, the SEC, are specifically incorporated by reference into, and form an integral part of, this Prospectus Supplement and the Prospectus:

- (a) the annual information form of the Company dated November 29, 2017 for the financial year ended August 31, 2017 (the "**Annual Information Form**" or "**AIF**");
- (b) the audited consolidated financial statements of the Company as at and for the financial years ended August 31, 2017 and 2016, together with the notes thereto and the auditor's reports thereon (the "**Annual Financial Statements**");
- (c) the management's discussion and analysis of the Company for the financial year ended August 31, 2017 (the "**Annual MD&A**");
- (d) the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended February 28, 2018, together with the notes thereto (the "**February Financial Statements**");
- (e) the unaudited condensed consolidated interim financial statements of the Company for the three months ended November 30, 2017, together with the notes thereto (together with the Annual Financial Statements and the February Financial Statements, the "**Financial Statements**");

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- (f) the management's discussion and analysis of the Company for the three and six months ended February 28, 2018 (the "**February MD&A**");
- (g) the management's discussion and analysis of the Company for the three months ended November 30, 2017 (together with the February MD&A, the "**Interim MD&A**");
- (h) the management information circular of the Company dated January 2, 2018 prepared for the purposes of the annual general meeting of the Company held on February 23, 2018;
- (i) the NI 43-101 technical report entitled "Independent Technical Report on the Waterberg Project Including Mineral Resource Update and Pre-Feasibility Study – Project Areas located on the Northern Limb of the Bushveld Igneous Complex, South Africa" dated October 19, 2016 (the "**Waterberg PFS**");
- (j) the material change report of the Company filed September 6, 2017 announcing that the Company had entered into a term sheet with RBPlat to sell Maseve in a transaction involving the Plant Sale Transaction and the Share Transaction (together, the "**Maseve Sale Transaction**") valued at approximately US\$74.0 million;
- (k) the material change report of the Company filed October 16, 2017 announcing that Implats had entered into definitive agreements (the "**Implats Transaction**") with the Company, Japan Oil, Gas and Metals National Corporation ("**JOGMEC**"), Mnombo and Waterberg JV Co.;
- (l) the material change report of the Company filed November 6, 2017 announcing the closing of the first phase of the Implats Transaction;
- (m) the material change report of the Company filed November 29, 2017 announcing the completion of due diligence and the execution of binding legal agreements for the Maseve Sale Transaction;
- (n) the material change report of the Company filed February 14, 2018 announcing that all remaining conditions precedent to the sale of the Maseve concentrator plant and certain surface rights to RBPlat in connection with the Maseve Sale Transaction have been fulfilled;
- (o) the material change report of the Company filed April 6, 2018 announcing the closing of the sale of the Maseve concentrator plant and certain surface rights to RBPlat in connection with the Maseve Sale Transaction;
- (p) the material change report of the Company filed May 1, 2018 announcing certain amendments to the LMM Facility;
- (q) the material change report of the Company filed May 3, 2018 announcing the execution of a subscription agreement with HCI for a private placement sale of units to HCI or a subsidiary of HCI;
- (r) the material change report of the Company filed May 11, 2018 announcing certain amendments to the LMM Facility and HCI Private Placement (defined below);
- (s) the material change report of the Company filed May 11, 2018 regarding the Unit Offering; and
- (t) the Form 20-F annual report of the Company for the financial year ended August 31, 2017 (the "**Form 20-F**").

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Any document of the type referred to in the preceding paragraphs (excluding press releases and confidential material change reports) or of any other type required to be incorporated by reference into a short form prospectus pursuant to National Instrument 44-101 *Short Form Prospectus Distributions* that is filed by the Company with a securities commission after the date of this Prospectus Supplement and prior to the termination of the distribution of the Common Shares under this Prospectus Supplement shall be deemed to be incorporated by reference in the accompanying Prospectus solely for purposes of the offering of the Common Shares issuable from time to time on exercise of the Warrants. In addition, any document filed by the Company with the SEC or furnished to the SEC on Form 6-K or otherwise after this Prospectus Supplement (and prior to the termination of the distribution) shall be deemed to be incorporated by reference into this Prospectus

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Supplement and the Registration Statement (in the case of a Report on Form 6-K, if and to the extent expressly provided for therein).

Any statement contained in this Prospectus Supplement, the Prospectus or a document incorporated or deemed to be incorporated by reference herein or therein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in the Prospectus or in any subsequently filed document which also is or is deemed to be incorporated by reference herein or in the Prospectus modifies or supersedes that prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be considered in its unmodified or superseded form to constitute a part of this Prospectus Supplement, except as so modified or superseded. Without limiting the foregoing, each document incorporated by reference into the Prospectus prior to the date hereof shall be deemed to have been superseded in its entirety unless such document is also listed above as being incorporated by reference into this Prospectus Supplement.

ADDITIONAL INFORMATION

The Company has filed with the SEC the Registration Statement. This Prospectus Supplement and the Prospectus, which together constitute a part of the Registration Statement, do not contain all of the information contained in the Registration Statement, certain items of which are contained in the exhibits to the Registration Statement as permitted by the rules and regulations of the SEC. Statements included or incorporated by reference in this Prospectus Supplement and the Prospectus about the contents of any contract, agreement or other documents referred to are not necessarily complete, and in each instance an investor should refer to the exhibits to the Registration Statement for a more complete description of the matter involved. Each such statement is qualified in its entirety by such reference.

The Company is subject to the information requirements of the *United States Securities Exchange Act of 1934*, as amended (the "**Exchange Act**"), and applicable Canadian securities legislation, and in accordance therewith files and furnishes reports and other information with the SEC and with the securities regulators in Canada. As a foreign private issuer, certain documents and other information that the Company files and furnishes with the SEC may be prepared in accordance with the disclosure requirements of Canada, which are different from those of the United States. In addition, as a foreign private issuer, the Company is exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and its officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, the Company is not required to publish financial statements as promptly as U.S. companies.

An investor may read any document that the Company has filed with or furnished to the SEC at the SEC's public reference room in Washington, D.C. An investor may also obtain copies of those documents from the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 by paying a fee. An investor should call the SEC at 1-800-SEC-0330 or access its website at www.sec.gov for further information about the public reference rooms. An investor may read and download the documents the Company has filed with the SEC under the Company's corporate profile at www.sec.gov. An investor may read and download any public document that the Company has filed with the Canadian securities regulatory authorities under the Company's corporate profile on the SEDAR website at www.sedar.com.

Table of Contents**DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT**

The following documents have been or will be filed with the SEC as part of the Registration Statement: (i) the documents referred to herein and in the Prospectus under the heading "Documents Incorporated by Reference"; (ii) consents of PricewaterhouseCoopers LLP and certain experts; (iii) powers of attorney from certain directors and officers of the Company; (iv) the form of Indenture (as defined in the Prospectus); (v) the Warrant Indenture (as defined herein); and (vi) the underwriting agreement relating to the Unit Offering.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a company organized and existing under the *Business Corporations Act* (British Columbia). A majority of the Company's directors and officers, and some or all of experts named in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein, are residents of Canada or otherwise reside outside the United States, and all or a substantial portion of their assets, and a substantial portion of the Company's assets, are located outside the United States. The Company has appointed an agent for service of process in the United States, but it may be difficult for investors who reside in the United States to effect service within the United States upon those directors, officers and experts who are not residents of the United States. It may also be difficult for investors who reside in the United States to realize in the United States upon judgments of courts of the United States predicated upon the Company's civil liability and the civil liability of the Company's directors, officers and experts under the United States federal securities laws. A final judgment for a liquidated sum in favour of a private litigant granted by a United States court and predicated solely upon civil liability under United States federal securities laws would, subject to certain exceptions identified in the law of individual provinces and territories of Canada, likely be enforceable in Canada if the United States court in which the judgment was obtained had a basis for jurisdiction in the matter that would be recognized by the domestic Canadian court for the same purposes. There is a significant risk that a given Canadian court may not have jurisdiction or may decline jurisdiction over a claim based solely upon United States federal securities law on application of the conflict of laws principles of the province or territory in Canada in which the claim is brought.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless stated otherwise or the context otherwise requires, all references to dollar amounts in this Prospectus Supplement and the Prospectus are references to Canadian dollars. All references to "CAN\$" are to Canadian dollars, references to "US\$" are to United States dollars and references to "R" or "Rand" are to South African Rand.

The following table sets forth the rate of exchange for the United States dollar expressed in Canadian dollars in effect at the end of each of the periods indicated, the average of the exchange rates in effect on the last day of each month during each of the periods indicated, and the high and low exchange rates during each of the periods indicated in each case, prior to and including April 28, 2017 based on the noon rate of exchange and, subsequent to April 28, 2017, based on the daily exchange rate, as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars.

	Fiscal Year Ended August 31,			
	2017		2016	
Average rate for period	CAN\$	1.3178	CAN\$	1.3265
Rate at end of period	CAN\$	1.2536	CAN\$	1.3124
High for period	CAN\$	1.3743	CAN\$	1.4589
Low for period	CAN\$	1.2447	CAN\$	1.2544

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	Six Months Ended February 28,			
	2018		2017	
Average rate for period	CAN\$	1.2651	CAN\$	1.3275
Rate at end of period	CAN\$	1.2809	CAN\$	1.3248
High for period	CAN\$	1.2893	CAN\$	1.3582
Low for period	CAN\$	1.2128	CAN\$	1.2843

The daily rate of exchange on May 11, 2018 as reported by the Bank of Canada for the conversion of United States dollars into Canadian dollars was US\$1.00 equals CAN\$1.2779.

The following table sets forth the rate of exchange for the Rand expressed in Canadian dollars in effect at the end of each of the periods indicated, the average of the exchange rates in effect on the last day of each month during each of the periods indicated, and the high and low exchange rates during each of the periods indicated in each case, prior to and including April 28, 2017 based on the noon rate of exchange and, subsequent to April 28, 2017, based on the daily exchange rate, as reported by the Bank of Canada for the conversion of Rand into Canadian dollars.

	Fiscal Year Ended August 31,			
	2017		2016	
Average rate for period	CAN\$	0.0984	CAN\$	0.0902
Rate at end of period	CAN\$	0.0968	CAN\$	0.0893
High for period	CAN\$	0.1076	CAN\$	0.0993
Low for period	CAN\$	0.0892	CAN\$	0.0821

	Six Months Ended February 28,			
	2018		2017	
Average rate for period	CAN\$	0.0986	CAN\$	0.0976
Rate at end of period	CAN\$	0.1088	CAN\$	0.1011
High for period	CAN\$	0.1096	CAN\$	0.1016
Low for period	CAN\$	0.0883	CAN\$	0.0892

The daily rate of exchange on May 11, 2018 as reported by the Bank of Canada for the conversion of Rand into Canadian dollars was one Rand equals CAN\$0.1043.

NOTICE REGARDING NON-IFRS MEASURES

This Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein include certain terms or performance measures that are not defined under IFRS, such as cash costs, all-in sustaining costs and total costs per payable ounce, realized price per ounce, adjusted net income (loss) before tax, adjusted net income (loss) and adjusted basic earnings (loss) per share. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, 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. These non-IFRS measures should be read in conjunction with the Financial Statements.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information about the Company and selected information contained elsewhere in or incorporated by reference in this Prospectus Supplement, the Prospectus or the documents incorporated by reference herein or therein. This summary is not complete and does not contain all of the information that you should consider before deciding whether to invest in the Warrant Shares. For a more complete understanding of the Company, the Company encourages you to read and consider carefully the more detailed information in this Prospectus Supplement and the Prospectus, including the information incorporated by reference herein and therein, and in particular, the information under the heading "Risk Factors" in the Prospectus, in this Prospectus Supplement and in the Form 20-F and the AIF.

Certain capitalized terms used in this summary refer to definitions contained elsewhere in this Prospectus Supplement.

Overview

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 material mineral property is the Waterberg Joint Venture Project (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 50.02% beneficial interest, of which 37.05% is held directly by the Company's wholly-owned direct subsidiary, PTM RSA, and 12.974% is held indirectly through PTM RSA's 49.9% interest in Mnombo, a Black Economic Empowerment ("**BEE**") company which holds 26.0% of Waterberg JV Co. PTM RSA is a participant in the Waterberg Project, together with JOGMEC, Implats and Mnombo, and is the operator of the Waterberg Project. Implats has been granted a call option exercisable in certain circumstances to purchase and earn into a 50.01% interest in Waterberg JV Co. (the "**Purchase and Development Option**").

The Company has sold all of its rights and interests, indirectly held through PTM RSA, in Maseve, including the Maseve Mine and Project 3 of what was formerly the WBJV both located on the Western Limb of the Bushveld Complex. Currently, the Company considers the Waterberg Project to be its sole material mineral property.

Recent Updates

Maseve

On September 6, 2017 the Company entered into a term sheet to sell all of its rights and interests in Maseve to RBPlat in a transaction valued at approximately US\$74.0 million, payable in two steps, for a total value of approximately US\$62.0 million in cash and US\$12.0 million in RBPlat common shares. A deposit in escrow was paid by RBPlat in the amount of Rand 41,367,300 (valued for conveyance at approximately US\$3.5 million equivalent on April 5, 2018) (the "**Deposit**") on October 9, 2017. On November 23, 2017, the Company and RBPlat executed definitive agreements in connection with the Maseve Sale Transaction.

The first step ("**Step 1**" or the "**Plant Sale Transaction**") involved RBPlat acquiring the concentrator plant and certain surface assets of the Maseve Mine for payment of US\$58.0 million in cash to Maseve, conditional on certain approvals and conditions precedent. On January 16, 2018, the South African Competition Tribunal approved the Maseve Sale Transaction. All remaining conditions precedent for Step 1 were fulfilled as of February 14, 2018. The Deposit was subsequently released to Maseve on March 15, 2018 and was applied to settle the Redpath Dispute (as described below). Step 1 was then completed on April 5, 2018 coincident with the registration of the applicable surface rights to a wholly-owned subsidiary of RBPlat at the South African deeds office. RBPlat made a payment into trust, in advance of conveyance, of Rand 646.74 million (valued at approximately US\$54.5 million on April 4, 2018), being the Rand equivalent of US\$58.0 million on April 4, 2018, less the Rand amount of the Deposit.

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The net Step 1 cash payment of Rand 646.74 million, as described above, was received by the Company in South Africa on April 5, 2018 coincident with the registration of the applicable surface rights to a wholly owned subsidiary of RBPlat. Upon receipt of the Rand 646.74 million in Canada on April 9, 2018 the Rand amount was translated into US\$53.3 million at a weaker exchange rate of 12.1341 for the U.S. dollar to Rand. On April 5, 2018, the legal conveyance date, the quoted U.S. dollar to Rand exchange rate had weakened from the April 4, 2018 preparation date to 11.92, resulting in a further payment of Rand 3.26 million being due as a result of the exchange rate variation. This amount was received from RBPlat on April 9, 2018, was converted in Canada to US\$271,667 and paid to LMM on April 13, 2018.

The definitive agreements, which were amended on February 2, 2018, February 12, 2018, March 12, 2018 and April 26, 2018 provided for, among other things, (i) an interim period agreement between the Company and RBPlat, in place of the previously contemplated sub-contractor arrangement, which regulated the allocation of responsibilities and costs, including electricity and water, in relation to the Plant Sale Transaction until the closing date of the Share Transaction (defined below), in some cases allocating costs on a 50-50 basis and in other cases based on usage or responsibility; (ii) the release of the Deposit; (iii) the establishment of the Company's responsibility to procure certain electrical certificates required for title transfer at an estimated cost of Rand 3,225,288 (approximately US\$270,500 equivalent as of April 5, 2018), to be paid to Maseve's electrical contractor in accordance with the schedule of works agreed between Maseve and the contractor; (iv) an acknowledgement of the settlement of the Redpath Dispute; and (v) removing certain conditions regarding the release and payment of the RBPlat Contribution to PTM RSA.

The next step ("**Step 2**" or the "**Share Transaction**") involved RBPlat acquiring 100% of the shares in Maseve and all shareholder loans owed by Maseve for an aggregate consideration equal to approximately US\$16.0 million as valued in September 2017, at the time of the Maseve Sale Transaction term sheet. As valued in September 2017, RBPlat was to pay PTM RSA US\$7.0 million in common shares of RBPlat plus approximately US\$4.0 million in cash to acquire PTM RSA's remaining loans due from Maseve and is to pay PTM RSA (82.9%) and Africa Wide (17.1%), in proportion to their respective equity interests in Maseve, a further US\$5.0 million by way of issuance of common shares of RBPlat to acquire 100% of the equity in Maseve. The Share Transaction required, within three years of the South African Competition Commission granting approval to the Share Transaction, the approval of the Minister of Mineral Resources and other conditions precedent. The conditions precedent were satisfied, and Step 2 closed on April 26, 2018. In connection with the closing, RBPlat acquired ownership of 100% of the shares in Maseve and all shareholder loans owed by Maseve. PTM RSA received 4,524,279 RBPlat shares, having a value of approximately US\$8.09 million as of May 10, 2018. The cash component of Step 2 is to be received by PTM RSA following RBPlat's replacement of the Environmental Deposit Amount with respect to Maseve. See "Risk Factors" in this Prospectus Supplement. Following the closing of Step 2, the Company is no longer responsible for care and maintenance costs or the ongoing commitments of Maseve.

All of the proceeds from the Plant Sale Transaction, other than the amounts paid to settle the Redpath Dispute (defined below), were applied to the Company's secured debt. As part of re-structuring arrangements agreed with LMM, the Company agreed to complete the Required Financing (and the Additional Required Financing, if applicable).

On January 29, 2018, underground miner Redpath Mining South Africa (Pty) Limited ("**Redpath**") issued a letter of demand in regard to various goods and services rendered by Redpath to Maseve in the total amount of Rand 54,544,183.31 (the "**Redpath Dispute**"). Maseve declined to pay on the demand and raised various counterclaims based on previously agreed deductions and malperformance by Redpath, but nonetheless provided security for the amount claimed by Redpath through an escrow arrangement with the Company's attorneys. The escrow account was funded with the Deposit and additional funds contributed by the Company and Maseve. In addition, a further Rand 12,500,000 (approximately US\$1.04 million equivalent as of April 5, 2018) was deposited into a separate escrow account by RBPlat (the "**RBPlat Contribution**") for release to the Company as RBPlat's agreed share of the Redpath settlement (as described below) against delivery of all closing deliverables required for closing of Step 2 of the Maseve Sale Transaction (the "**2nd Step Closing**") and paid to PTM RSA as soon as possible after the 2nd Step Closing. Furthermore, when released from escrow, the RBPlat

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Contribution will be returned to working capital to fund the Company's share of ongoing Waterberg Project DFS costs.

On March 8, 2018, Maseve and Redpath executed an Agreement of Settlement whereby Maseve and Redpath agreed to settle the Redpath Dispute for Rand 40,940,141 (approximately US\$3.48 million equivalent as of March 14, 2018) in full and final settlement of all relevant disputes, liabilities and claims between the parties, which amount was paid to Redpath on March 14, 2018 and was funded by releasing a portion of the Deposit from the escrow account. The balance of the escrow account was released whereupon the rest of the Deposit of Rand 427,159 (approximately US\$36,292 equivalent as of March 14, 2018), together with a portion of the additional contributed funds, were utilized to reduce outstanding indebtedness under the Sprott Facility by US\$107,755 with the rest returned to the Company.

The termination of all agreements between Maseve and Redpath have been delayed, at RBPlat's request, so that a smooth transition of operatorship at Maseve can occur. The care and maintenance agreement between Maseve and Redpath, dated October 23, 2017, which governs the care and maintenance services provided by Redpath at the Maseve Mine, remains in effect. The care and maintenance agreement may be terminated upon 32 calendar days' notice. Such notice of termination was given by Maseve to Redpath on April 16, 2018.

Waterberg

On September 21, 2017 the Company completed the transfer of all Waterberg Project prospecting permits held in trust by PTM RSA 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.

On October 16, 2017 the Company announced the execution of definitive agreements in connection with the Implats Transaction whereby Implats (a) purchased Waterberg JV Co. shares representing a 15.0% interest in the Waterberg Project from PTM RSA (8.6%) and JOGMEC (6.4%) for US\$30.0 million (of which PTM RSA's pro rata share was US\$17.2 million) (the "**Initial Transaction**"); and (b) acquired the Purchase and Development Option to increase its stake in Waterberg JV Co. to 50.01% through additional share purchases and earn-in arrangements and acquired a right of first refusal to smelt and refine Waterberg Project concentrate. The Initial Transaction closed on November 6, 2017. Certain of the proceeds of the Initial Transaction are ring-fenced by PTM RSA and disbursed to cover the Company's share of the costs of the DFS. Implats will have an option within 90 business days of the completion by Waterberg JV Co. and approval by Waterberg JV Co. or Implats of the planned DFS, the preparation of which is currently underway and which is expected to be completed in late 2018 or early 2019, to elect to exercise the Purchase and Development Option to increase its interest in Waterberg JV Co. up to 50.01% by purchasing an additional 12.195% equity interest from JOGMEC for US\$34.8 million, and earning into the remaining interest by making a firm commitment to an expenditure of US\$130.0 million in development work. Waterberg JV Co. is in the process of compiling a mining right application for filing before September 2018.

On March 8, 2018, JOGMEC announced that it had signed a memorandum of understanding with HANWA Co., Ltd ("**HANWA**") to transfer 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. As described in JOGMEC's press release, JOGMEC and HANWA will start negotiations on the terms of the transfer of interest to HANWA, including, with a successful negotiation, HANWA securing the right to a supply of certain metals produced at the Waterberg Project. There is no guarantee that the transaction will close on the terms announced by JOGMEC or at all.

NYSE American

Due in part to a decline in the Company's market capitalization below US\$50.0 million, on April 10, 2018, the Company received a letter from the NYSE American stating that the Company is not in compliance with the continued listing standards set forth in Section 1003(a) of the NYSE American Company Guide (the "**Company Guide**"). In order to maintain its listing, the Company must submit a plan of compliance by May 10, 2018 addressing how it intends to regain compliance with Sections 1003(a) of the Company Guide by October 10,

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2019. The Company has submitted a plan to the NYSE American. If the Company's plan is accepted, the Company may be able to continue its listing, but will be subject to periodic reviews by the NYSE American. If the plan is not accepted, or if it is accepted, but the Company is not in compliance with the continued listing standards by October 10, 2019, or if the Company does not make progress consistent with the plan, the NYSE American will initiate delisting procedures as appropriate. In the interim, the Company's Common Shares are expected to continue to be listed on the NYSE American while it attempts to regain compliance with the continued listing standards.

Section 1003(a) of the Company Guide provides that the NYSE American will not normally consider suspending dealings in, or removing from the list, the securities of an issuer if the issuer is in compliance with the following: (A) total value of market capitalization of at least US\$50.0 million; or total assets and revenue of US\$50.0 million each in its last fiscal year, or in two of its last three fiscal years; and (B) the issuer has at least 1,100,000 shares publicly held, a market value of publicly held shares of at least US\$15.0 million and 400 round lot shareholders (collectively, the "**Alternative Listing Standards**"). In order to satisfy the Alternative Listing Standards, the Company must regain a market capitalization of US\$50.0 million or more. The Unit Offering is intended to assist the Company in satisfying such standards. These standards in no way limit or restrict the NYSE American's discretionary authority to suspend dealings in, or remove, a security from listing. The Company may be required to effect a share consolidation to maintain the listing of its Common Shares on the NYSE American. See the February MD&A and "Risk Factors".

Concurrent Private Placement, Board Appointment Rights and Financing Participation Rights

On May 3, 2018, the Company entered into a subscription agreement with HCI, as amended and restated May 11, 2018 (the "**HCI Subscription Agreement**"), for the sale to HCI or a subsidiary of HCI of 15,090,999 units (the "**HCI Private Placement**"), with each unit consisting of one Common Share and one common share purchase warrant, at a price of US\$0.15 per unit, for aggregate gross proceeds to the Company of US\$2,263,649.85. Each warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at a price of US\$0.17 per warrant share until the date that is 18 months following the closing of the HCI Private Placement (the "**HCI Private Placement Closing**"). The HCI Private Placement Closing is subject to customary closing conditions, including stock exchange approvals. If the HCI Private Placement Closing occurs prior to May 31, 2018, under the terms of the LMM Facility Agreement, the HCI Private Placement would be deemed to be part of the Required Financing and proceeds from the HCI Private Placement (together with the proceeds from any other financings, including the Unit Offering, that are considered to be part of the Required Financing) would be used towards the Company's obligation to pay US\$12.0 million of gross proceeds from the Required Financing before May 31, 2018 to reduce outstanding indebtedness under the LMM Facility. If the HCI Private Placement Closing occurs from and after May 31, 2018, the LMM Facility Agreement would require 50% of the net proceeds from the HCI Private Placement to be used to reduce outstanding indebtedness under the LMM Facility.

From and after the HCI Private Placement Closing, pursuant to the HCI Subscription Agreement, among other terms and conditions, HCI will have a right to (i) nominate a member of the board of directors of the Company and (ii) participate in future financings of the Company involving the issuance of equity or securities convertible into equity, including the Unit Offering, in order to maintain its pro-rata shareholding. The Company would also appoint an HCI nominee as one of the Company's two designated members of the board of directors of Mnombo, though it is not contractually obligated to do so under the terms of the HCI Subscription Agreement.

HCI is a South African black empowerment investment holding company listed on the JSE Securities Exchange. HCI's major shareholder is the Southern African Clothing and Textile Workers' Union. The group is involved in a diverse group of investments including hotel and leisure; interactive gaming; media and broadcasting; transport; mining; clothing; and properties.

HCI's nominee to the Company's board of directors will be Mr. John Anthony Copelyn, B.A. Hons B.Proc., Chief Executive Officer of HCI. Mr. Copelyn joined HCI as Chief Executive Officer in 1997. Prior to this he was a member of the South African parliament and general secretary of the Southern African Clothing and Textile

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Workers' Union. He is also Chairman of E Media Holdings Ltd., Tsogo Sun Holdings Ltd., Deneb Investments Ltd. and Niveus Investments Ltd.

Assuming the HCI Private Placement Closing occurs prior to the closing of the Unit Offering, HCI will hold approximately 9.09% of the outstanding Common Shares of the Company based on the current number of issued and outstanding Common Shares and, pursuant to the HCI Subscription Agreement, would then have a right to participate in the Unit Offering in order to maintain its pro-rata shareholding in the Company. The closing of the Unit Offering is conditioned in part upon the HCI Private Placement Closing occurring prior to or concurrently with the closing of the Unit Offering. HCI may terminate the HCI Subscription Agreement if, among other reasons, the closing of the HCI Private Placement does not occur by May 18, 2018, the Unit Offering is terminated or the Unit Offering is for gross proceeds of less than US\$17.1 million. HCI has indicated its interest in participating in the Unit Offering. However, no assurance can be provided that the HCI Private Placement Closing will occur or that HCI will participate in the Unit Offering.

General

For more details regarding the Maseve Sale Transaction and the Implats Transaction, see the Form 20-F, the Financial Statements and the AIF.

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RISK FACTORS

Investing in the Warrant Shares involves a high degree of risk. In addition to the other information contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein, you should carefully consider the risks described under the "Risk Factors" section of the Prospectus, the Form 20-F and the AIF before purchasing the Warrant Shares. 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. See "Documents Incorporated by Reference". If any such risks actually occur, the Company's business, financial condition, results of operations and prospects could materially suffer. As a result, the trading price of the Company's securities, including the Warrants and Warrant Shares, could decline, and you might lose all or part of your investment. The risks set out in this Prospectus Supplement, the Prospectus, the Form 20-F and the AIF are not the only risks that the Company faces; risks and uncertainties not currently known to it or that it currently deems to be immaterial may also materially and adversely affect its business, financial condition, results of operations and prospects, cause actual events to differ materially from those described in the Forward Looking Statements and information relating to the Company and could result in a loss of your investment. You should also refer to the other information set forth or incorporated by reference in this Prospectus Supplement and the Prospectus, including the Financial Statements and related notes.

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 the continued exploration on the Waterberg Project, as well as for general working capital purposes and compliance with, and repayment of, its existing indebtedness. The Company has agreed to raise US\$15.0 million in subordinated debt (in form and substance satisfactory to LMM), equity or securities convertible into equity before May 31, 2018. The first US\$12.0 million of gross proceeds of the Unit Offering must be used to reduce the outstanding indebtedness under the LMM Facility in connection with the Required Financing. In addition, if the Company does not satisfy the Required Financing Conditions, it must complete the Additional Required Financing under the terms of the LMM Facility and use the first US\$20.0 million of net proceeds of such financing to reduce indebtedness under the LMM Facility. Failure to complete any such required financings would amount to an event of default under the LMM Facility. The Company can give no assurance that financing will be available to the Company or, if it is available, that it will be offered on acceptable terms. The Company can also give no assurance that the Company will be successful in closing the HCI Private Placement. The closing of the Unit Offering is conditioned in part upon the HCI Private Placement Closing occurring prior to or concurrently with the closing of the Unit Offering. HCI may terminate the HCI Subscription Agreement if, among other reasons, the closing of the HCI Private Placement does not occur by May 18, 2018, the Unit Offering is terminated or the Unit Offering is for gross proceeds of less than US\$17.1 million. If the HCI Private Placement Closing does not occur on such timeline, the Unit Offering may not be successfully completed, in which case the Company may be subject to the risks noted herein.

Assuming the Required Financing Conditions are met, and assuming the HCI Private Placement Closing occurs, management believes that the net proceeds of the Unit Offering and the HCI Private Placement allocated towards general corporate and working capital purposes should be sufficient for the Company to maintain operations until September 30, 2018, after which time the Company will require additional capital to satisfy its obligations under the LMM Facility and to continue operations and maintain and develop its properties. However, if the Required Financing Conditions are not met, the Company will have to complete both the Required Financing and the Additional Required Financing on the terms and by such times as described above. If the Company is required to complete the Additional Required Financing or any other subsequent financings while the LMM Facility remains in force, securities issued in connection with such financings could not contain cashless exercise or conversion features due to the restrictions in the LMM Facility. This may make it more difficult to raise funds in amounts or on terms that are acceptable to the Company. Any failure to timely complete any required financing may result in a default under the LMM Facility. Unforeseen

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increases or acceleration of expenses and other obligations could require additional capital as of an earlier date. If additional financing is raised by the issuance of equity securities of the Company, control of the Company may change, security holders will suffer additional dilution and the price of the Common Shares and the Warrants 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 the Company's properties or even a loss of property interests.

Any failure by the Company to obtain required financing on acceptable terms or on a timely basis could cause the Company 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 outstanding indebtedness of the Company. Any such delay or sale could have a material adverse effect on the Company's financial condition, results of operations and liquidity. Any default under outstanding indebtedness of the Company could result in the loss of the Company's entire interest in PTM RSA, and therefore its interests in the Waterberg Project.

The Company may be unable to receive and realize on the proceeds of Step 2 of the Maseve Sale Transaction on the terms and timeframe anticipated, or at all, or such transaction may result in litigation.

A portion of the proceeds of Step 2 of the Maseve Sale Transaction consists of cash to be delivered to PTM RSA following RBPlat's replacement of the Environmental Deposit Amount for Maseve. The Company can provide no assurance as to when or whether this cash will be delivered. In addition, the U.S. dollar value of the amounts received by PTM RSA could be less than anticipated as a result of changes in currency exchange rates or other factors.

A portion of the proceeds of Step 2 of the Maseve Sale Transaction consists of RBPlat shares. At the time of structuring the Maseve Share Transaction, such RBPlat shares represented a value of US\$11.145 million (consisting of US\$7.0 million in respect of PTM RSA's loans to Maseve plus US\$4.145 million reflecting PTM RSA's 82.9% share of the equity of Maseve, which was valued at US\$5.0 million). As of May 10, 2018, the RBPlat shares received by PTM RSA in Step 2 had a market value of approximately US\$8.09 million based on the closing price of the RBPlat shares on the Johannesburg Stock Exchange and the daily average exchange rates for Rand and U.S. dollars reported by the Bank of Canada. PTM RSA has agreed with RBPlat that any sale by it of the RBPlat shares will occur in an orderly fashion which does not distort the market, and that for 120 days after the issuance of the RBPlat shares to PTM RSA, PTM RSA will not sell, in any 30 day period, more than 33.33% of its original allocation of RBPlat shares unless the sale is placed by a licensed broker-dealer on an orderly sale basis to qualified institutional investors. The RBPlat shares trade primarily in Rand. The daily trading volumes of the RBPlat shares are not expected to be sufficient to allow the Company to sell the RBPlat shares through unsolicited exchange trades within the 120 day period required by the LMM Facility, in the manner required by the Company's agreements with RBPlat. Accordingly, the Company will seek to engage in sales of larger blocks of RBPlat shares where possible. If the RBPlat shares or the U.S. dollar value of the Rand decrease, or if PTM RSA is unable to sell the shares promptly at a favorable price, this will have an adverse effect on the Company's financial position.

Additionally, the Maseve Sale Transaction may in the future be the subject to litigation by one or more shareholders of the Company who may disagree with the Company's disposition of the Maseve Mine and may seek to vary or unwind the Maseve Sale Transaction. The impact of such litigation or the possible effect of a settlement of such litigation upon the Company cannot be predicted with any degree of certainty at this time. The failure to receive and realize on the proceeds of the Maseve Sale Transaction, or any such litigation, would adversely affect the Company's financial condition and may result in a default under the Company's indebtedness and the Company's insolvency.

The Company may be unable to generate sufficient cash to service its debt or otherwise comply with the terms of its debt, the terms of the agreements governing the Company's debt may restrict its current or future operations and the indebtedness may adversely affect the Company's financial condition and results of operations.

The Company's ability to make scheduled payments on its indebtedness will depend on its ability to successfully receive and realize on the proceeds from the Maseve Sale Transaction and raise additional funding

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by way of debt or equity offerings, and on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond its control. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, including if the Company is unable to receive and realize on the proceeds of Step 2 of the Maseve Sale Transaction or if any necessary extensions or waivers from the Company's lenders are not available, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness, including indebtedness under the LMM Facility. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

In addition, a breach of the covenants under the Company's debt instruments, including the covenants to complete certain financings, could result in an event of default under the applicable indebtedness, or other events of default could occur, and such default could result in secured creditors' realization of collateral. Such a default may allow the creditors to accelerate the related debt, may result in the imposition of default interest, and may result in the acceleration of any other debt to which a cross acceleration or cross default provision applies. In particular, a cross default provision applies to certain of the Company's indebtedness, including the LMM Facility and the Notes. In the event a lender accelerates the repayment of the Company's borrowings, the Company may not have sufficient assets to repay its indebtedness.

The Company's debt instruments include a number of covenants that impose operating and financial restrictions on the Company and may limit the Company's ability to engage in acts that may be in its long term best interest. In particular, the LMM Facility requires the Company to take all steps and actions as may be required to maintain the listing and posting for trading of the Common Shares on the TSX and the NYSE American, provided that the Company may move its listings to any other stock exchange or market as is acceptable to LMM. The LMM Facility also restricts the Company's ability to modify material contracts, to dispose of assets, to use the proceeds from permitted dispositions and financings, to incur additional indebtedness, to enter into transactions with affiliates, and to grant security interests or encumbrances and to use proceeds from future debt or equity financings. The indenture governing the Notes also includes restrictive covenants, including, without limitation, covenants restricting the incurrence of indebtedness and the use of proceeds from asset sales. As a result of these and other restrictions, the Company may be limited in how it conducts its business, may be unable to raise additional debt or equity financing, may be unable to compete effectively or to take advantage of new business opportunities or may become in breach of its obligations to the other shareholders of Waterberg JV Co., Mnombo and others, each of which may affect the Company's ability to grow in accordance with its strategy or may otherwise adversely affect its business and financial condition.

Further, the Company's maintenance of substantial levels of debt could adversely affect its financial condition and results of operations and could adversely affect its flexibility to take advantage of corporate opportunities. Substantial levels of indebtedness could have important consequences to the Company, including:

limiting the Company's ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements, or requiring the Company to make non-strategic divestitures;

requiring a substantial portion of the Company's cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;

increasing the Company's vulnerability to general adverse economic and industry conditions;

exposing the Company to the risk of increased interest rates for any borrowings at variable rates of interest;

limiting the Company's flexibility in planning for and reacting to changes in the industry in which it competes;

placing the Company at a disadvantage compared to other, less leveraged competitors; and

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increasing the Company's cost of borrowing.

The Company has granted security interests in favour of the LMM Lenders over all of its personal property, subject to certain exceptions, and the Company has pledged its shares of PTM RSA, and PTM RSA has pledged its shares of Waterberg JV Co. to the LMM Lenders under the LMM Facility, which may have a material adverse effect on the Company.

To secure its obligations under the LMM Facility, the Company has entered into a general security agreement under which the Company has granted security interests in favour of LMM over all of its present and after-acquired personal property, subject to certain exceptions, and share pledge agreements pursuant to which the Company has granted a security interest in favour of LMM over all of the issued shares in the capital of PTM RSA. PTM RSA has also guaranteed the Company's obligations to LMM and pledged the shares it holds in Waterberg JV Co. in favour of LMM. These security interests and guarantee may impact the Company's ability to obtain project financing for the Waterberg Project or its ability to secure other types of financing. The LMM Facility has various covenants and provisions, including payment covenants and financial tests that must be satisfied and complied with during the term of the LMM Facility. There is no assurance that such covenants will be satisfied. Any default under the LMM Facility, including any covenants thereunder, could result in the loss of the Company's entire interest in PTM RSA, and therefore its interests in the Waterberg Project.

The Company may not be able to continue as a going concern.

The Company has limited financial resources. The Company's ability to continue as a going concern is dependent upon, among other things, the Company establishing commercial quantities of mineral reserves and successfully establishing profitable production of such minerals or, alternatively, disposing of its interests on a profitable basis. Any unexpected costs, problems or delays could severely impact the Company's ability to continue exploration and development activities. Should the Company be unable to continue as a going concern, realization of assets and settlement of liabilities in other than the normal course of business may be at amounts materially different than the Company's estimates. The amounts attributed to the Company's exploration properties in its financial statements represent acquisition and exploration costs and should not be taken to represent realizable value. The report of the independent auditors to the Company's consolidated financial statements for the fiscal year ended August 31, 2017 contained an emphasis of matter, noting that the Company has suffered recurring losses from operations and significant amounts of debt payable without any current source of operating income, and that the Company also had a net capital deficiency that raised substantial doubt about the Company's ability to continue as a going concern.

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 financial years. 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. The LMM Facility requires that effective May 31, 2018 the Company maintain consolidated cash and cash equivalents of at least US\$2.0 million and working capital in excess of US\$1.0 million. No assurance can be provided that the Company will be able to comply with these conditions. The Company may be required to raise additional funds through the issuance of additional equity or debt securities to satisfy the minimum cash balance requirements under the LMM Facility. The LMM Facility provides, however, that a significant portion of the proceeds of such financings are required to be paid to LMM in partial repayment of the LMM Facility. There can be no assurance that additional debt or equity financing or other types of financing will be available if

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needed or that these financings will be on terms at least as favorable to the Company as those obtained previously.

In October 2017, the Company also agreed with BMO Nesbitt Burns Inc. ("**BMO**") and Macquarie Capital Markets Canada Ltd. ("**Macquarie**") to pay BMO and Macquarie an aggregate of approximately US\$2.9 million as soon as practicable following the repayment of the Sprott Facility and the LMM Facility for services previously provided. If the Company fails to raise additional funds, the Company may not be able to pay BMO and Macquarie, which may adversely affect the Company.

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, 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;

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 establish sources of water 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.

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.

Estimates of mineral reserves and mineral resources are based on interpretation and assumptions and are inherently imprecise.

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The mineral resource and mineral reserve estimates contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein have been determined and valued based on assumed future prices, cut off grades and operating costs. However, until mineral deposits are actually

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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.

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. Effective September 1, 2015, the Company adopted U.S. Dollars as the currency for the presentation of its financial statements. 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, will be in Rand, and will be converted to U.S. Dollars. Fluctuations in the exchange rates between the U.S. Dollar and the Rand or Canadian Dollar may have a material adverse effect on the Company's financial results.

In addition, South Africa has in the past 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

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to access global financial markets in the longer term and its ability to fund planned capital expenditures, and could materially adversely affect the Company's business, financial condition and results of operations. During April 2017, the ratings agencies Standard and Poor's and Fitch Ratings downgraded South African debt to below investment grade following an abrupt cabinet reshuffle which saw the replacement of the Minister of Finance and his deputy. This was followed by Moody's downgrading South African debt to one notch above sub investment grade. Heightened political and institutional uncertainties may delay government fiscal and structural reform, result in a sell off by investors of South African bonds denominated in currencies other than Rand and weaken the Rand against other major currencies. These developments have weakened the Rand and may continue to influence the Rand to U.S. Dollar exchange rate in future periods. 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. The value of the Rand has strengthened significantly since the resignation of Jacob Zuma as president of South Africa on February 14, 2018 and the appointment of Cyril Ramaphosa in his stead on February 15, 2018, but remains volatile.

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 wrote down certain assets as at August 31, 2017 and August 31, 2016. See the Company's financial statements for the year ended August 31, 2017.

The failure of the Company or the other shareholders of Waterberg JV Co. or Mnombo to fund their pro-rata share of funds in the respective companies may have a material adverse effect on the Company's business and results of operations.

Except in the case of JOGMEC's US\$20.0 million funding commitment, which has now been fully funded, and the potential for the receipt of funding if Implats exercises its Purchase and Development Option, the exercise of which is not guaranteed and is not expected to occur prior to the completion of the DFS, funding of Waterberg Project costs is generally required to be provided by Waterberg JV Co. shareholders on a pro rata basis. Even if Implats exercises and funds its Purchase and Development Option, additional development costs are likely to be incurred. The ability of the Company, and the ability and willingness of the other Waterberg JV Co. shareholders, to satisfy required funding obligations is uncertain.

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The Company has agreed in the Mnombo shareholders' agreement to fund Mnombo's pro rata share of costs through the completion of the DFS. The ability of Mnombo to repay the Company for advances as at

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August 31, 2017 of approximately Rand 25.43 million (approximately US\$1.9 million as at fiscal year end August 31, 2017) or to fund future investment in the Waterberg Project following the expiration of the Company's contractual obligation may be 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 qualified BEE entity.

Because the development of the Company's projects depends on the ability to finance further operations, any inability of the Company or one or more of the other shareholders of Waterberg JV Co. or Mnombo to fund its respective funding obligations and cash calls in the future could require the other parties, including the Company, to increase their funding of the project, which they may be unwilling or unable to do on a timely and commercially reasonable basis, or at all. At the Maseve Mine, the Company was adversely affected by the failure of Africa Wide to satisfy its pro rata share of funding. 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 the Company's interests in its 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 other shareholders of Waterberg JV Co. or Mnombo or the former shareholders of Maseve 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. Until the closing of the Maseve Sale Transaction, PTM RSA was a party to the Maseve shareholders' agreement related to the exploration and development of Project 1 and Project 3. In addition, PTM RSA is also a party to the Waterberg Project shareholders' agreement. PTM RSA is also a 49.9% 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, which could materially and adversely affect the Company's business and results of operations.

Completion of a DFS for the Waterberg Project is subject to economic analysis requirements.

Completion of a DFS for the Waterberg Project is subject to completion of a positive economic analysis of the mineral deposit. No assurance can be provided that such analysis will be positive.

If the Company is unable to 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: R. Michael Jones, President and Chief Executive Officer and a director of the Company; and Frank R. Hallam, Chief Financial Officer and Corporate Secretary and a director of the Company. The Company currently does not, and does not intend to, have key person insurance for these individuals. 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 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

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operating in South Africa are legally obliged to recruit and retain historically disadvantaged South Africans ("**HDSAs**") or black people, as defined respectively by the MPRDA and the Broad-Based Black Economic Empowerment Act, 2003 ("**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. 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. R. Michael Jones, President and Chief Executive Officer and a director of the Company, is also the President and Chief Executive Officer and a director of West Kirkland Mining Inc. ("**WKM**"), a public company with mineral exploration properties in Ontario and Nevada, and a director of Nextraction Energy Corp. ("**NE**"), a public company with oil properties in Wyoming. Frank Hallam, Chief Financial Officer and Corporate Secretary and a director of the Company, is also a director, Chief Financial Officer and Corporate Secretary of WKM, and a director of NE. Diana Walters, a director of the Company, was formerly an executive officer of LMM, a significant shareholder of the Company and the lender under the LMM Facility.

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 of directors, any director in a conflict must disclose his interest and abstain from voting on such matter.

The Company may become subject to litigation and other legal proceedings that may adversely affect the Company's financial condition and results of operations.

All companies are 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, other shareholders in corporatized joint ventures, joint venture partners, shareholders, governmental agencies or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. 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, and the magnitude of the potential loss relating to such lawsuits may remain unknown for substantial periods of time. 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 Business Conduct and Ethics, among other governance and compliance processes, 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

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mining business in South Africa. In March 2014, the Organisation for Economic Cooperation and Development ("OECD") released its Phase 3 Report on Implementing the OECD Anti-Bribery Convention in South Africa, criticizing South Africa for failing to enforce the anti-bribery convention to which it has been a signatory since 2007. The absence of enforcement of corporate liability for foreign bribery coincides with recent growth in corporate activity in South Africa's economic environment. 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.

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 percent 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, recent and future transactions that affect the Company's assets, operations and sources of income and loss, including any exercise of the Purchase and Development Option, 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, 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.

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, inclement weather, 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

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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 notices, are resolved against the Company, the Company's financial performance, financial position and results of operations could be materially adversely affected.

The Company's prospecting and mining rights are subject to title risks.

The Company's prospecting and mining rights may be subject to prior unregistered agreements, transfers, claims and title may be affected by undetected defects. 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 prospecting and mining rights.

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;

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 controls;

taxation;

regulations concerning business dealings with local communities;

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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

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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, capital expenditures, 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, or other projects in which the Company has yet to secure adequate surface or access rights, the Company will need to secure such rights. No assurances can be provided that the Company will be able to secure required surface or access rights on favorable terms, or at all. Any failure by the Company to secure surface or access 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. There can be no assurance that future changes to environmental legislation in Canada or South Africa will not adversely affect the Company's operations. 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. See "South African Regulatory Framework Environment" in the Form 20-F and the AIF.

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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 capital expenditures 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 may exist on the Company's properties that are unknown at the present time, and that may have been caused by previous owners or operators or that may have occurred naturally. These 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 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 environmental legislation, permits and land use consents is required on an ongoing basis, and the requirements under such legislation, permits and consents are evolving rapidly and imposing additional requirements. The Waterberg Project prospecting rights issued by the South African Department of Mineral Resources ("DMR") are 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 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.

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". The treatment of new applications and pending applications is uncertain

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and 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 of Mineral Resources 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 environmental authorization 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 HDSAs in the mining industry. All the Company's current prospecting rights are new order rights.

The assessment of some of the provisions of the MPRDA or the Mining Charter may be subjective and is dependent upon the views of the DMR as to whether the Company is in compliance. The Waterberg Social and Labour Plan, for instance, will contain 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, the terms of its prospecting or mining rights or if mining is not progressing optimally. 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 Promotion of Administrative Justice Act, No. 3 of 2000 ("**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 South African Constitution.

Failure by the Company to meet its obligations in relation to its prospecting or mining rights or the Mining Charter 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.

The failure to maintain or increase equity participation by HDSAs 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 HDSAs, including the MPRDA, the BEE Act and the Mining Charter. To ensure that socioeconomic strategies are implemented, the MPRDA provides for empowerment targets consistent with the objectives of the MPRDA to be codified in the Mining Charter.

The South African government awards procurement contracts, quotas, licenses, permits and prospecting and mining rights based on numerous factors, including the degree of HDSA ownership. The MPRDA and Mining Charter contain provisions relating to the economic empowerment of HDSAs. One of the requirements which must be met before the DMR will issue a prospecting right or mining right is that an applicant must facilitate equity participation by HDSAs in the prospecting and mining operations which result from the granting of the relevant rights. As a matter of stated policy, the DMR requires a minimum of 26% HDSA ownership for the grant of applications for prospecting and mining rights. The Mining Charter required a minimum of 26% HDSA ownership by December 31, 2014.

The Company has sought to satisfy the foregoing requirements by partnering, at the operating company level, with companies demonstrating 26% HDSA ownership. The Company has partnered with Mnombo in respect to the Waterberg Project and for the prospecting rights.

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The Company is satisfied that Mnombo is majority-owned by HDSAs. The contractual arrangements between Mnombo, the Company and the HDSAs require the HDSAs to maintain a minimum level of HDSA ownership in Mnombo of more than 50%. However, if at any time Mnombo becomes a company that is not majority owned by HDSAs, the ownership structure of the Waterberg Project and the prospecting rights and applications over the Waterberg Project may be deemed not to satisfy HDSA requirements.

As the Company has historically partnered with BEE groups or companies that were HDSA-controlled at the time on all of its material projects in South Africa at a level of 26% at an operating or project level it relied, in regard to the Maseve Mine, upon the continuing consequences of such transactions (the so-called "once empowered, always empowered" principle) for ownership compliance with the Mining Charter.

The Company's reliance on the once empowered, always empowered principle was validated in a High Court judgement of April 4, 2018. The court found that once the Minister or his delegate is satisfied under the terms of section 23(1)(h) of the MPRDA that the grant of a mining right applied for under the terms of section 22 of the MPRDA will further the objects referred to in sections 2(d) and (f) of the MPRDA in accordance with "the Charter referred to in section 100", and has granted the mining right applied for, the holder thereof is not thereafter legally obliged to restore the percentage ownership (howsoever measured, inter alia wholly or partially by attributable units of South African production) controlled by HDSAs to the 26% target referred in the original Mining Charter of 2004 or the current Mining Charter, where such percentage falls below 26%, unless such obligation is specified as an obligation in the terms and conditions stated in the right, as referred to in section 23(6) of the MPRDA.

On April 15, 2017, the Minister of Mineral Resources announced the implementation of the Revised Broad Based Black-Economic Empowerment Charter for the South African Mining and Minerals Industry, 2016 ("**Mining Charter III**") which superseded the Mining Charter and set out new and revised targets to be achieved by mining companies, the most pertinent of these being the revised BEE ownership shareholding requirements for both prospecting and mining rights holders. Mining Charter III provides revised ownership structures for mining rights holders, and new prospecting rights holders respectively. Under Mining Charter III, new prospecting rights holders will be required to apportion a minimum of 50% + 1 Black Persons (which includes African, Coloured and Indian persons who are citizens of the Republic of South Africa, or a juristic person managed and controlled by such persons) shareholding which shareholding shall include voting rights, per prospecting right or in the company which holds the right. New mining rights holders will be required to have a minimum 30% Black Person shareholding (a 4% increase from the previously required 26%) which shall include economic interest plus a corresponding percentage of voting rights, per right or in the mining company which holds the right.

The 30% Black Person shareholding for holders of mining rights will be required to be apportioned in the following manner whereby a minimum of (i) 8% of the total issued shares of the holder shall be issued to employee share ownership schemes (or any similar employee scheme structure); (ii) 8% of the total issued shares of the holder shall be issued to mine communities (or in the form of a community trust); and (iii) 14% of the total issued shares of the holder shall be issued to BEE entrepreneurs. Holders who have already attained 30% BEE shareholding are not required to apportion their existing BEE shareholding in accordance with the prescripts of the Mining Charter III. Furthermore, holders who have attained 26% BEE shareholding are required to increase to 30% BEE shareholding within the transitional period of 12 months from the date of publication of Mining Charter III (being April 15, 2017) but will also not be required to restructure and apportion their BEE shareholding across a broader base.

Mining Charter III also required that mining companies contribute 1% of their gross turnover from operations to an agency to be formed, called the Mining Transformation and Development Agency, and stipulated significant increases in HDSA participation in all levels of management and increased procurement from HDSA controlled companies.

Following the announcement of the Mining Charter III, the Chamber of Mines applied to have the High Court of South Africa review the document on the basis of constitutional, procedural and administrative irregularities. The implementation of Mining Charter III has since been suspended. This comes after the Minister of Mineral Resources gave a written undertaking that it would not be implemented until the review application was heard before the full bench of the High Court of South Africa. The matter was to be heard in

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December 2017 over two days, but the parties agreed that two days was insufficient and agreed to postpone the hearing to February 19 to 21, 2018. The newly appointed president of South Africa, Cyril Ramaphosa, personally engaged with the Chamber of Mines, which engagement resulted in the scheduled court hearing date of February 19, 2018 being further postponed. The president has assured the Chamber of Mines that there will be proper consultation with the mining industry in regard to Mining Charter III. As a result, the effect of the revised targets and provisions contained in Mining Charter III are suspended until the High Court of South Africa makes a final ruling or until agreement is reached between the government and the mining industry on the content of this charter. No new hearing date has been set.

The Waterberg Project 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 broad based black empowerment 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 black empowerment shareholders.

Subject to conditions contained in the Company's prospecting and mining rights, the Company may be required to obtain approval from the DMR prior to undergoing any change in its empowerment status under the Mining Charter. In addition, if Waterberg JV Co is found to be in non-compliance with the requirements of the Mining Charter and other BEE regulations, including failure to retain the requisite level of HDSA ownership, the Waterberg mining right application, due to be filed in the second calendar quarter of 2018, may be delayed or refused until such non-compliance is remedied.

In addition, there have been a number of proposals made at governmental level in South Africa regarding amendments and clarifications to the methodology for determining HDSA ownership and control of mining businesses, including the Mineral and Petroleum Resources Development Amendment Bill, 2013, which create greater uncertainty in measuring the Company's progress towards, and compliance with, its commitments under the Mining Charter and other BEE regulations. If implemented, any of these proposals could result in, among other things, stricter criteria for qualification as an HDSA investor.

The Company is obliged to report on its compliance with the Mining Charter, including its percentage of HDSA shareholding, to the DMR on an annual basis.

If the Company is required to increase the percentage of HDSA 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 and Industry is responsible for leading government action on the implementation of BEE initiatives under the auspices of the BEE Act and the BEE Codes of Good Practice (the "**Generic BEE Codes**"), while certain industries have their own transformation charters administered by the relevant government department (in this case, the DMR). The Broad-Based Black Economic Empowerment Amendment Act, No. 46 of 2013 ("**BEE Amendment Act**") came into operation on October 24, 2014. Among other matters, the BEE Amendment Act, through section 3(2), 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 and Industry exempted the DMR from applying the Trumping Provision for a period of twelve months on the basis that the alignment of the Mining Charter with the BEE Act and the Generic BEE Codes was an ongoing process. Mining Charter III purported to align the Mining Charter with the Generic BEE Codes. The Trumping Provision expired on October 31, 2016 and no new application for exemption was made. Mining Charter III has been suspended in its operation pending the outcome of litigation between the DMR and the Chamber of Mines, alternatively until consensus on the content of Mining Charter III has been reached between the government and the Chamber of Mines. Generally speaking, the amended Generic BEE Codes will make BEE-compliance more onerous to achieve. The DMR and industry bodies are aware of the implications of the Trumping

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Provision. Notwithstanding that there has been no further extension of the exemption in respect of the Trumping Provision, to date, the DMR continues to apply the provisions of the Mining Charter and not the Generic BEE Codes. See "South African Regulatory Framework Black Economic Empowerment in the South African Mining Industry" and " Mining Charter" in the Form 20-F and the AIF.

The Generic BEE Codes will require Mnombo to be 51% held and controlled by HDSAs to qualify it as a "black-controlled company" and hence a qualified BEE entity. Mnombo is presently 50.1% owned and controlled by HDSAs.

If the Company is unable to achieve or maintain its empowered status under the Mining Charter or comply with any other BEE regulations or policies, it may not be able to maintain its existing prospecting and mining rights 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. On February 15, 2018 the new president of South Africa was inaugurated. He has vowed to take a hard line against graft, corruption and government excesses.

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 African National Congress (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 the Economic Freedom Fighters, a political party under the leadership of Julius Malema.

The Company cannot predict the future political, social and economic direction of South Africa or the manner in which 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

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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 Mineral and Petroleum Resources Royalty Act, No. 28 of 2008 (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 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 feasibility studies covering the Company's South African projects 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 the Company's operations.

The Company procures all of the electricity necessary for its operations from ESKOM Holdings Limited ("**ESKOM**"), South Africa's state-owned electricity utility, and no significant alternative sources of supply are available to it. ESKOM has suffered from prolonged underinvestment in new generating capacity which, combined with increased demand, led to a period of electricity shortages. ESKOM has grown its electricity capacity and supply, increasing access to electricity in South Africa, in recent years. Since 2008, ESKOM has invested heavily in new base load power generation capacity. Its principal project, a power station known as Medupi, has been subject to delays, with the last unit scheduled for commissioning in 2019. 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.

If electricity or water supplies are insufficient or unreliable, the Company may be unable to operate as anticipated, which may disrupt the Company's operations and prospects.

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.

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After having published a number of papers on the introduction of a carbon tax, the South African government released the Second Draft Carbon Tax Bill 2017 (the "**Bill**") published in December 2017, together with an Explanatory Memorandum in respect of the Bill (the "**Explanatory Memorandum**"). The Bill was open for comment until March 9, 2018 and is now being considered by the South African Parliament.

In his 2018 Budget Speech, the South African Minister of Finance announced that carbon tax will be implemented from January 1, 2019.

In terms of the Paris Agreement under the United Nations Framework Convention on Climate Change, South Africa's greenhouse gas ("**GHG**") emissions are said to firstly peak from the period 2020 until 2025, then plateau from the period 2025 until 2035, whereafter GHG emissions are said to decline from 2036. The introduction of carbon tax will also take 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.

The South African national treasury noted in the Explanatory Memorandum that the impact of the first phase has been designed to be revenue-neutral, and revenues will be recycled by way of reducing the current electricity generation levy, credit rebate for the renewable energy premium, as well as a tax incentive for energy efficiency savings.

Section 5 of the Bill proposes that the rate of carbon tax will be R120 per ton of carbon dioxide (CO₂e) above the tax-free allowances, with an annual increase of the consumer price inflation plus 2% until 31 December 2022. Following 31 December 2022, the rate of the increase is required to be made in line with inflation as determined by Statistics South Africa going forward.

Sections 7 to 13 of the Bill allows for the following tax-free allowances which were extensively considered following the publication of the First Draft Carbon Tax Bill 2015 (First Bill), and commented upon in the 2015 First Bill Response Document:

basic allowance for fuel combustible emissions of 60%;

allowance for industrial process emissions of 10%;

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;

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; and

carbon offset allowance of either 5% or 10%.

A taxpayer 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 the total GHG emissions.

Taking into account the tax-free thresholds, this would imply that an initial effective carbon tax rate will be as low as R6 to R48 per ton CO₂e.

The ANC held a policy conference in June 2012 at which the "State Intervention in the Minerals Sector" report (the "**SIMS Report**") commissioned by the ANC was debated. The SIMS Report includes a proposal for a super tax of 50% of all profits above a 15% return on investment, which would apply in respect of all metals and minerals. If a super tax is implemented, the Company may realize lower after-tax profits and cash flows from its current mining operations and may decide not to pursue certain new projects, as such a tax could render these opportunities uneconomic.

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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.

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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.

South African foreign exchange controls may limit repatriation of profits.

The Company will need to repatriate funds from its foreign subsidiaries to fulfill its business plans and make payments on the LMM Facility. Since commencing business in South Africa, the Company has loaned or invested approximately CAN\$917.4 million as at February 28, 2018 into PTM RSA in South Africa. The Company obtained approval from the SARB in advance for its investments into South Africa. The Company anticipates that it will loan the majority of the proceeds from an offering to PTM RSA with the advance approval of the SARB. 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.

The Company's privately held land could be subject to land restitution claims under the Restitution of Land Rights Act, No. 22 of 1994, as amended (the "**Land Claims Act**") and the Restitution of Land Rights Amendment Act, No. 15 of 2014 ("**Restitution Amendment Act**"), which took effect on July 1, 2014. Under the Land Claims 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) lodges a claim on or before June 30, 2019, is granted certain remedies. A successful claimant may be granted either return of the dispossessed land (referred to as "**restoration**") or equitable redress (which includes the granting of an appropriate right in alternative state-owned land, payment of compensation or "**alternative relief**"). If restoration is claimed, the Land Claims 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 South African Minister of Rural Development and Land Reform may not acquire ownership of land for restitution purposes without a court order unless an agreement has been reached between the affected parties. The Land Claims Act also entitles the South African Minister of Rural Development and Land Reform 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

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affected by such claim, will promote restitution of land to claimants or alternative relief. Expropriation would be subject to provisions of legislation and the South African Constitution which provide, in general, for just and equitable compensation.

The Company has not been notified of any land claims to date over the Company's properties. 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 and the Warrants

The Company may be unable to comply with NYSE American and TSX continued listing standards and the Company's 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 Company's 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 (generally US\$50.0 million for the NYSE American) and, share distribution targets. On April 10, 2018, due in part to a decline in the Company's market capitalization on the NYSE American below US\$50.0 million, the Company received a letter from the NYSE American stating that the Company is not in compliance with the continued listing standards set forth in Section 1003(a) of the Company Guide. The Unit Offering is intended, in part, to increase the Company's market capitalization and to assist the Company in regaining compliance with the US\$50.0 million market capitalization standard in Section 1003(a) of the Company Guide; however, the Company cannot assure you that it will satisfy this or the other continued listing requirements of the NYSE American following the completion of the Unit Offering, or going forward, or that the Company's Common Shares will not be delisted from the NYSE American. 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 be unable to comply with these standards.

Delisting of the Common Shares may result in a breach or default under certain of the Company's agreements. Without limiting the foregoing, a TSX delisting would, and a NYSE American delisting may, result in a default (unless any required waivers could be obtained) under certain or all of the Company's outstanding indebtedness, which would have a material adverse impact on the Company. See "Risks Relating to the Company". A delisting of the Company's Common Shares from the NYSE American could subject the exercise of the Warrants in the United States to compliance with applicable state securities laws, which if not complied with may prevent a holder from exercising the Warrants. A delisting of the Company's 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 financing, the liquidity and market price of the Company's Common Shares and the Warrants and the ability of broker-dealers to purchase the Common Shares and Warrants.

The Company may be required to complete a consolidation of its outstanding Common Shares in order to meet the listing requirements of the NYSE American.

The Company may be required to complete a consolidation or reverse split of its outstanding Common Shares in order to meet the listing requirements of the NYSE American. Pursuant to Section 1003(f)(v) of the NYSE American Company Guide, the NYSE American could take action to delist the Company's Common Shares in the event that the Company's Common Shares trade at levels viewed as abnormally low for a substantial period of time. The Company may be required to complete a share consolidation in order to achieve the requisite increase in the market price of its Common Shares to be in compliance with the minimum price requirements of the NYSE American. The Company cannot be certain that the market price of its Common

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Shares following any share consolidation will remain at the level required for the period of time required for listing or for continuing compliance with that requirement. A share consolidation may be viewed negatively by the market and could lead to a decrease in the Company's overall market capitalization. If the per share market price does not increase proportionately as a result of any share consolidation, then the value of the Company as measured by market capitalization could be reduced significantly. If the Company successfully completes a share consolidation, it would significantly reduce the number of Common Shares of the Company that are outstanding, and the liquidity of the Company's Common Shares could be adversely affected.

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 "South African Regulatory Framework Exchange Control" in the Form 20-F and the AIF.

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. The Common Share price has experienced a high level of volatility, for example, from January 1, 2017 to May 11, 2018, the closing price of the Common Shares has ranged from a high of C\$3.07 to a low of C\$0.175 on the TSX and a high of US\$2.32 and a low of US\$0.14 on the NYSE American. 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 Company's Common Shares is also likely to be significantly affected by short term changes in precious metal prices or other mineral 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 Company's 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'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 adversely impacted by the credit crisis that began in 2008, the European debt crisis 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 future economic shocks, as government authorities may have limited

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resources to respond to future crises. A continued or worsened 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.

There is no public market for the Warrants, and prospective investors may not be able to resell the Warrant Shares at or above the Warrant Exercise Price, if at all.

The Warrants are exercisable at the Warrant Exercise Price and can be exercised prior to 4:00 p.m. (Vancouver time) on the Expiry Date. In the event the market price of the Common Shares does not exceed the Warrant Exercise Price during the period when the Warrants are exercisable, the Warrants may not have any value.

Holders of the Warrants will have no rights as shareholders of the Company until they exercise the Warrants in accordance with their terms. Upon exercise of the Warrants, holders of the Warrant Shares deliverable on the exercise of such Warrants will be entitled to exercise the rights of a shareholder in respect of such Warrant Shares only in respect of matters for which the record date occurs after the exercise date.

PTM has applied to list the Warrant Shares distributed hereunder, including any securities issuable on exercise of the Over-Allotment Option, on the TSX and NYSE American. PTM has also applied to list the Warrants distributed hereunder, including any Additional Warrants (as defined under "Plan of Distribution") issuable on exercise of the Over-Allotment Option, on the TSX. Listing of these securities will be subject to PTM fulfilling all the listing requirements of the TSX and NYSE American, as applicable.

Although the Company has applied to list the Warrants on the TSX, there is currently no market through which the Warrants may be sold and purchasers may not be able to sell such securities. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation.

The exercise of outstanding stock options and the issuance of Warrant Shares upon the exercise of the Warrants will result in dilution to the holders of Common Shares.

The issuance of Common Shares upon the exercise of the Company's outstanding stock options and the issuance of Warrant Shares upon the exercise of the Warrants will result in dilution to the interests of shareholders, and may reduce the trading price of the Common Shares, including the Warrant Shares. As at the date of this Prospectus Supplement, there were 3,487,950 stock options and no Warrants outstanding. To the extent that these stock options or the Warrants are exercised, dilution to the interests of our shareholders will likely occur. Additional stock options and Warrants may be issued in the future. Exercises of these stock options or the Warrants, or even the potential of their exercise may have an adverse effect on the trading price of the Common Shares or the Warrants. The holders of stock 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. Accordingly, the issuance of Common Shares upon exercise of the stock options and Warrants will likely result in dilution of the equity represented by the then outstanding Common Shares held by other shareholders.

Future sales, conversion of senior subordinated notes 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 in connection with indebtedness or to finance operations, exploration, development, acquisitions or other projects.

On June 30, 2017 the Company issued US\$20.0 million aggregate principal amount of convertible senior subordinated notes due 2022. The Notes bear interest at a rate of 6 7/8% per annum, payable semi-annually on

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January 1 and July 1 of each year, beginning on January 1, 2018, in cash or at the election of the Company, in Common Shares of the Company or a combination of cash and Common Shares, and will mature on July 1, 2022, unless earlier repurchased, redeemed or converted. Subject to certain exceptions, the Notes are convertible at any time at the option of the holder, and may be settled, at the Company's election, in cash, Common Shares, or a combination of cash and Common Shares. If any Notes are converted on or prior to the three and one-half year anniversary of the issuance date, the holder of the Notes will also be entitled to receive an amount equal to the remaining interest payments on the converted Notes to the three and one-half year anniversary of the issuance date, discounted by 2%, payable in Common Shares.

To date, the Company has paid interest under the Notes in Common Shares, and it may continue to do so. The Company cannot predict the timing or amount of conversions of Notes 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 Company's Common Shares. In addition, the conversion price of the Notes is subject to adjustment in certain circumstances. 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 of presently outstanding stock options may also result in dilution to shareholders.

The board of directors of the Company has the authority to authorize certain offers and sales of securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures, including debt service, and growth, it is likely that the Company will issue 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 or the Warrant Exercise Price.

On May 3, 2018, the Company entered into the HCI Subscription Agreement, as amended and restated May 11, 2018, providing for the sale to HCI or a subsidiary of HCI of 15,090,999 units, with each unit consisting of one Common Share and one common share purchase warrant. Each warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at a price of US\$0.17 per warrant share until the date that is 18 months following the HCI Private Placement Closing. Any exercise of such warrants may result in dilution to shareholders.

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 *Income Tax Act* (Canada) (the "**Tax Act**"). Such shareholders should consult their tax advisors with respect to the consequences of acquiring the securities.

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The Company may be a "passive foreign investment company" for its current tax year and expects to be classified as a "passive foreign investment company" in future tax years, which may have adverse U.S. federal income tax consequences for U.S. investors.

Potential investors in the Warrant 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, 2018, and expects to be classified as a PFIC in future years. If the Company is a PFIC for any year during a U.S. taxpayer's holding period of Warrants or Warrant Shares, then such U.S. taxpayer generally will be required to treat any gain realized upon a disposition of the Warrants or Warrant Shares or any so-called "excess distribution" received on its Warrant Shares, as ordinary income, and to pay an interest charge on a portion of such gain or 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 "qualified electing fund" election (a "**QEF Election**") under Section 1295 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or "mark-to-market" election (a "**Mark-to-Market Election**") under Section 1296 of the Code. Subject to certain limitations, such elections may be made with respect to the Warrant Shares. A U.S. taxpayer may not make a QEF Election or Mark-to-Market Election with respect to the Warrants. 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 their Warrant Shares. 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 Warrant Shares over the taxpayer's basis therein. This paragraph is qualified in its entirety by the discussion below under the heading "Certain United States Federal Income Tax Considerations – Passive Foreign Investment Company Rules." 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 Warrants and the Warrant Shares.

The Company is an "emerging growth company". The Company cannot be certain whether the reduced disclosure requirements applicable to emerging growth companies will make the securities less attractive to investors, or whether its independent auditors will determine the Company's internal control over financial reporting to be effective when the Company ceases to be an "emerging growth company".

The Company is an "emerging growth company," as defined in the U.S. Jumpstart Our Business Startups Act of 2012, and intends to take advantage of exemptions from various requirements that are applicable to other public companies that are emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the U.S. Sarbanes-Oxley Act of 2002 for so long as the Company is an emerging growth company. The Company cannot predict if investors will find the securities less attractive because the Company's independent auditors will not have attested to the effectiveness of the Company's internal controls. If some investors find the securities less attractive as a result of the Company's independent auditors not attesting to the effectiveness of the Company's internal controls or as a result of other exemptions that the Company may take advantage of, or if the Company's independent auditors do not determine the Company's internal control over financial reporting to be effective when the Company ceases to be an "emerging growth company", the trading market for the Company's securities and the value of the securities may be adversely affected.

Table of Contents**CONSOLIDATED CAPITALIZATION**

The following table sets forth the consolidated capitalization of the Company as at February 28, 2018 on: (a) an actual basis; and (b) an as-adjusted basis to give effect to the completion of the Unit Offering and the HCI Private Placement. This table should be read in conjunction with the Financial Statements. See "Documents Incorporated by Reference". Since February 28, 2018 there has been no material change in the share and loan capital of the Company, on a consolidated basis, other than as described in this Prospectus Supplement, the Prospectus, and the documents incorporated by reference herein and therein.

	As of February 28, 2018	
	Actual	As Adjusted for the Unit Offering and the HCI Private Placement ⁽¹⁾
	(US\$ in thousands)	
Cash and cash equivalents ⁽²⁾	\$ 1,023	\$ 6,575 ⁽⁵⁾
Restricted Cash	\$ 2,661	\$ 2,661
Loans Payable	\$ 102,698	\$ 37,126 ⁽³⁾⁽⁵⁾
Convertible Notes	\$ 15,681	\$ 15,681
Shareholders' equity:		
Share capital (Common Shares): unlimited shares authorized; 150,910,006 shares issued and outstanding; 280,001,005 shares issued and outstanding after giving effect to the Unit Offering and the HCI Private Placement ⁽²⁾⁽⁴⁾	\$ 801,585	\$ 819,137
Contributed surplus	\$ 25,925	\$ 25,925
Accumulated other comprehensive loss	(\$158,827)	(\$158,827)
Deficit	(\$677,046)	(\$677,046)
Shareholders' equity attributable to shareholders of the Company	(\$8,363)	\$ 9,189
Total capitalization ⁽²⁾	(\$8,363)	\$ 9,189

Notes:

- (1) After deduction of a fee representing 6.0% of the aggregate gross proceeds of the Unit Offering, and estimated expenses of the Unit Offering of US\$650,000, and assuming no exercise of the Over-Allotment Option and no exercises of the Warrants. After deduction of a 6% finder's fee of US\$135,818.99 to be paid in connection with the HCI Private Placement, and assuming no exercise of the warrants to be issued in the HCI Private Placement.
- (2) If the Over-Allotment Option is exercised in full, as adjusted cash and cash equivalents will be US\$20,986 thousand, as adjusted share capital will be US\$821,548 thousand and as adjusted total capitalization will be US\$11,600 thousand.
- (3) Includes the application of the proceeds from the Plant Sale Transaction of US\$46.98 million to repay the Sprott Facility and US\$6.59 million to partially repay the LMM Facility.
- (4) As of February 28, 2018, this figure excluded 3,550,450 Common Shares reserved for issuance pursuant to outstanding stock options (with a weighted average exercise price of CAN\$4.43) and the Common Shares issuable pursuant to the Notes. For a description of the payment and conversion features of the Notes, see "Description of Current Indebtedness".
- (5) Includes the application of US\$12.0 million of gross proceeds of the HCI Private Placement and the Unit Offering to debt repayment towards the LMM Facility.

USE OF PROCEEDS

From time to time, when Warrants are exercised, the Company will receive proceeds equal to the aggregate Warrant Exercise Price of such Warrants. Assuming that all of the Warrants are exercised prior to the Expiry Time (as defined below) and that no adjustment based on the

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anti-dilution provisions contained in the Warrant Indenture has taken place, the net proceeds to the Company will be approximately US\$19,380,000 if the Over-Allotment Option is not exercised, and up to US\$22,287,000 if the Over-Allotment Option is exercised in full.

The Company is indebted to the LMM Lenders pursuant to the LMM Facility. Assuming the Required Financing Conditions are met, the Company has agreed to use 50% of the proceeds from the exercise of any Warrants for repayment of outstanding indebtedness under the LMM Facility. It is currently intended that the Company will use any additional proceeds for general corporate and working capital purposes. The actual amount that the Company spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including those listed under "Risk Factors" in or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus.

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During the 12 months preceding the date of this Prospectus Supplement, the Company issued Common Shares at the following prices:

Date of Issuance	Number of Common Shares	Issuance Prices (CAN\$)
July 25, 2017	13,190 ⁽¹⁾	\$ 0.9480
January 1, 2018	2,440,629 ⁽²⁾	\$ 0.3550
TOTAL	2,453,819	

Notes:

- (1) Issued at a price of US\$0.758 per Common Share pursuant to a holder of the Convertible Notes converting US\$10,000 of the principal, resulting the Company choosing to issue 13,190 Common Shares to settle the principal and accrued interest.
- (2) Issued at a price of US\$0.283 per Common Share pursuant to the settlement of US\$691,110 of biannual interest payable on US\$19.99 million of outstanding Convertible Notes.

During the 12 months preceding the date of this Prospectus Supplement, the Company did not issue any securities that are or may be convertible into Common Shares other than the following:

On June 30, 2017, the Company issued and sold the Notes to certain institutional investors in the aggregate principal amount of US\$20.0 million. The Notes are governed by the Note Indenture between the Company and The Bank of New York Mellon dated June 30, 2017. The Notes bear interest at a rate of 6⁷/₈% per annum, payable semi-annually in cash or, at the election of the Company, in Common Shares of the Company or a combination of cash and Common Shares, and will mature on July 1, 2022, unless earlier repurchased, redeemed or converted. Subject to certain exceptions, the Notes will be convertible at any time at the option of the holder, and may be settled, at the Company's election, in cash, Common Shares, or a combination of cash and Common Shares. See "Description of Existing Indebtedness - Convertible Notes" for additional information with respect to the Notes.

Additionally, on May 3, 2018, the Company entered into the HCI Subscription Agreement, as amended and restated May 11, 2018, providing for the sale to HCI or a subsidiary of HCI of 15,090,999 units, with each unit consisting of one Common Share and one common share purchase warrant. Each warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Common Share at a price of US\$0.17 per warrant share until the date that is 18 months following the HCI Private Placement Closing. The HCI Private Placement Closing is subject to customary closing conditions. The closing of the Unit Offering is conditioned in part upon the HCI Private Placement Closing occurring prior to or concurrently with the closing of the Unit Offering. HCI may terminate the HCI Subscription Agreement if, among other reasons, the closing of the HCI Private Placement does not occur by May 18, 2018, the Unit Offering is terminated or the Unit Offering is for gross proceeds of less than US\$17.1 million.

Table of Contents**PRICE RANGE AND TRADING VOLUME**

The Common Shares are listed for trading on the TSX under the trading symbol "PTM" and on the NYSE American under the trading symbol "PLG". The following tables set forth information relating to the trading of the Common Shares on the TSX and the NYSE American for the periods indicated.

TSX "PTM"

Period	High (CAN\$)	Low (CAN\$)	Volume
May 1-11, 2018	\$ 0.26	\$ 0.17	1,462,070
April 2018	\$ 0.37	\$ 0.24	2,290,199
March 2018	\$ 0.45	\$ 0.38	833,495
February 2018	\$ 0.53	\$ 0.36	1,505,314
January 2018	\$ 0.72	\$ 0.38	5,017,649
December 2017	\$ 0.45	\$ 0.36	3,557,454
November 2017	\$ 0.57	\$ 0.40	2,412,705
October 2017	\$ 0.67	\$ 0.49	1,509,401
September 2017	\$ 0.89	\$ 0.43	2,865,188
August 2017	\$ 0.90	\$ 0.64	2,624,190
July 2017	\$ 1.15	\$ 0.90	1,647,857
June 2017	\$ 1.66	\$ 1.00	2,322,009
May 2017	\$ 1.66	\$ 1.42	1,952,198
April 2017	\$ 2.30	\$ 1.58	