Condensed consolidated interim financial statements of

Eastern Platinum Limited

September 30, 2013
(Unaudited)

Eastern Platinum Limited
September 30, 2013

Table of contents

Eastern Platinum Limited

Condensed consolidated interim statements of loss

(Expressed in thousands of U.S. dollars, except per share amounts - unaudited)

	Note	Three months ended September 30, 2013	2012 (Note 3(b)) (Note 3(c))	Nine months ended September 30, 2013	2012 (Note 3(b)) (Note 3(c))
Revenue	20(c)	**$ 1,341**	$ 23,329	**$ 31,244**	$ 85,137
Cost of operations					
Production costs		**3,618**	26,319	**46,951**	95,224
Depletion and depreciation	5	**249**	3,192	**4,840**	11,325
Impairment	5 & 13	**-**	-	**147,787**	88,278
(Gain) loss on disposal of property, plant and equipment		**(1,108)**	(167)	**(1,689)**	1,402
		2,759	29,344	**197,889**	196,229
Mine operating loss		**(1,418)**	(6,015)	**(166,645)**	(111,092)
Expenses					
General and administrative		**3,021**	2,142	**6,421**	7,300
Care and maintenance	5(a)(b)(c)	**1,747**	40	**2,516**	92
Care and maintenance depreciation	5(d)	**748**	-	**856**	-
Share-based payments	6(d)(e)	**32**	(31)	**3,174**	2,309
		5,548	2,151	**12,967**	9,701
Operating loss		**(6,966)**	(8,166)	**(179,612)**	(120,793)
Other income (expense)					
Interest income		**580**	791	**1,582**	2,720
Other income		**24**	312	**1,148**	911
Finance costs	7	**(649)**	(281)	**(1,146)**	(5,380)
Foreign exchange gain (loss)		**586**	(138)	**193**	64
Loss before income taxes		**(6,425)**	(7,482)	**(177,835)**	(122,478)
Income tax (expense) recovery		**(94)**	(98)	**(291)**	12,377
Net loss for the period		**$ (6,519)**	$ (7,580)	**$ (178,126)**	$ (110,101)
Attributable to					
Non-controlling interest	3(b) & 8	**$ (1,902)**	$ (1,882)	**$ (22,833)**	$ (8,356)
Equity shareholders of the Company		**(4,617)**	(5,698)	**(155,293)**	(101,745)
Net loss for the period		**$ (6,519)**	$ (7,580)	**$ (178,126)**	$ (110,101)
Loss per share					
Basic	9	**$ (0.00)**	$ (0.01)	**$ (0.17)**	$ (0.11)
Diluted	9	**$ (0.00)**	$ (0.01)	**$ (0.17)**	$ (0.11)
Weighted average number of common shares outstanding in thousands					
Basic	9	**927,805**	927,499	**927,805**	927,499
Diluted	9	**927,805**	927,499	**927,805**	927,499

Approved and authorized for issue by the Board on November 13, 2013.

"David Cohen"	***"Robert Gayton"***
David Cohen, Director	Robert Gayton, Director

See accompanying notes to the unaudited condensed consolidated interim financial statements

Eastern Platinum Limited
Condensed consolidated interim statements of comprehensive loss
(Expressed in thousands of U.S. dollars - unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012 (Note 3(b))	**2013**	2012 (Note 3(b))
Net loss for the period	**$ (6,519)**	$ (7,580)	**$ (178,126)**	$ (110,101)
Other comprehensive loss				
Items that may subsequently be reclassified to loss or profit				
Exchange differences on translating foreign operations	**(4,667)**	(2,861)	**(87,824)**	(9,675)
Exchange differences on translating non-controlling interest	**535**	122	**3,126**	341
Comprehensive loss for the period	**$ (10,651)**	$ (10,319)	**$ (262,824)**	$ (119,435)
Attributable to				
Non-controlling interest	**(1,367)**	(1,760)	**(19,707)**	(8,015)
Equity shareholders of the Company	**(9,284)**	(8,559)	**(243,117)**	(111,420)
Comprehensive loss for the period	**$ (10,651)**	$ (10,319)	**$ (262,824)**	$ (119,435)

Eastern Platinum Limited

Condensed consolidated interim statements of financial position as at
September 30, 2013, December 31, 2012 and January 1, 2012
(Expressed in thousands of U.S. dollars - unaudited)

	Note	**September 30, 2013**	**December 31, 2012**	January 1, 2012
			(Notes 3(b) & 4(a))	
Assets				
Current assets				
Cash and cash equivalents	10	**$ 16,573**	$ 70,699	$ 151,838
Short-term investments		**81,634**	60,226	98,963
Trade and other receivables	11 & 3(b)	**6,678**	14,854	22,842
Inventories	12	**2,980**	4,746	7,989
		107,865	150,525	281,632
Non-current assets				
Property, plant and equipment	5	**353,027**	577,031	615,439
Refining contract	13	**2,461**	7,270	9,009
Other assets	14	**9,060**	9,062	7,995
		$ 472,413	**$ 743,888**	**$ 914,075**
Liabilities				
Current liabilities				
Trade and other payables	15 & 3(b)	**$ 9,428**	$ 17,387	$ 39,945
Finance leases		**-**	-	1,675
		9,428	17,387	41,620
Non-current liabilities				
Provision for environmental rehabilitation	16	**10,736**	12,066	8,390
Deferred tax liabilities		**17,441**	19,977	33,520
		37,605	49,430	83,530
Equity				
Issued capital	6	**1,230,358**	1,230,358	1,230,358
Treasury shares	6(c)(e)	**(204)**	(204)	(334)
Equity-settled employee benefits reserve	4(a)	**7,638**	8,991	34,391
Foreign currency translation reserve	3(b)	**(189,987)**	(102,163)	(77,142)
Deficit	3(b) & 4(a)	**(581,880)**	(431,114)	(355,028)
Capital and reserves attributable to equity shareholders of the Company		**465,925**	705,868	832,245
Non-controlling interest	8	**(31,117)**	(11,410)	(1,700)
		434,808	694,458	830,545
		$ 472,413	**$ 743,888**	**$ 914,075**

Eastern Platinum Limited

Condensed consolidated interim statements of changes in equity
(Expressed in thousands of U.S. dollars - unaudited)

	Issued capital	Treasury shares	Equity-settled employee benefits reserve (Note 4(a))	Foreign currency translation reserve (Note 3(b))	Deficit (Note 4(a)) (Note 3(b))	Capital and reserves attributable to equity shareholders of the Company	Non-controlling interest (Note 3(b))	Equity
Balance as previously reported January 1, 2012	**$ 1,230,358**	**$ (334)**	**$ 41,563**	**$ (103,479)**	**$ (333,856)**	**$ 834,252**	**$ (3,483)**	**$ 830,769**
Transfer (Note 4(a))	-	-	(7,172)	-	7,172	-	-	-
Adjustment (Note 3(b))	-	-	-	26,337	(28,344)	(2,007)	1,783	(224)
Adjusted balance, January 1, 2012	**$ 1,230,358**	**$ (334)**	**$ 34,391**	**$ (77,142)**	**$ (355,028)**	**$ 832,245**	**$ (1,700)**	**$ 830,545**
Net loss (Note 3(b))	-	-	-	-	(101,745)	(101,745)	(8,356)	(110,101)
Currency translation adjustment	-	-	-	(9,675)	-	(9,675)	341	(9,334)
Total comprehensive income	-	-	-	(9,675)	(101,745)	(111,420)	(8,015)	(119,435)
Share-based payments	-	-	2,305	-	-	2,305	-	2,305
Transfer (Note 4(a))	-	-	(27,084)	-	27,084	-	-	-
Balance, September 30, 2012	**$ 1,230,358**	**$ (334)**	**$ 9,612**	**$ (86,817)**	**$ (429,689)**	**$ 723,130**	**$ (9,715)**	**$ 713,415**
Net loss (Note 3(b))	-	-	-	-	(1,963)	(1,963)	(1,878)	(3,841)
Currency translation adjustment	-	-	-	(15,346)	-	(15,346)	183	(15,163)
Total comprehensive loss	-	-	-	(15,346)	(1,963)	(17,309)	(1,695)	(19,004)
Share-based payments	-	-	(83)	-	-	(83)	-	(83)
Vesting of key skills retention plan shares (Note 6(c)(e))	-	130	-	-	-	130	-	130
Transfer (Note 4(a))	-	-	(538)	-	538	-	-	-
Balance, December 31, 2012	**$ 1,230,358**	**$ (204)**	**$ 8,991**	**$ (102,163)**	**$ (431,114)**	**$ 705,868**	**$ (11,410)**	**$ 694,458**
Net loss	-	-	-	-	(155,293)	(155,293)	(22,833)	(178,126)
Currency translation adjustment	-	-	-	(87,824)	-	(87,824)	3,126	(84,698)
Total comprehensive loss	-	-	-	(87,824)	(155,293)	(243,117)	(19,707)	(262,824)
Share-based payments	-	-	3,174	-	-	3,174	-	3,174
Transfer (Note 4(a))	-	-	(4,527)	-	4,527	-	-	-
Balance, September 30, 2013	**$ 1,230,358**	**$ (204)**	**$ 7,638**	**$ (189,987)**	**$ (581,880)**	**$ 465,925**	**$ (31,117)**	**$ 434,808**

Eastern Platinum Limited

Condensed consolidated interim statements of cash flows

(Expressed in thousands of U.S. dollars - unaudited)

	Note	Three months ended September 30, 2013	2012	Nine months ended September 30, 2013	2012
Operating activities					
Loss before income taxes		**$ (6,425)**	$ (7,482)	**$ (177,835)**	$ (122,478)
Adjustments to net loss for non-cash items					
Depletion and depreciation	5	**814**	3,259	**5,513**	11,525
Impairment	5 & 13	**-**	-	**147,787**	88,278
(Gain) loss on disposal of property, plant and equipment		**(1,108)**	(167)	**(1,689)**	1,402
Refining contract amortization	13	**277**	335	**877**	1,032
Share-based payments	6(d)(e)	**32**	(31)	**3,174**	2,309
Interest income		**(580)**	(791)	**(1,582)**	(2,720)
Finance costs	7	**649**	281	**1,146**	5,380
Foreign exchange (gain) loss		**(586)**	138	**(193)**	(64)
Net changes in non-cash working capital items					
Trade and other receivables		**6,959**	(3,039)	**7,265**	(6,231)
Inventories		**8**	(402)	**1,084**	920
Trade and other payables		**(8,958)**	(5,936)	**(5,938)**	(6,675)
Cash used in operations		**(8,918)**	(13,835)	**(20,391)**	(27,322)
Adjustments to net loss for cash items					
Interest income received		**457**	979	**1,446**	3,035
Finance costs paid		**(1,237)**	(165)	**(1,331)**	(4,631)
Taxes received		**31**	-	**923**	543
Net operating cash flows		**(9,667)**	(13,021)	**(19,353)**	(28,375)
Investing activities					
Net maturity of short-term investments		**(22,272)**	46,919	**(23,164)**	34,897
Purchase of other assets		**(501)**	(435)	**(1,505)**	(1,147)
Property, plant and equipment expenditures		**(1,090)**	(23,886)	**(10,011)**	(80,540)
Disposal of property, plant and equipment		**2,292**	218	**3,360**	772
Net investing cash flows		**(21,571)**	22,816	**(31,320)**	(46,018)
Financing activities					
Acquisition of Lion's Head		**-**	-	**-**	(10,000)
Payment of finance leases		**-**	-	**-**	(1,553)
Net financing cash flows		**-**	-	**-**	(11,553)
Effect of exchange rate changes on cash and cash equivalents		**1,030**	1,470	**(3,453)**	2,770
Decrease in cash and cash equivalents		**(30,208)**	11,265	**(54,126)**	(83,176)
Cash and cash equivalents, beginning of period		**46,781**	57,397	**70,699**	151,838
Cash and cash equivalents, end of period		**$ 16,573**	$ 68,662	**$ 16,573**	$ 68,662

1. Nature of operations

Eastern Platinum Limited (the "Company") is a platinum group metal ("PGM") company engaged in the mining, exploration and development of PGM properties located in various provinces in South Africa.

Eastern Platinum Limited is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange, Alternative Investment Market, and the Johannesburg Stock Exchange.

The head office, principal address and records office of the Company are located at 837 West Hastings Street, Suite 501, Vancouver, British Columbia, Canada, V6C 3N6. The Company's registered address is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

(b) Going Concern

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at November 13, 2013, the Company has sufficient funds to satisfy its commitments for at least one year.

On August 1, 2013, the Company ceased production and as at November, 13, 2013, the Company does not have any producing operations (Note 5(a)). Additional funding will be required to bring the Eastern Limb projects into production. There can be no assurance that additional funding will be available to the Company when needed or, if available, that this funding will be on acceptable terms. If adequate funds are not available, including funds generated from producing operations, the Company may be required to delay or reduce the scope of these development projects or current mining operations.

(c) Comparative periods

Prior period comparative figures have been amended to conform to the current period's presentation. Previously, the Company's general and administrative expenses included care and maintenance costs and other income was netted against production costs and general and administrative expenses. Care and maintenance costs, including depreciation, and other income have now been disclosed separately. Within the condensed consolidated interim statements of cash flows, the acquisition of Lion's Head was previously disclosed under investing activities but is now disclosed under financing activities.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

2. Basis of preparation (continued)

(d) Judgments and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(w) and 4(x) of the Company's audited consolidated financial statements for the year ended December 31, 2012.

3. Application of new and revised International Financial Reporting Standards

Effective January 1, 2013, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the International Accounting Standards Board ("IASB").

(a) Amendment to IFRS 7 Financial Instruments: Disclosures

The amendment to IFRS 7 enhances the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(b) New standard IFRS 10 Consolidated Financial Statements

IFRS 10 outlines the principles for the presentation and preparation of consolidated financial statements. The application of this IFRS resulted in accounting for an investment in an associate in accordance with equity accounting. Previously, this associate was consolidated. This change affected the Company's non-controlling interest but had no effect on the Company's mine operating loss, net loss, cash flows or basic or diluted earnings per share.

The application of IFRS 10 was applied retrospectively and the effects on the comparative condensed consolidated interim statements of net loss and the comparative condensed consolidated interim statements of financial position have been outlined below.

(i) Impact on condensed consolidated interim statements of loss

	Three months ended September 30, 2013		
	Prior to application of new accounting policy	Effect of application	Subsequent to application of new accounting policy
Non-controlling interest	(2,459)	557	(1,902)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

3. Application of new and revised International Financial Reporting Standards (continued)

(b) New standard IFRS 10 Consolidated Financial Statements (continued)

(i) Impact on condensed consolidated interim statements of loss (continued)

	Three months ended September 30, 2012		
	Prior to application of new accounting policy	Effect of application	Subsequent to application of new accounting policy
Non-controlling interest	(2,551)	669	(1,882)

	Nine months ended September 30, 2013		
	Prior to application of new accounting policy	Effect of application	Subsequent to application of new accounting policy
Non-controlling interest	(24,587)	1,754	(22,833)

	Nine months ended September 30, 2012		
	Prior to application of new accounting policy	Effect of application	Subsequent to application of new accounting policy
Non-controlling interest	(10,490)	2,134	(8,356)

(ii) Impact on condensed consolidated interim statements of financial position

	September 30, 2013			
	Prior to retrospective application of new accounting policy	Effect of retrospective application	Change in accounting policy discussed in Note 4(a)	Subsequent to retrospective application of new accounting policy
Trade and other receivables	7,271	(593)	-	6,678
Trade and other payables	9,841	(413)	-	9,428
Foreign currency translation reserve	(215,906)	25,919	-	(189,987)
Deficit	(586,727)	(34,474)	39,321	(581,880)
Non-controlling interest	(31,674)	557	-	(31,117)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

3. Application of new and revised International Financial Reporting Standards (continued)

(b) *New standard IFRS 10 Consolidated Financial Statements (continued)*

(ii) *Impact on condensed consolidated interim statements of financial position (continued)*

	December 31, 2012			
	Prior to retrospective application of new accounting policy	Effect of retrospective application	Change in accounting policy discussed in Note 4(a)	Subsequent to retrospective application of new accounting policy
Trade and other receivables	15,556	(702)	-	14,854
Trade and other payables	17,879	(492)	-	17,387
Foreign currency translation reserve	(128,768)	26,605	-	(102,163)
Deficit	(434,809)	(31,099)	34,794	(431,114)
Non-controlling interest	(15,694)	4,284	-	(11,410)

	September 30, 2012			
	Prior to retrospective application of new accounting policy	Effect of retrospective application	Change in accounting policy discussed in Note 4(a)	Subsequent to retrospective application of new accounting policy
Trade and other receivables	30,322	(719)	-	29,603
Trade and other payables	23,656	(500)	-	23,156
Foreign currency translation reserve	(113,329)	26,512	-	(86,817)
Deficit	(433,467)	(30,478)	34,256	(429,689)
Non-controlling interest	(13,464)	3,749	-	(9,715)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

3. Application of new and revised International Financial Reporting Standards (continued)

(b) New standard IFRS 10 Consolidated Financial Statements (continued)

(ii) Impact on condensed consolidated interim statements of financial position (continued)

	January 1, 2012			
	Prior to retrospective application of new accounting policy	Effect of retrospective application	Change in accounting policy discussed in Note 4(a)	Subsequent to retrospective application of new accounting policy
Trade and other receivables	23,580	(738)	-	22,842
Trade and other payables	40,459	(514)	-	39,945
Foreign currency translation reserve	(103,479)	26,337	-	(77,142)
Deficit	(333,856)	(28,344)	7,172	(355,028)
Non-controlling interest	(3,483)	1,783	-	(1,700)

(c) New standard IFRS 11 Joint Arrangements

IFRS 11 defines the two types of joint arrangements (joint operations and joint ventures) and outlines how to determine the type of joint arrangement entered into and the principles for accounting for each type of joint arrangement. The application of this IFRS resulted in the Company recording its share of revenues and cost of sales from its interest in a jointly controlled operation to the respective revenue and cost of sales lines in the condensed consolidated interim financial statements. Previously, net profits from the jointly controlled operation were recorded as revenue in the consolidated statements of income or loss. This change had no effect on the Company's mine operating loss, net loss, cash flows or basic or diluted earnings per share.

The application of IFRS 11 was applied retrospectively as at January 1, 2013 and the effects on the comparative condensed consolidated interim statements of net loss have been outlined below.

	Three months ended September 30, 2013			
	Prior to application of new accounting policy	Change in presentation as discussed in Note 2(c)	Effect of application	Subsequent to application of new accounting policy
Revenue	1,059	-	282	1,341
Production costs	3,514	(178)	282	3,618

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

3. Application of new and revised International Financial Reporting Standards (continued)

(c) New standard IFRS 11 Joint Arrangements

Three months ended September 30, 2012	Prior to application of new accounting policy	Change in presentation as discussed in Note 2(c)	Effect of application	Subsequent to application of new accounting policy
Revenue	19,861	-	3,468	23,329
Production costs	22,734	117	3,468	26,319

Nine months ended September 30, 2013	Prior to application of new accounting policy	Change in presentation as discussed in Note 2(c)	Effect of application	Subsequent to application of new accounting policy
Revenue	25,396	-	5,848	31,244
Production costs	40,579	524	5,848	46,951

Nine months ended September 30, 2012	Prior to application of new accounting policy	Change in presentation as discussed in Note 2(c)	Effect of application	Subsequent to application of new accounting policy
Revenue	68,534	-	16,603	85,137
Production costs	78,420	201	16,603	95,224

(d) New standard *IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 outlines the disclosures required in order to provide users of financial statements with the information necessary to evaluate an entity's interest in other entities, the corresponding risks related to those interests and the effects of those interests on the entity's financial position, financial performance and cash flows. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements. The application of this IFRS will have an immaterial impact on disclosures in the Company's annual financial statements.

(e) New standard *IFRS 13 Fair Value Measurement*

IFRS 13 defines fair value, summarizes the methods of determining fair value and outlines the required fair value disclosures. IFRS 13 is utilized when another IFRS standard requires or allows fair value measurements or disclosures about fair value measurements. The application of this IFRS resulted in minor changes to the disclosures within the statement of comprehensive loss.

3. Application of new and revised International Financial Reporting Standards (continued)

(f) New interpretation *IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*

IFRIC Interpretation 20 summarizes the method of accounting for waste removal costs incurred as a result of surface mining activity during the production phase of a mine. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(g) Amended standard *IAS 1 Presentation of Financial Statements*

The amendments to IAS 1 pertain to the number of comparative financial statements required in different circumstances and disclosure required in the statement of comprehensive loss. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements. The application of this IFRS did have an immaterial impact on disclosures within the statement of comprehensive loss.

(h) Amended standard *IAS 16 Property, Plant and Equipment*

The amendments to IAS 16 clarify when spare parts, stand-by equipment and servicing equipment are to be classified as inventory or property, plant and equipment. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(i) Amended standard *IAS 19 Employee Benefits*

IAS 19 outlines the accounting treatment and required disclosures for employee benefits. The amendments applicable to the Company consist of modification of the accounting treatment for termination benefits and the clarification of miscellaneous issues including the classification of employee benefits. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(j) Amended standard *IAS 27 Separate Financial Statements*

IAS 27 outlines the accounting principles to be applied with regards to investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate, non-consolidated, financial statements. The previous standard was titled *IAS 27 Consolidated and Separate Financial Statements*. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years and is not expected to affect the accounting for future transactions or arrangements.

(k) Amended standard *IAS 28 Investments in Associates and Joint Ventures*

IAS 28 outlines the accounting treatment and corresponding application of the equity method of accounting in investments in associates and joint ventures. The previous standard was titled *IAS 28 Investments in Associates*. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

3. Application of new and revised International Financial Reporting Standards (continued)

(l) Amended standard *IAS 32 Financial Instruments: Presentation*

The amendments to IAS 32 clarify the treatment of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

4. Summary of significant accounting policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2012 amended, where applicable, by the adoption of the new and amended accounting standards outlined in Note 3. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2012.

(a) Change in accounting policy

(i) Share-based payments

As at December 31, 2012 and prior to December 31, 2012, when fully vested stock options expired, were forfeited or were cancelled, no accounting entry was made. The expense previously recognized within the equity-settled employee benefits reserve was not adjusted.

As at January 1, 2013, when fully vested stock options expire, are forfeited or are cancelled, the expense previously recognized within the equity-settled employee benefits reserve will be reallocated to deficit. As a result, going forward, the equity-settled employee benefits reserve will provide more relevant information as it will equal the stock options expensed and outstanding at that point in time.

This change in accounting policy was applied retrospectively as at January 1, 2013 and the effects on the comparative statements of financial position have been outlined below. These changes had no effect on basic or diluted loss per share.

	September 30, 2013			
	Prior to retrospective application of new accounting policy	Effect of retrospective application	Application of new accounting policy (Note 3(b))	Subsequent to retrospective application of new accounting policy
Equity-settled employee benefits reserve	46,959	(39,321)	-	7,638
Deficit	(587,794)	39,321	(33,407)	(581,880)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

4. Summary of significant accounting policies (continued)

(a) Change in accounting policy (continued)

(i) Share-based payments (continued)

December 31, 2012	Prior to retrospective application of new accounting policy	Effect of retrospective application	Application of new accounting policy (Note 3(b))	Subsequent to retrospective application of new accounting policy
Equity-settled employee benefits reserve	43,785	(34,794)	-	8,991
Deficit	(434,809)	34,794	(31,099)	(431,114)

September 30, 2012	Prior to retrospective application of new accounting policy	Effect of retrospective application	Application of new accounting policy (Note 3(b))	Subsequent to retrospective application of new accounting policy
Equity-settled employee benefits reserve	43,868	(34,256)	-	9,612
Deficit	(433,467)	34,256	(30,478)	(429,689)

January 1, 2012	Prior to retrospective application of new accounting policy	Effect of retrospective application	Application of new accounting policy (Note 3(b))	Subsequent to retrospective application of new accounting policy
Equity-settled employee benefits reserve	41,563	(7,172)	-	34,391
Deficit	(333,856)	7,172	(28,344)	(355,028)

(b) Accounting standards issued but not yet effective

(i) Effective for annual periods beginning on or after January 1, 2014

- Amended standard *IAS 32 Financial Instruments: Presentation*

  The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities.

4. Summary of significant accounting policies (continued)

(b) Accounting standards issued but not yet effective

(i) Effective for annual periods beginning on or after January 1, 2014 (continued)

- Amended standard *IAS 36 Impairment of Assets*

  The amendments to IAS 36 outline the additional disclosures that will be required with regards to the recoverable amount of impaired assets.

(ii) Effective for annual periods beginning on or after January 1, 2015

- Amended standard *IFRS 7 Financial Instruments: Disclosures*

  The amendments to IFRS 7 outline the disclosures required when initially applying *IFRS 9 Financial Instruments.*

(iii) Effective date not yet determined

- New standard *IFRS 9 Financial Instruments*

  Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement.* The mandatory effective date has been removed from the standard and will only be replaced when all sections of the standard have been completed.

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

5. Property, plant and equipment

	Tangible assets owned	Tangible assets leased being depleted	Intangible mineral properties being depleted	Intangible mineral properties not being depleted	Residential properties	Properties and land	TOTAL
Cost							
Balance as at December 31, 2011	**$ 486,143**	**$ 5,893**	**$ 125,638**	**$ 509,865**	**$ 19,891**	**$ 6,402**	**$ 1,153,832**
Assets acquired	87,161	-	-	759	2,421	-	90,341
Environmental asset capitalized	3,253	-	-	75	-	-	3,328
Assets disposed	(2,369)	-	-	-	(442)	-	(2,811)
Transfer	5,895	(5,895)	-	-	-	-	-
Foreign exchange movement	(27,125)	2	(6,089)	(23,484)	(1,091)	(312)	(58,099)
Balance as at December 31, 2012	**$ 552,958**	**$ -**	**$ 119,549**	**$ 487,215**	**$ 20,779**	**$ 6,090**	**$ 1,186,591**
Assets acquired	9,879	-	-	-	132	-	10,011
Assets disposed	(1,071)	-	-	-	(832)	(146)	(2,049)
Foreign exchange movement	(87,167)	-	(18,683)	(76,130)	(3,197)	(952)	(186,129)
Balance as at September 30, 2013	**$ 474,599**	**$ -**	**$ 100,866**	**$ 411,085**	**$ 16,882**	**$ 4,992**	**$ 1,008,424**
Accumulated depreciation and impairment losses							
Balance as at December 31, 2011	**$ 175,530**	**$ 5,498**	**$ 40,665**	**$ 313,333**	**$ 2,605**	**$ 762**	**$ 538,393**
Depreciation	10,227	167	3,146	-	235	-	13,775
Depreciation of disposed assets	(243)	-	-	-	(139)	-	(382)
Impairment loss	32,557	-	-	55,721	-	-	88,278
Transfer	5,655	(5,655)	-	-	-	-	-
Foreign exchange movement	(10,590)	(10)	(2,118)	(17,594)	(156)	(36)	(30,504)
Balance as at December 31, 2012	**$ 213,136**	**$ -**	**$ 41,693**	**$ 351,460**	**$ 2,545**	**$ 726**	**$ 609,560**
Depreciation	4,460	-	904	-	149	-	5,513
Depreciation of disposed assets	(170)	-	-	-	(208)	-	(378)
Impairment loss	109,628	-	35,132	-	-	-	144,760
Foreign exchange movement	(40,018)	-	(8,620)	(54,908)	(399)	(113)	(104,058)
Balance as at September 30, 2013	**$ 287,036**	**$ -**	**$ 69,109**	**$ 296,552**	**$ 2,087**	**$ 613**	**$ 655,397**
Carrying amounts							
At December 31, 2011	$ 310,613	$ 395	$ 84,973	$ 196,532	$ 17,286	$ 5,640	$ 615,439
At December 31, 2012	$ 339,822	$ -	$ 77,856	$ 135,755	$ 18,234	$ 5,364	$ 577,031
At September 30, 2013	**$ 187,563**	**$ -**	**$ 31,757**	**$ 114,533**	**$ 14,795**	**$ 4,379**	**$ 353,027**

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

5. Property, plant and equipment

	Crocodile River Mine (a)	Kennedy's Vale Project and Concentrator (b)	Spitzkop PGM Project (c)	Mareesburg Project (c)	Other property plant and equipment	TOTAL
Cost						
Balance as at December 31, 2011	**$ 561,642**	**$ 448,457**	**$ 115,493**	**$ 28,103**	**$ 137**	**$ 1,153,832**
Assets acquired	17,561	72,019	528	231	2	90,341
Environmental asset capitalized	3,253	-	75	-	-	3,328
Assets disposed	(2,811)	-	-	-	-	(2,811)
Foreign exchange movement	(27,390)	(24,963)	(4,655)	(1,094)	3	(58,099)
Balance as at December 31, 2012	**$ 552,255**	**$ 495,513**	**$ 111,441**	**$ 27,240**	**$ 142**	**$ 1,186,591**
Assets acquired	8,425	1,586	-	-	-	10,011
Assets disposed	(832)	(1,217)	-	-	-	(2,049)
Transfer	(1,651)	1,651	-	-	-	-
Foreign exchange movement	(86,666)	(77,791)	(17,473)	(4,194)	(5)	(186,129)
Balance as at September 30, 2013	**$ 471,531**	**$ 419,742**	**$ 93,968**	**$ 23,046**	**$ 137**	**$ 1,008,424**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2011	**$ 223,555**	**$ 314,711**	**$ -**	**$ -**	**$ 127**	**$ 538,393**
Depreciation	13,554	213	-	-	8	13,775
Depreciation of disposed assets	(382)	-	-	-	-	(382)
Impairment loss	-	47,445	32,802	8,031	-	88,278
Foreign exchange movement	(11,391)	(17,337)	(1,426)	(350)	-	(30,504)
Balance as at December 31, 2012	**$ 225,336**	**$ 345,032**	**$ 31,376**	**$ 7,681**	**$ 135**	**$ 609,560**
Depreciation	5,379	134	-	-	-	5,513
Depreciation of disposed assets	(246)	(132)	-	-	-	(378)
Impairment loss	144,760	-	-	-	-	144,760
Transfer	50	(50)	-	-	-	-
Foreign exchange movement	(44,011)	(53,946)	(4,909)	(1,191)	(1)	(104,058)
Balance as at September 30, 2013	**$ 331,268**	**$ 291,038**	**$ 26,467**	**$ 6,490**	**$ 134**	**$ 655,397**
Carrying amounts						
At December 31, 2011	$ 338,087	$ 133,746	$ 115,493	$ 28,103	$ 10	$ 615,439
At December 31, 2012	$ 326,919	$ 150,481	$ 80,065	$ 19,559	$ 7	$ 577,031
At September 30, 2013	**$ 140,263**	**$ 128,704**	**$ 67,501**	**$ 16,556**	**$ 3**	**$ 353,027**

5. Property, plant and equipment (continued)

(a) Crocodile River Mine ("CRM")

The Company holds directly and indirectly 87.5% of CRM, which is located on the eastern portion of the western limb of the Bushveld Complex. In 2012, the Company temporarily suspended production from stoping at the Zandfontein section and replaced it by a 12 to 18 month development program as a result of the combination of continuing cost pressures and depressed metal prices experienced in 2012. On April 19, 2013, the Company announced its decision to suspend funding to the CRM development plan. On April 22, 2013, Barplats Mines Limited issued notices to employees in terms of Section 189 of the Labour Relations Act 66 of 1995 with respect to a care and maintenance and restructuring proposal for CRM. The consultation process with the unions and other representatives ended upon the expiry of the 60-day period on June 21, 2013. On August 1, 2013, CRM was placed on care and maintenance.

(b) Kennedy's Vale Project ("KV")

The Company holds directly and indirectly 87.5% of KV, which is located on the eastern limb of the Bushveld Complex, near Steelpoort in the Province of Mpumalanga. It comprises of PGM mineral rights on five farms in the Steelpoort Valley. The KV mineral property was planned to be developed after the Mareesburg Project goes into production. The design and construction of a concentrator located on the KV property commenced in 2011 and was expected to be completed in the first quarter of 2013. The concentrator would initially have been used to process ore from the Mareesburg Project. Due to the continuing negative outlook in the global economic environment and the operating environment in South Africa, the Company decided to suspend funding for the construction of the concentrator in mid-2012. The concentrator project has been on full care and maintenance since the fourth quarter of 2012.

(c) Spitzkop PGM Project and Mareesburg Project

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project and an 87% interest in the Mareesburg Project. The Company currently acts as the operator of both the Mareesburg Platinum Project and the Spitzkop PGM Project, both located on the eastern limb of the Bushveld Complex. The Spitzkop PGM Project was planned to be developed after the Mareesburg Project goes into production. Construction of the Mareesburg Project was expected to be completed in the first quarter of 2013 but, due to the continuing negative outlook in the global economic environment and the operating environment in South Africa, the Company decided to suspend funding for the Mareesburg Project in mid-2012. The Mareesburg Project has been on full care and maintenance since the fourth quarter of 2012.

(d) Depreciation

Depreciation of $748 and $856 (three and nine months ended September 30, 2012 – $Nil) is included in care and maintenance depreciation for the three and nine months ended September 30, 2013. Depreciation of $67 and $200 is included in general and administrative expenses for the three and nine months ended September 30, 2012. This depreciation pertains to assets which are not currently being used for mining operations.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

5. Property, plant and equipment (continued)

(e) *Impairment of property, plant and equipment*

(i) *Nine months ended September 30, 2013*

The Company assessed the carrying values of its mineral properties for indication of impairment at each quarter end in 2013. As at June 30, 2013, the Company believed that certain factors, such as the sustained weakness in PGM pricing, rising cost pressures, decreasing productivities, the stagnant European and global economy and the current operating environment in South Africa have contributed to the Company's decision to suspend funding of the CRM development plan as announced on April 19, 2013. These factors have also caused a further decrease in the Company's share price. The Company recorded an impairment charge in the quarter ended June 30, 2013 as described below. The Company concluded that, as at September 30, 2013, there was no further impairment or reversal of impairment to be recorded.

During the quarter ended June 30, 2013, the Company determined that the carrying value of its CRM project exceeded the expected net present value of its future cash flows. This resulted in an impairment charge of $147,787 that was allocated pro-rata amongst CRM's tangible assets owned, intangible mineral properties being depleted and refining contract. Impairment charges of $109,628, $35,132 and $3,027 were recorded against CRM's tangible assets owned, intangible mineral properties and refining contract, respectively. The Company concluded that as at June 30, 2013, there was no impairment of assets at the Company's Spitzkop PGM Project, Mareesburg PGM Project, or Kennedy's Vale.

The expected net present value of CRM's future cash flows were calculated using a weighted average cost of capital of 8.80%, and the following forecasted foreign exchange rates and prices.

		2013	2014	2015	2016	2017	2018+
South African Rand per U.S. Dollar		9.50	9.71	9.65	9.65	9.65	8.90
Platinum	US$/oz	1,531	1,652	1,693	1,693	1,673	1,734
Palladium	US$/oz	713	778	800	781	753	730
Rhodium	US$/oz	1,763	2,413	2,678	2,692	2,636	3,625
Gold	US$/oz	1,440	1,394	1,345	1,282	1,213	1,186
Iridium	US$/oz	1,019	614	630	626	622	640
Ruthenium	US$/oz	118	211	216	221	216	230
Nickel	US$/tonne	15,562	17,095	18,769	19,001	19,408	19,820
Copper	US$/tonne	7,285	7,119	6,942	6,638	6,573	6,121
Chrome	Rand/tonne	500	500	500	500	500	600

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

5. Property, plant and equipment (continued)

(e) Impairment of property, plant and equipment (continued)

(ii) Year ended December 31, 2012

During the year ended December 31, 2012, the Company assessed the carrying values of its mineral properties for indication of impairment at each quarter end. The Company believed that certain factors, such as the decision to suspend funding for the Mareesburg open pit mine and KV concentrator project in June 2012, a significant drop in production at CRM in 2011 and 2012 compared to 2010, the continued operational issues facing the South African PGM industry, and the weakness of the global economy, particularly in Europe, which have negatively affected PGM prices, have contributed to the decrease in the Company's share price. Since August 2011, the Company's market capitalization has been below its book value. The Company recorded an impairment charge in the quarter ended June 30, 2012 as described below. The Company concluded that, as at December 31, 2012, there was no further impairment to be recorded.

During the quarter ended June 30, 2012, the Company determined that the carrying value of its Eastern Limb projects exceeded the expected net present value of its future cash flows. This resulted in an impairment charge of $88,278 that was allocated pro-rata amongst KV, the Spitzkop PGM Project and the Mareesburg Project. An impairment charge of $47,445 was recorded at KV, of which $32,557 pertained to mining assets owned and $14,888 pertained to intangible mineral properties not being depleted. Impairment charges of $32,802 and $8,031 were recorded to the mineral properties not being depleted at the Spitzkop PGM Project and the Mareesburg Project, respectively. The Company concluded that as at June 30, 2012, there was no impairment of assets at CRM.

The expected net present value of the Eastern Limb projects' future cash flows were calculated using a weighted average cost of capital of 8.78%, and the following forecasted foreign exchange rates and prices.

		2012	2013	2014	2015	2016	2017+
South African Rand per U.S. Dollar		7.89	7.97	8.23	9.64	9.96	10.21
Platinum	US$/oz	1,575	1,728	1,688	1,673	1,662	1,649
Palladium	US$/oz	679	809	808	838	758	706
Rhodium	US$/oz	1,525	1,763	2,413	2,678	2,692	3,625
Gold	US$/oz	1,698	1,688	1,456	1,280	1,182	1,119
Iridium	US$/oz	1,040	1,019	624	620	617	610
Ruthenium	US$/oz	120	118	221	216	212	210
Nickel	US$/tonne	18,483	19,769	20,402	20,818	20,158	19,346
Copper	US$/tonne	8,242	8,271	7,773	7,293	6,787	5,777
Chrome	Rand/tonne	400	600	600	600	600	600

6. Issued capital

(a) Authorized

- Unlimited number of preferred redeemable, voting, non-participating shares without nominal or par value,

- Unlimited number of common shares with no par value.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

6. Issued capital (continued)

(b) Issued and outstanding

Changes to the number of common shares issued and outstanding are as follows:

	September 30, 2013	December 31, 2012
	Number of shares	Number of shares
Balance outstanding, beginning and end of period	**928,187,840**	928,187,840

(c) Treasury shares

	September 30, 2013	December 31, 2012
	Number of treasury shares	Number of treasury shares
Balance outstanding, beginning of period	**120,564**	198,563
Vesting of shares pursuant to the key skills retention plan (Note 6(e))	**-**	(77,999)
Balance outstanding, end of period	**120,564**	120,564

(d) Share options

The Company has an incentive plan (the "2011 Plan"), approved by the Company's shareholders at its annual general meeting held on June 9, 2011, under which options to purchase common shares may be granted to its directors, officers, employees and others at the discretion of the Board of Directors. Under the terms of the 2011 Plan:

- 79 million common shares were initially reserved for issuance upon the exercise of options, of which 25,849,261 remain available for issuance at September 30, 2013.

- All outstanding options at June 9, 2011 granted under the Company's previous plan (the "2008 Plan") continue to exist under the 2011 plan provided that the fundamental terms governing such options will be deemed to be those under the 2008 Plan.

- Each option granted shall be for a term not exceeding five years from the date of being granted and the vesting period is determined based on the discretion of the Board of Directors. Vesting is dependent on continued employment with the Company.

- The option exercise price is set at the date of the grant and cannot be less than the closing market price of the Company's common shares on the Toronto Stock Exchange on the day immediately preceding the day of the grant of the option.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

6. Issued capital (continued)

(d) *Share options (continued)*

- The 2011 Plan includes share appreciation rights providing for an optionee to elect to exercise options and to receive an amount in common shares equal to the difference between fair market value at the time of exercise and the exercise price for the options exercised.

(i) *Movements in share options during the period*

The changes in share options during the nine months ended September 30, 2013 and the year ended December 31, 2012 were as follows:

	September 30, 2013		December 31, 2012	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Cdn$		Cdn$
Balance outstanding, beginning of period	**26,605,667**	**0.84**	59,855,503	1.52
Options granted	**28,975,000**	**0.19**	7,265,000	0.60
Options forfeited	**(6,277,000)**	**2.07**	(20,527,336)	1.78
Options expired	**-**	**-**	(19,987,500)	1.82
Balance outstanding, end of period	**49,303,667**	**0.30**	26,605,667	0.84

Options granted and vested during the three and nine months ended September 30, 2013 resulted in share-based payment expense of $32 and $3,174 (three and nine months ended September 30, 2012 - $Nil and $2,304), respectively.

(ii) *Fair value of share options granted in the period*

The fair value of each option granted is estimated at the time of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

	2013	
	January 8	**January 8**
Number of options	**22,025,000**	**6,950,000**
Exercise price	**Cdn$0.19**	**Cdn$0.19**
Closing market price on day preceding date of grant	**Cdn$0.19**	**Cdn$0.19**
Grant date share price	**Cdn$0.21**	**Cdn$0.21**
Risk-free interest rate	**1.45%**	**1.17%**
Expected life	**5**	**2**
Annualized volatility	**77%**	**61%**
Dividend rate	**0%**	**0%**
Grant date fair value	**Cdn$0.13**	**Cdn$0.08**

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

6. Issued capital (continued)

(d) *Share options (continued)*

(ii) *Fair value of share options granted in the period (continued)*

28,975,000 options were granted on January 8, 2013, of which 22,025,000 were fully vested upon grant and have an expected life of 5 years and 6,950,000 were vested one-third upon grant, one-third will vest upon the first anniversary of the grant and one-third upon the second anniversary of the grant and have an expected life of 2 years.

	2012
	March 8
Number of options	7,265,000
Exercise price	Cdn$0.60
Closing market price on day preceding date of grant	Cdn$0.53
Grant date share price	Cdn$0.54
Risk-free interest rate	1.50%
Expected life	5
Annualized volatility	74%
Dividend rate	0%
Grant date fair value	Cdn$0.32

Grant date share price is the closing market price on the day the options were granted.

Annualized volatility is based on the historical volatility of the Company's Canadian dollar common share price of the Toronto Stock Exchange.

(i) *Share options outstanding at the end of the period*

The following table summarizes information concerning outstanding and exercisable options at September 30, 2013:

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn$		
12,996,667	12,996,667	0.32	0.22	December 18, 2013
400,000	400,000	0.52	0.75	June 30, 2014
30,000	30,000	0.76	1.09	November 3, 2014
100,000	100,000	1.30	1.31	January 18, 2015
100,000	100,000	1.55	2.49	March 25, 2016
6,942,000	6,942,000	0.60	3.45	March 12, 2017
310,000	310,000	2.31	4.03	October 5, 2017
28,425,000	24,124,999	0.19	4.28	January 8, 2018
49,303,667	45,003,666		3.05	

The weighted average exercise price of options exercisable at September 30, 2013 is Cdn$0.31.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

6. Issued capital (continued)

(e) Key skills retention plan

In 2010, the Company's South African subsidiary, Barplats Investments Limited, implemented a key skills retention plan for its senior employees in South Africa. The purpose of the plan is to retain key employees, attract new employees as the need arises and remain competitive with other South African mining companies. The plan operates through a trust which purchases shares of the Company on behalf of the employees. These shares then vest to the employees over time. These shares have been recorded as "treasury shares" in the statement of financial position.

The share-based payment expense during the three and nine months ended September 30, 2013 resulting from the key skills retention plan was $Nil and $Nil (three and nine months ended September 30, 2012 – negative $31 and $5), respectively. The share-based payment liability as at September 30, 2013 was $Nil (December 31, 2012 - $74). On November 30, 2012, 77,999 treasury shares with a historic cost of $130 vested.

7. Finance costs

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Interest on revenue advances	**$ 56**	$ 107	**$ 155**	$ 325
Interest on provision for environmental rehabilitation	**187**	174	**585**	538
Interest on VAT reassessments	**313**	-	**313**	-
Other interest	**93**	-	**93**	-
Credit facility costs	**-**	-	**-**	4,517
	$ 649	$ 281	**$ 1,146**	$ 5,380

8. Non-controlling interest

The non-controlling interests are comprised of the following:

Balance, December 31, 2011 - as previously reported	$ (3,483)
Adjustment (Note 3(b))	1,783
Balance, December 31, 2011	$ (1,700)
Non-controlling interests' share of loss in Barplats	(10,234)
Foreign exchange movement	524
Balance, December 31, 2012	$ (11,410)
Non-controlling interests' share of loss in Barplats	(22,833)
Foreign exchange movement	3,126
Balance, September 30, 2013	**$ (31,117)**

9. Loss per share

The weighted average number of ordinary shares for the purposes of diluted loss per share reconciles to the weighted average number of ordinary shares used in the calculation of basic loss per share as follows:

9. Loss per share (continued)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	(in thousands)		(in thousands)	
Weighted average number of ordinary shares used in the calculation of basic loss per share	**927,805**	927,499	**927,805**	927,499
Shares deemed to be issued for no consideration in respect of options	**-**	-	**-**	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	**927,805**	927,499	**927,805**	927,499

The loss used to calculate basic and diluted loss per share for the three and nine months ended September 30, 2013 was $4,617 and $155,293 (three and nine months ended September 30, 2012 – losses of $5,698 and $101,745), respectively.

The following potential ordinary shares, outstanding at September 30, 2013, are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
	(in thousands)		(in thousands)	
Options	**49,304**	27,964	**49,304**	27,964

10. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	September 30, 2013	December 31, 2012
Cash in bank	**$ 12,970**	$ 65,569
Money market instruments	**3,603**	5,130
	$ 16,573	$ 70,699

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

11. Trade and other receivables

Trade and other receivables are comprised of the following:

	September 30, 2013	December 31, 2012 (Note 3(b))
Trade receivables	**$ 2,871**	$ 10,439
VAT receivable	**2,388**	1,764
Other receivables	**1,915**	3,239
Allowance for doubtful debts for other receivables	**(496)**	(588)
	$ 6,678	$ 14,854

As at September 30, 2013, $5,839 (December 31, 2012 - $14,272) of trade and other receivables have been pledged as security for a R25 million long-term facility and a R5 million general banking facility held by one of the Company's South African subsidiaries. These facilities have not been drawn down as at September 30, 2013.

12. Inventories

	September 30, 2013	December 31, 2012
Consumables	**$ 2,808**	$ 3,975
Ore and concentrate	**-**	136
Chrome inventory	**172**	635
	$ 2,980	$ 4,746

Production costs for the three and nine months ended September 30, 2013 were $3,618 and $46,951 (three and nine months ended September 30, 2012 - $26,319 and $95,225), respectively. Production costs represent the cost of inventories sold during the period. For the three and nine months ended September 30, 2013, production costs included a write-down of consumables to net realizable value of $Nil and $571 (three and nine months ended September 30, 2012 – $Nil and $Nil), respectively. For the three and nine months ended September 30, 2013, production costs did not include any amounts with regards to the reversal of write-downs.

13. Refining contract

During the year ended June 30, 2006, the Company acquired a 69% interest in Barplats and assigned a portion of the purchase price to the off-take contract governing the sales of Barplats' PGM concentrate production. The initial value of the contract was $17,939. During the year ended June 30, 2007, the Company acquired an additional 5% interest in Barplats resulting in an additional allocation to the contract of $4,802 for a total aggregate value of $22,741. During the year ended December 31, 2008, the Company acquired an additional 2.47% interest in Barplats. The acquisition did not affect the aggregate value of the contract. The value of the contract is amortized over the remaining term of the contract which is 5.75 years as at September 30, 2013.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

13. Refining contract (continued)

Cost		
Balance as at December 31, 2011	$	19,382
Foreign exchange movement		(939)
Balance as at December 31, 2012	$	18,443
Foreign exchange movement		(2,882)
Balance as at September 30, 2013	**$**	**15,561**
Accumulated amortization		
Balance as at December 31, 2011	$	10,373
Amortization		1,350
Foreign exchange movement		(550)
Balance as at December 31, 2012	$	11,173
Amortization		877
Impairment		3,027
Foreign exchange movement		(1,977)
Balance as at September 30, 2013	**$**	**13,100**
Carrying amounts		
At December 31, 2011	$	9,009
At December 31, 2012	$	7,270
At September 30, 2013	**$**	**2,461**

During the three months ended June 30, 2013, the Company determined that the carrying value of CRM exceeded the expected net present value of its future cash flows. This resulted in an impairment charge of $3,027 being recorded against the refining contract.

14. Other assets

Other assets consists of a money market fund investment that is classified as available-for-sale and serves as security for a guarantee issued to the Department of Mineral Resources of South Africa in respect of the environmental rehabilitation liability (Note 16). Changes to other assets for the nine months ended September 30, 2013 are as follows:

Balance, December 31, 2011	$	7,995
Additional investment		1,059
Service fees		(36)
Interest income		485
Foreign exchange movement		(441)
Balance, December 31, 2012	$	9,062
Additional investment		1,167
Service fees		(36)
Interest income		373
Foreign exchange movement		(1,506)
Balance, September 30, 2013	**$**	**9,060**

15. Trade and other payables

		September 30, 2013		December 31, 2012 (Note 3(b))
Trade payables	**$**	**1,317**	$	2,382
Accrued liabilities		**2,545**		8,055
Other		**5,566**		6,950
	$	**9,428**	$	17,387

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

15. Trade and other payables (continued)

The average credit period of purchases is 1 month. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

16. Provision for environmental rehabilitation

Although the ultimate amount of the environmental rehabilitation provision is uncertain, the best estimate of these obligations is based on information currently available, including closure plans and applicable regulations. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs.

The provision for environmental rehabilitation at September 30, 2013 is ZAR 108 million ($10,736) (December 31, 2012 – ZAR 102 million, $12,066). The provision was determined using an inflation rate of 5.55% (December 31, 2012 – 5.55%) and an estimated life of mine of 18 years for Zandfontein (December 31, 2012 – 18 years), 9 years for Maroelabult (December 31, 2012 – 9 years), 16 years for Crocette (December 31, 2012 – 16 years), 28 years for Kennedy's Vale (December 31, 2012 – 28 years) and 28 years for Spitzkop (December 31, 2012 – 28 years). A discount rate of 7.27% was used (December 31, 2012 – 7.27%). A guarantee of $9,060 (December 31, 2012 - $9,062) has been issued to the Department of Mineral Resources (Note 14). The guarantee will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine. The undiscounted value of this liability is approximately ZAR 470 million ($46,757) (December 31, 2012 – ZAR 470 million, $55,417).

Changes to the environmental rehabilitation provision are as follows:

Balance, December 31, 2011	$	8,390
Revision in estimates		3,328
Interest expense (Note 7)		701
Foreign exchange movement		(353)
Balance, December 31, 2012	$	12,066
Interest expense (Note 7)		585
Foreign exchange movement		(1,915)
Balance, September 30, 2013	**$**	**10,736**

17. Commitments

The Company has committed to capital expenditures on projects of approximately ZAR 1 million ($108) as at September 30, 2013 (December 31, 2012 – ZAR 21 million, $2,463).

18. Retirement benefit plans

The Barplats Provident Fund is an independent, defined contribution plan administered by Liberty Life Limited in South Africa. The costs associated with the defined contribution plan included in net loss for the three and nine months ended September 30, 2013 were $123 and $1,452 (three and nine months ended September 30, 2012 - $733 and $2,351), respectively. The total number of employees in the plan at September 30, 2013 was 130 (September 30, 2012 – 1,148).

19. Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

19. Related party transactions (continued)

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

	Nature of transactions
Andrews PGM Consulting	Consulting and general and administrative
Buccaneer Management Inc.	Management
Gubevu Consortium Investment Holdings (Pty) Ltd. (iii)	Black economic empowerment partner
Jazz Financial Ltd.	Management
Maluti Services Limited	General and administrative
Xiste Consulting Ltd.	Management and general and administrative
Zinpro Engineering (Pty) Ltd	Consulting and mine contractor

The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

	Note	Three months ended September 30, **2013**	2012	Nine months ended September 30, **2013**	2012
Consulting fees	(i)	**$ 105**	$ 33	**$ 438**	$ 285
General and administrative expenses		**25**	77	**142**	269
Management fees	(ii)	**1,167**	349	**1,850**	1,040
Mine contractor fees	(iii)	**543**	-	**4,587**	-
		$ 1,840	$ 459	**$ 7,017**	$ 1,594

(i) Consulting fees include fees paid to two private companies controlled by key management personnel of the Company for consulting services performed outside of their capacities as key management personnel.

(ii) Management fees for the three and nine months ended September 30, 2013 include a termination payment to an officer of the Company.

(iii) Mine contractor fees are paid to a private company controlled by an executive officer of the Company's South African operating subsidiary for specific design, procurement and construction projects at CRM.

(iv) At September 30, 2013, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R602 million ($59,786) (December 31, 2012 – R569 million, $67,061), which has been provided for in full. The Company did not record any interest income with regards to this loan or receive cash from, or lend any further cash to, Gubevu in the three and nine months ended September 30, 2012 and 2013. For further details, please refer to Note 3(b).

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2013 included $10 (December 31, 2012 - $28) which was due to private companies controlled by officers and directors of the Company.

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

19. Related party transactions (continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2013 and 2012 were as follows:

	Note	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Remuneration and directors' fees	(i)	**$ 1,341**	$ 469	**$ 2,498**	$ 1,755
Share-based payments	(ii)	**-**	-	**2,640**	2,216
		$ 1,341	$ 469	**$ 5,138**	$ 3,971

(i) Remuneration and directors’ fees include consulting, management fees and termination payments disclosed in Note 19(a).

(ii) Share-based payments are the fair value of options granted to key management personnel.

(iii) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and nine months ended September 30, 2013 and 2012.

20. Segmented information

(a) Operating segments - The Company’s operations are primarily directed towards the acquisition, exploration and production of platinum group metals in South Africa.

(b) Geographic segments - The Company’s revenues and expenses by geographic areas for the three and nine months ended September 30, 2013 and 2012, and assets by geographic areas as at September 30, 2013 and December 31, 2012 are as follows:

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information (continued)

(b) Geographic segments (continued)

	Three months ended September 30, 2013							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 434	$ 656	$ -	$ -	$ 1,090	$ -	$ -	$ 1,090
Property, plant and equipment disposals	488	863	-	-	1,351	-	-	1,351
Revenue (Note 3(c))	$ 1,341	$ -	$ -	$ -	$ 1,341	$ -	$ -	$ 1,341
Production costs (Note 3(c))	(3,618)	-	-	-	(3,618)	-	-	(3,618)
Depletion and depreciation	(249)	-	-	-	(249)	-	-	(249)
Gain on disposal of property, plant and equipment	1,095	13	-	-	1,108	-	-	1,108
General and administrative expenses	(169)	(1,176)	-	-	(1,345)	(11)	(1,665)	(3,021)
Care and maintenance	(1,297)	(429)	(14)	(7)	(1,747)	-	-	(1,747)
Care and maintenance depreciation	(708)	(40)	-	-	(748)	-	-	(748)
Share-based payments	(32)	-	-	-	(32)	-	-	(32)
Interest income	246	11	8	1	266	-	314	580
Other income	(177)	201	-	-	24	-	-	24
Finance costs	(279)	(363)	(7)	-	(649)	-	-	(649)
Foreign exchange gain (loss)	79	-	-	-	79	(9)	516	586
Loss before income taxes	(3,768)	(1,783)	(13)	(6)	(5,570)	(20)	(835)	(6,425)
Deferred income tax (expense) recovery	-	-	(1)	2	1	(95)	-	(94)
Net loss	$ (3,768)	$ (1,783)	$ (14)	$ (4)	$ (5,569)	$ (115)	$ (835)	$ (6,519)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information (continued)

(b) Geographic segments (continued)

Nine months ended September 30, 2013	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 8,425	$ 1,586	$ -	$ -	$ 10,011	$ -	$ -	$ 10,011
Property, plant and equipment disposals	832	1,217	-	-	2,049	-	-	2,049
Revenue (Note 3(c))	$ 31,244	$ -	$ -	$ -	$ 31,244	$ -	$ -	$ 31,244
Production costs (Note 3(c))	(46,951)	-	-	-	(46,951)	-	-	(46,951)
Depletion and depreciation	(4,840)	-	-	-	(4,840)	-	-	(4,840)
Impairment	(147,787)	-	-	-	(147,787)	-	-	(147,787)
Gain on disposal of property, plant and equipment	1,653	36	-	-	1,689	-	-	1,689
General and administrative expenses	(1,566)	(1,176)	-	-	(2,742)	(48)	(3,631)	(6,421)
Care and maintenance	(1,297)	(1,193)	(15)	(11)	(2,516)	-	-	(2,516)
Care and maintenance depreciation	(708)	(148)	-	-	(856)	-	-	(856)
Share-based payments	(506)	-	-	-	(506)	-	(2,668)	(3,174)
Interest income	674	49	12	3	738	-	844	1,582
Other income	525	624	-	-	1,149	-	(1)	1,148
Finance costs	(667)	(472)	(7)	-	(1,146)	-	-	(1,146)
Foreign exchange gain (loss)	231	-	-	-	231	(34)	(4)	193
Loss before income taxes	(169,995)	(2,280)	(10)	(8)	(172,293)	(82)	(5,460)	(177,835)
Income tax (expense) recovery	-	-	(5)	5	-	(291)	-	(291)
Net loss	$ (169,995)	$ (2,280)	$ (15)	$ (3)	$ (172,293)	$ (373)	$ (5,460)	$ (178,126)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information (continued)

(b) *Geographic segments (continued)*

Three months ended September 30, 2012

	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 2,883	$ 20,988	$ -	$ 15	$ 23,886	$ -	$ -	$ 23,886
Revenue (Note 3(c))	$ 23,329	$ -	$ -	$ -	$ 23,329	$ -	$ -	$ 23,329
Production costs (Note 3(c))	(26,319)	-	-	-	(26,319)	-	-	(26,319)
Depletion and depreciation	(3,192)	-	-	-	(3,192)	-	-	(3,192)
Gain on disposal of property, plant and equipment	167	-	-	-	167	-	-	167
General and administrative expenses	(863)	(290)	-	-	(1,153)	(10)	(979)	(2,142)
Care and maintenance	-	-	(37)	(3)	(40)	-	-	(40)
Share-based payment	31	-	-	-	31	-	-	31
Interest income	321	35	11	1	368	-	423	791
Other income	117	189	-	-	306	-	6	312
Finance costs	(245)	(29)	(7)	-	(281)	-	-	(281)
Foreign exchange gain (loss)	363	(23)	-	-	340	(14)	(464)	(138)
Loss before income taxes	(6,291)	(118)	(33)	(2)	(6,444)	(24)	(1,014)	(7,482)
Income tax expense	-	-	-	-	-	(98)	-	(98)
Net loss	$ (6,291)	$ (118)	$ (33)	$ (2)	$ (6,444)	$ (122)	$ (1,014)	$ (7,580)

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information (continued)

(b) Geographic segments (continued)

Nine months ended September 30, 2012	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 10,180	$ 67,477	$ -	$ 145	$ 77,802	$ -	$ 2	$ 77,804
Revenue (Note 3(c))	$ 85,137	$ -	$ -	$ -	$ 85,137	$ -	$ -	$ 85,137
Production costs (Note 3(c))	(95,224)	-	-	-	(95,224)	-	-	(95,224)
Depletion and depreciation	(11,325)	-	-	-	(11,325)	-	-	(11,325)
Impairment	-	(47,445)	(32,802)	(8,031)	(88,278)	-	-	(88,278)
Loss on disposal of property, plant and equipment	(1,402)	-	-	-	(1,402)	-	-	(1,402)
General and administrative expenses	(3,182)	(455)	-	-	(3,637)	(41)	(3,622)	(7,300)
Care and maintenance	-	-	(74)	(18)	(92)	-	-	(92)
Share-based payment	(5)	-	-	-	(5)	-	(2,304)	(2,309)
Interest income	974	113	21	1	1,109	-	1,611	2,720
Other income	555	350	-	-	905	-	6	911
Finance costs	(3,020)	(2,127)	(7)	(226)	(5,380)	-	-	(5,380)
Foreign exchange (loss) gain	9	(36)	-	-	(27)	(20)	111	64
Loss before income taxes	(27,483)	(49,600)	(32,862)	(8,274)	(118,219)	(61)	(4,198)	(122,478)
Income tax (expense) recovery	(4,139)	5,587	8,964	2,277	12,689	(312)	-	12,377
Net loss	$ (31,622)	$ (44,013)	$ (23,898)	$ (5,997)	$ (105,530)	$ (373)	$ (4,198)	$ (110,101)

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information (continued)

(b) Geographic segments (continued)

	September 30, 2013							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets	$ 10,813	$ 955	$ 761	$ 69	$ 12,598	$ 19	$ 95,248	$ 107,865
Property, plant and equipment	140,263	128,704	67,501	16,556	353,024	-	3	353,027
Refining contract	2,461	-	-	-	2,461	-	-	2,461
Other assets	9,060	-	-	-	9,060	-	-	9,060
	$ 162,597	$ 129,659	$ 68,262	$ 16,625	$ 377,143	$ 19	$ 95,251	$ 472,413
Liabilities								
Current liabilities	$ 7,731	$ 1,190	$ 297	$ 48	$ 9,266	$ 13	$ 149	$ 9,428
Provision for environmental rehabilitation	7,451	2,906	379	-	10,736	-	-	10,736
Deferred tax liabilities	-	-	12,356	2,613	14,969	2,472	-	17,441
	$ 15,182	$ 4,096	$ 13,032	$ 2,661	$ 34,971	$ 2,485	$ 149	$ 37,605

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information (continued)

(b) Geographic segments (continued)

	December 31, 2012							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets (Note 3(b))	$ 22,280	$ 4,400	$ 905	$ 102	$ 27,687	$ 20	$ 122,818	$ 150,525
Property, plant and equipment	326,919	150,481	80,065	19,559	577,024	-	7	577,031
Refining contract	7,270	-	-	-	7,270	-	-	7,270
Other assets	9,062	-	-	-	9,062	-	-	9,062
	$ 365,531	$ 154,881	$ 80,970	$ 19,661	$ 621,043	$ 20	$ 122,825	$ 743,888
Liabilities								
Current liabilities (Note 3(b))	$ 12,418	$ 4,220	$ 405	$ 67	$ 17,110	$ 17	$ 260	$ 17,387
Provision for environmental rehabilitation	8,374	3,266	426	-	12,066	-	-	12,066
Deferred tax liabilities	-	-	14,616	3,100	17,716	2,261	-	19,977
	$ 20,792	$ 7,486	$ 15,447	$ 3,167	$ 46,892	$ 2,278	$ 260	$ 49,430

(c) Revenue

The Company's primary product is platinum group metals ("PGM") and by-product is chrome. For the three and nine months ended September 30, 2013 and 2012, substantially all of the Company's PGM production was sold to one customer.

	Three months ended September 30,		**Nine months ended September 30,**	
	2013	2012	**2013**	2012
Platinum group metals	**$ 741**	$ 18,232	**$ 21,580**	$ 59,479
Chrome (Note 3(c))	**600**	5,097	**9,664**	25,658
	$ 1,341	$ 23,329	**$ 31,244**	$ 85,137

(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

21. Financial instruments

(a) Categories of financial instruments

		September 30, 2013		December 31, 2012
Financial assets				
Cash and cash equivalents	**$**	**16,573**	$	70,699
FVTPL financial assets				
Trade receivables		**2,871**		10,439
Loans and receivables				
Other receivables (Note 3(b))		**3,807**		4,415
Available for sale financial assets				
Short-term investments		**81,634**		60,226
Other assets		**9,060**		9,062
	$	**113,945**	$	154,841
Financial liabilities				
Other financial liabilities				
Trade and other payables (Note 3(b))	**$**	**9,428**	$	17,387
	$	**9,428**	$	17,387

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair values of cash and cash equivalents, short-term investments, other assets and trade and other payables approximate their carrying values due to the short-term to maturities of these financial instruments.

Trade receivables are settled three to five months following the physical delivery of the PGM's and are adjusted to prices of the metals at the end of the settlement period. At each period end, the Company's trade receivables are marked to market based on the PGM forward prices quoted in the active market.

(ii) Fair value measurements recognized in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable. Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities. Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly. Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The Company's trade receivables, short-term investments, and other assets are measured subsequent to initial recognition at fair value and are Level 2 financial instruments at September 30, 2013. There were no transfers between levels during the nine months ended September 30, 2013 and 2012.

21. Financial instruments (continued)

(c) Reclassification of financial assets

There was no reclassification of financial assets during the nine months ended September 30, 2013 or the year ended December 31, 2012.

22. Contingency

In June 2011, the Company became aware that the law firm of Siskinds LLP of London, Ontario, had filed a "Notice of Application" under the Class Action Proceedings Act, 1992, in the Ontario Superior Court of Justice against the Company and three of its directors and officers. The Notice of Application seeks permission of the Court to grant leave or permission to commence a lawsuit under the Securities Act of Ontario and other provinces in respect to certain alleged breaches of disclosure obligations. In July 2011, the Company and its officers and directors were served with court documents.

On June 18, 2012, the Company was served with the Plaintiff's Application Record and Amended Notice of Application. No further steps had been taken in the action until this time. The Amended Notice of Application is no longer being brought on behalf of a class, and instead, is being brought by Brian Bradley in his individual capacity. The affidavits filed in support of the application state that should the applicant be successful in obtaining leave to file the statement of claim, the plaintiff would move for the certification of the action as a class proceeding. The Company believes the proposed action has no merit and intends to continue to vigorously defend the action.

The Company is also subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to the Company. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its financial statements.

When evaluating legal proceedings that are pending against the Company, the Company and its legal counsel assess the perceived merits of the legal proceedings along with the perceived merits of the amount of relief sought. It is management's opinion that there are currently no other claims expected to have a material effect on the results of operations or financial condition of the Company.

23. Events after the reporting period

There were no events that required adjustment to, or disclosure in, the financial statements after the reporting period from October 1, 2013 to November 13, 2013.

EASTERN PLATINUM LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("Eastplats" or the "Company") as at September 30, 2013 and for the three and nine months then ended in comparison to the same period in 2012.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2013 and supporting notes. These unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

In this MD&A, the Company also reports certain non-IFRS measures such as adjusted EBITDA and cash costs per ounce which are explained in Section 3.2 of this MD&A.

All monetary amounts are in U.S. dollars unless otherwise specified. The effective date of this MD&A is November 13, 2013. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Contents of the MD&A

1. Overview

Eastplats is a platinum group metals ("PGM") producer engaged in the mining and development of PGM deposits with properties located in South Africa. All of the Company's properties are situated on the western and eastern limbs of the Bushveld Complex ("BC"), the geological environment that supports over 75% of the world's PGM mine production.

The Company's primary assets are:

- an 87.5% direct and indirect interest in Barplats Investments Limited ("Barplats"), whose main assets are the Crocodile River Mine ("CRM") located on the Western Limb of the BC and the Kennedy's Vale Project located on the Eastern Limb of the BC;
- an 87% direct and indirect interest in Mareesburg Platinum Project ("Mareesburg Project"), located on the Eastern Limb of the BC; and
- a 93.4% direct and indirect interest in Spitzkop PGM Project ("Spitzkop"), also located on the Eastern Limb of the BC.

Due to the stagnant outlook in the global economic environment, particularly in Europe, the sustained weakness in PGM pricing and the operating environment in South Africa, production at CRM was shut down at the end of July 2013 and development of the Mareesburg Project was suspended in mid-2012.

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2. Summary of results for the three and nine months ended September 30, 2013

- Production at CRM scaled down with effect from June 22, 2013 and ceased by the end of July 2013. CRM is now on care and maintenance.

- At September 30, 2013, the Company had a cash position (including cash, cash equivalents and short term investments) of $98,207,000 (December 31, 2012 – $130,925,000).

- Eastplats recorded a loss attributable to equity shareholders of the Company of $4,617,000 ($Nil per share) in the quarter ended September 30, 2013 ("Q3 2013") compared to a loss of $5,698,000 ($0.01 loss per share) in the quarter ended September 30, 2012 ("Q3 2012").

- Eastplats recorded a loss attributable to equity shareholders of the Company of $155,293,000 ($0.17 loss per share) in the nine months ended September 30, 2013 ("9M 2013") compared to a loss of $101,745,000 ($0.11 loss per share) in the nine months ended September 30, 2012 ("9M 2012").

- Adjusted EBITDA was negative $15,326,000 in 9M 2013 compared to negative $9,886,000 in 9M 2012.

- PGM ounces sold decreased 62% to 27,352 ounces in 9M 2013 compared to 72,159 PGM ounces in 9M 2012.

- The U.S. dollar average delivered price per PGM ounce was $918 in 9M 2013 compared to $923 in 9M 2012.

- The Rand average delivered price per PGM ounce increased 15% to R8,500 in 9M 2013 compared to R7,410 in 9M 2012.

- Total Rand operating cash costs decreased 40% to R379 million in 9M 2013 compared to R630 million in 9M 2012.

- Rand operating cash costs net of by-product credits increased 63% to R12,565 per ounce in 9M 2013 compared to R7,723 per ounce in 9M 2012. Rand operating cash costs increased 59% to R13,872 per ounce in 9M 2013 compared to R8,732 per ounce in 9M 2012.

- U.S. dollar operating cash costs net of by-product credits increased 40% to $1,349 per ounce in 9M 2013 compared to $961 per ounce achieved in 9M 2012. U.S. dollar operating cash costs increased 37% to $1,489 per ounce in 9M 2013 compared to $1,087 per ounce in 9M 2012.

- Head grade decreased 5% to 3.84 grams per tonne in 9M 2013 compared to 4.04 grams per tonne in 9M 2012.

- Average concentrator recovery decreased to 69% in 9M 2013 compared to 77% in 9M 2012.

- Development meters decreased by 60% to 3,261 meters and on-reef development decreased by 63% to 1,591 meters compared to 9M 2012.

- Stoping units decreased 67% to 36,432 square meters in 9M 2013 compared to 109,759 square meters in 9M 2012.

- Run-of-mine ore hoisted decreased 64% to 258,537 tonnes in 9M 2013 compared to 710,964 tonnes in 9M 2012.

- Run-of-mine ore processed decreased by 61% to 267,368 tonnes in 9M 2013 compared to 691,516 tonnes in 9M 2012.

The table below sets forth selected results of operations for the Company's eight most recently completed quarters (in thousands of U.S. dollars, except per share amounts) in accordance with IFRS.

Table 1

Selected quarterly data	2013			2012				2011
	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31
Revenues (1)	$ 1,341	$ 16,561	$ 13,342	$ 17,292	$ 23,329	$ 31,152	$ 30,656	$ 24,347
Cost of operations (1)	(2,759)	(174,522)	(19,905)	(21,333)	(29,344)	(129,408)	(37,393)	(81,700)
Mine operating loss	(1,418)	(157,961)	(6,563)	(4,041)	(6,015)	(98,256)	(6,737)	(57,353)
Expenses (G&A, C&M and other)	(5,548)	(1,976)	(5,022)	(2,516)	(2,151)	(2,515)	(4,520)	(3,308)
Operating loss	(6,966)	(159,937)	(11,585)	(6,557)	(8,166)	(100,771)	(11,257)	(60,661)
Net (loss) profit attributable to equity shareholders of the Company (2)	$ (4,617)	$ (139,710)	$ (10,966)	$ (1,963)	$ (5,698)	$ (86,421)	$ (9,626)	$ (65,000)
(Loss) earnings per share - basic	$ (0.00)	$ (0.15)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.09)	$ (0.01)	$ (0.07)
(Loss) earnings per share - diluted	$ (0.00)	$ (0.15)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.09)	$ (0.01)	$ (0.07)
Average foreign exchange rates								
South African Rand per US dollar	9.99	9.47	8.95	8.69	8.26	8.12	7.75	8.10
US dollar per Canadian dollar	0.9631	0.9770	0.9916	1.0087	1.0054	0.9902	0.9990	0.9777
Period end foreign exchange rates								
South African Rand per US dollar	10.06	9.88	9.18	8.49	8.29	8.17	7.65	8.08
US dollar per Canadian dollar	0.9706	0.9508	0.9843	1.0051	1.0171	0.9822	1.0025	0.9833

(1) Prior periods' revenues and cost of operations are retrospectively adjusted numbers as described in Section 6.1(c) below and in Note 3(c) of the condensed consolidated interim financial statements.

(2) Prior periods' net (loss) profit attributable to equity shareholders of the Company are retrospectively adjusted numbers as described in Section 6.1(b) below and in Note 3(b) of the condensed consolidated interim financial statements.

3. Results of operations for the three and nine months ended September 30, 2013

The following table sets forth selected consolidated financial information for the three and nine months ended September 30, 2013 and 2012:

Table 2

Condensed consolidated interim and annual consolidated statements of loss
(Expressed in thousands of U.S. dollars, except per share amounts - unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Revenue (1)	**$ 1,341**	$ 23,329	**$ 31,244**	$ 85,137
Cost of operations				
Production costs (1)	**3,618**	26,319	**46,951**	95,224
Depletion and depreciation	**249**	3,192	**4,840**	11,325
Impairment	**-**	-	**147,787**	88,278
(Gain) loss on disposal of property, plant and equipment	**(1,108)**	(167)	**(1,689)**	1,402
Mine operating loss	**(1,418)**	(6,015)	**(166,645)**	(111,092)
Expenses				
General and administrative	**3,021**	2,142	**6,421**	7,300
Care and maintenance	**1,747**	40	**2,516**	92
Care and maintenance depreciation	**748**	-	**856**	-
Share-based payments	**32**	(31)	**3,174**	2,309
Operating loss	**(6,966)**	(8,166)	**(179,612)**	(120,793)
Other income (expense)				
Interest income	**580**	791	**1,582**	2,720
Other income	**24**	312	**1,148**	911
Finance costs	**(649)**	(281)	**(1,146)**	(5,380)
Foreign exchange gain (loss)	**586**	(138)	**193**	64
Loss before income taxes	**(6,425)**	(7,482)	**(177,835)**	(122,478)
Income tax (expense) recovery	**(94)**	(98)	**(291)**	12,377
Net loss for the period	**$ (6,519)**	$ (7,580)	**$ (178,126)**	$ (110,101)
Attributable to				
Non-controlling interest (2)	**(1,902)**	(1,882)	**(22,833)**	(8,356)
Equity shareholders of the Company	**(4,617)**	(5,698)	**(155,293)**	(101,745)
Net loss for the period	**$ (6,519)**	$ (7,580)	**$ (178,126)**	$ (110,101)
Loss per share				
Basic	**$ 0.00**	$ (0.01)	**$ (0.17)**	$ (0.11)
Diluted	**$ 0.00**	$ (0.01)	**$ (0.17)**	$ (0.11)
Weighted average number of common shares outstanding				
Basic	**927,805**	927,499	**927,805**	927,499
Diluted	**927,805**	927,499	**927,805**	927,499

Condensed consolidated statements of financial position	**September 30, 2013**	December 31, 2012	January 1, 2012
Total assets	**$ 472,413**	$ 743,888	$ 914,075
Total long-term liabilities	**$ 28,177**	$ 32,043	$ 41,910

(1) Prior periods' revenues and cost of operations are retrospectively adjusted numbers as described in Section 6.1(c) below and in Note 3(c) of the condensed consolidated interim financial statements.

(2) Prior periods' net (loss) profit attributable to non-controlling interest and to equity shareholders of the Company are retrospectively adjusted numbers as described in Section 6.1(b) below and in Note 3(b) of the condensed consolidated interim financial statements.

3.1 Mining operations at Crocodile River Mine ("CRM")

On April 19, 2013, the Company announced its decision to suspend funding for CRM due to the continuing stagnant outlook in the global economic environment, the sustained weakness in PGM pricing and the current operating environment in South Africa. On April 22, 2013 Barplats Mines Limited issued notices to employees in terms of Section 189 of the Labour Relations Act 66 of 1995 with respect to a care and maintenance and restructuring proposal for CRM. The consultation process with the unions and other representatives ended upon the expiry of the 60-day period on June 21, 2013.

Production at CRM scaled down with effect from June 22, 2013 and ceased by the end of July 2013. Production will not resume until it is clear that there can be sustainable economic production from CRM. The Company will continue to meet all its commitments with respect to its environmental management programs and the relevant aspects of its Social and Labour Plan.

Quarter ended September 30, 2013 compared to the quarter ended September 30, 2012

The quarter ended June 30, 2013 was the last full quarter of production until such time as operations resume. As a result of the suspension of production, the Company believes that it is not meaningful to compare the operations of the three months ended September 30, 2013 against the operations of the three months ended September 30, 2012 in this MD&A. However, certain production figures have been provided below.

The following is a summary of CRM's operations for the eight most recently completed quarters:

Table 3

Crocodile River Mine operations		Three months ended								
	Year to date	2013			Year to date	2012				2011
	2013	September 30	June 30	March 31	2012	December 31	September 30	June 30	March 31	December 31
Key financial statistics										
(dollar amounts stated in U.S. dollars)										
Sales - PGM ounces	27,352	654	15,474	11,224	72,159	14,066	21,273	26,412	24,474	19,854
Average delivered price per ounce (2)	$918	$857	$890	$960	$923	$936	$896	$902	$969	$931
Average basket price	$1,087	$1,014	$1,054	$1,136	$1,095	$1,109	$1,062	$1,071	$1,149	$1,104
Rand average delivered price per ounce	R 8,500	R 8,561	R 8,428	R 8,595	R 7,410	R 8,134	R 7,401	R 7,324	R 7,510	R 7,541
Rand average basket price	R 10,063	R 10,130	R 9,981	R 10,171	R 8,790	R 9,637	R 8,772	R 8,697	R 8,905	R 8,942
Cash costs per ounce of PGM (1)	$1,489	$5,587	$1,380	$1,400	$1,087	$1,200	$1,069	$1,094	$1,095	$1,291
Cash costs per ounce of PGM, net of chrome by-product credits (1)	$1,349	$5,101	$1,226	$1,301	$961	$958	$992	$910	$990	$1,072
Rand cash costs per ounce of PGM (1)	R 13,872	R 55,814	R 13,069	R 12,535	R 8,732	R 10,428	R 8,830	R 8,881	R 8,486	R 10,455
Rand cash costs per ounce of PGM, net of chrome by-product credits (1)	R 12,565	R 50,957	R 11,611	R 11,644	R 7,723	R 8,326	R 8,197	R 7,390	R 7,670	R 8,685
Key production statistics										
LTIFR	2.79	-	3.44	2.91	4.04	5.68	0.63	1.17	5.46	2.61
Run-of-mine ("ROM") ore tonnes processed	267,368	15,667	149,720	101,981	691,516	123,222	203,279	252,883	235,354	194,532
ROM ore tonnes hoisted	258,537	3,095	152,903	102,539	710,964	127,654	206,176	257,250	247,538	200,919
Development meters	3,261	26	1,992	1,243	8,105	1,365	2,066	2,922	3,117	2,929
On-reef development meters	1,591	-	1,107	484	4,323	350	966	1,653	1,704	1,591
Stoping units (square meters)	36,432	-	20,421	16,011	109,759	16,468	28,943	40,959	39,857	31,767
Concentrator recovery from ROM ore	69%	34%	76%	74%	77%	77%	76%	79%	77%	76%
Chrome sold (tonnes)	77,965	6,086	45,293	26,586	174,761	47,802	41,903	71,833	61,025	56,890
Metal in concentrate sold (ounces)										
Platinum (Pt)	13,862	331	7,818	5,713	36,218	7,135	10,715	13,240	12,263	9,819
Palladium (Pd)	5,874	141	3,385	2,348	16,027	2,983	4,672	5,847	5,508	4,428
Rhodium (Rh)	2,335	56	1,336	943	6,155	1,195	1,825	2,274	2,056	1,696
Gold (Au)	114	3	63	48	257	58	77	97	83	77
Iridium (Ir)	980	23	548	409	2,615	520	764	985	866	778
Ruthenium (Ru)	4,187	100	2,324	1,763	10,887	2,175	3,220	3,969	3,698	3,056
Total PGM ounces	27,352	654	15,474	11,224	72,159	14,066	21,273	26,412	24,474	19,854

(1) These are non-IFRS measures as described in Section 3.2

(2) Average delivered price is the average basket price at the time of delivery of PGM concentrates, net of associated smelting, refining and marketing costs, under the Company's primary off-take agreement.

The following is a summary of CRM's revenues and cost of sales:

Table 4

Crocodile River Mine - Revenues
(Stated in thousands of U.S. dollars)

	Platinum Group Metals		Chrome	
	Three months ended September 30,		Three months ended September 30,	
	2013	2012	**2013**	2012
Revenue	**$ 741**	$ 18,232	**$ 600**	$ 5,097
Production costs	**3,336**	22,851	**282**	3,468
	(2,595)	(4,619)	**318**	1,629
	Nine months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Revenue	**$ 21,580**	$ 59,479	**$ 9,664**	$ 25,658
Production costs	**41,103**	78,621	**5,848**	16,603
	(19,523)	(19,142)	**3,816**	9,055

As at January 1, 2013, the Company retrospectively applied new standard IFRS 11 Joint Arrangements. IFRS 11 defines the two types of joint arrangements (joint operations and joint ventures) and outlines how to determine the type of joint arrangement entered into and the principles for accounting for each type of joint arrangement. The application of this IFRS resulted in the Company recording its share of revenues and cost of sales from its interest in a jointly controlled operation to the respective revenue and cost of sales lines in the condensed consolidated interim financial statements. Previously, net profits from the jointly controlled operation were recorded as revenue in the consolidated statements of income or loss. This change had no effect on the Company's mine operating loss, net loss, cash flows or basic or diluted earnings per share.

Nine months ended September 30, 2013 compared to the nine months ended September 30, 2012

In 9M 2013, the Company sold 27,352 PGM ounces, a decrease of 62% compared to 9M 2012, primarily as a result of (1) a planned reduction in stoping activities as part of a comprehensive mine development plan implemented in the second half of 2012 and (2) the shut-down of production at CRM at the end of July 2013. This led to a 61% decrease in run-of-mine ore processed (267,368 tonnes in 9M 2013 compared to 691,516 tonnes in 9M 2012), which was responsible for a decrease in concentrator recovery from 77% in 9M 2012 to 69% in 9M 2013. A decrease in head grade (3.84 grams per tonne in 9M 2013 compared to 4.04 grams per tonne in 9M 2012) and a fatality at CRM in February 2013 also caused production and mining activity at CRM to be lower than expected in 9M 2013.

PGM revenues represent the amounts recorded when PGM concentrates are physically delivered to the buyer, which are provisionally priced on the date of delivery. The Company settles its PGM sales three to five months following the physical delivery of the concentrates and adjustments are made when the prices for the metal sold to the market are established.

The Company recorded an average delivered basket price of $918 per PGM ounce in 9M 2013, compared to $923 in 9M 2012. The delivered price per ounce refers to the PGM prices in effect at the time the PGM concentrates are delivered to the smelter. As a result of the mild recovery of PGM prices (especially in Rand terms) in 2013, the Company recorded total positive provisional price adjustments of $192,000 and $251,000 in Q3 2013 and 9M 2013, respectively. In comparison the Company recorded total positive price adjustments of $859,000 and $290,000 in Q3 2012 and 9M 2012, respectively, as shown in Table 5.

The following table shows a reconciliation of revenue and provisional price adjustments.

Table 5

Crocodile River Mine
Effect of provisional price adjustments on revenues
(stated in thousands of U.S. dollars)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Revenue before provisional price adjustments	$ 1,149	$ 22,470	$ 30,993	$ 84,847
Provisional price adjustments				
Adjustments to revenue upon settlement of prior periods' sales	229	(192)	288	(761)
Mark-to-market adjustment on sales not yet settled at end of period	(37)	1,051	(37)	1,051
Revenue as reported in the consolidated statements of loss	$ 1,341	$ 23,329	$ 31,244	$ 85,137

Operating cash costs, a non-IFRS measure, are incurred in Rand. Total Rand operating cash costs decreased by 40% compared to 9M 2012 as a result of a decrease in mining costs (consisting of labour allowances, bonuses, fuel and lubricants, support, contract mining and outsourced services, etc.) that resulted from the 62% decrease in PGM production as discussed earlier. The decrease in total Rand operating cash costs in Q3 2013 was offset by the inclusion of approximately R52 million in retrenchment costs incurred in June 2013 related to the scaling down of operations at CRM. On a per ounce basis, Rand operating cash costs increased by 59% to R13,872 per ounce in 9M 2013 compared to R8,732 per ounce in 9M 2012 primarily due to a 62% decrease in ounces sold. Excluding the one-time retrenchment costs, Rand operating cash costs would be reduced to R11,970 per ounce in 9M 2013.

U.S. dollar operating cash costs per ounce increased by 27% from $1,087 per ounce in 9M 2012 to $1,489 per ounce in Q3 2013 primarily due to a 62% decrease in ounces sold, which was partially offset by a 15% depreciation of the South African Rand relative to the U.S. dollar. The average U.S. dollar-Rand exchange rate was R9.47:$1.00 in 9M 2013 compared to R8.04:$1.00 in 9M 2012. Excluding the one-time retrenchment costs, U.S. dollar operating cash costs would have been reduced to $1,288 per ounce.

A reconciliation of production costs, as reported in the income statement, to cash operating costs, is shown in Table 6 under Section 3.2 CRM non-IFRS measures.

Chrome revenues and effect on cash costs per ounce

The Company recorded revenue for 77,965 tonnes of chrome in 9M 2013 (174,761 tonnes in 9M 2012). Chrome revenue recognized was $124 per tonne ($147 per tonne in 9M 2012) for a total of $9,664,000 in 9M 2013 ($25,658,000 in 9M 2012). The 16% decrease in chrome revenue recognized per tonne compared to 9M 2012 was mainly due to a 15% depreciation of the South African Rand relative to the U.S. dollar. The average U.S. dollar-Rand exchange rate was R9.47:$1.00 in 9M 2013 compared to R8.04:$1.00 in 9M 2012.

9M 2013 net chrome revenues of $3,816,000 reduced operating cash costs from $1,489 per ounce to $1,349 per ounce net of by-product credits and from R13,872 per ounce to R12,565 per ounce net of by-product credits.

Development projects at CRM

During the nine months ended September 30, 2013, the Company spent $8,425,000 at CRM on underground mine development, the installation of a fire suppression system on the underground conveyor belt systems, and the upgrading of the surface tailings lines and permanent de-watering systems. Construction focused mainly on installations associated with a conveyor and chairlift system that will move ore, waste and workers to and from the new stopes being developed below 4-level.

3.2 CRM non-IFRS measures

The following table provides a reconciliation of adjusted EBITDA (see definition below) and cash operating costs per PGM ounce to mine operating earnings and production costs, respectively:

Table 6

Crocodile River Mine non-IFRS measures
(Expressed in thousands of U.S. dollars, except ounce and per ounce data)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Mine operating loss	$ (1,418)	$ (6,015)	$ (166,645)	$ (111,092)
Depletion and depreciation	249	3,192	4,840	11,325
Impairment	-	-	147,787	88,278
(Gain) loss on disposal of property, plant and equipment	(1,108)	(167)	(1,689)	1,402
Other income	(321)	117	381	201
Adjusted EBITDA (1)	(2,598)	(2,873)	(15,326)	(9,886)
Production costs as reported	3,618	26,319	46,951	95,224
Less: chrome production costs	(282)	(3,468)	(5,848)	(16,603)
Less: other income	321	(117)	(381)	(201)
Adjustments for miscellaneous costs (2)	(3)	7	(7)	6
Cash operating costs	3,654	22,741	40,715	78,426
Less by-product credits - net chrome revenues	(318)	(1,629)	(3,816)	(9,055)
Cash operating costs net of by-product credits	3,336	21,112	36,899	69,371
Ounces sold	654	21,273	27,352	72,159
Cash cost per ounce sold	$ 5,587	$ 1,069	$ 1,489	$ 1,087
Cash cost per ounce sold net of by-product credits	$ 5,101	$ 992	$ 1,349	$ 961

(1) Adjusted EBITDA consists of mine operating loss before depletion, depreciation, impairment, gains and losses on disposal of property, plant and equipment, interest and tax.

(2) Miscellaneous costs include costs such as housing, technical services and planning.

The Company is of the opinion that conventional measures of performance prepared in accordance with IFRS do not meaningfully demonstrate the operational profitability of the Company's business, in this case the Crocodile River Mine. Therefore, the Company has included certain non-IFRS measures in this MD&A to supplement its financial statements which are prepared in accordance with IFRS. These non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies.

In this MD&A, the Company has reported its share of mine operating loss before depletion, depreciation, impairment, gains and losses on disposal of property, plant and equipment, interest and tax ("adjusted EBITDA") for CRM. This is a liquidity non-IFRS measure which the Company believes is used by certain investors to determine CRM's operational profitability. The Company also reports cash operating costs per ounce of PGM produced, another non-IFRS measure which is a common performance measure used in the precious metals industry.

3.3 Eastern Limb projects

The construction of the concentrator at Kennedy's Vale and the development of the Mareesburg open pit mine has been on full care and maintenance since the fourth quarter of 2012. The project is estimated to be 43% complete and would be able to restart relatively quickly, subject to adequate funding being available, when economic and operating conditions improve. During the nine months ended September 30, 2013, the project incurred $1,069,000 for closing out certain capital commitments made in 2012, $1,176,000 in general and administrative expense and $1,193,000 in care and maintenance.

3.4 Corporate and other expenses

As Q3 2013 marks a transitional period from operations to care and maintenance, the Company believes that for better disclosure, corporate and other expenses will be broken into general and administrative expenses, care and maintenance expenses, care and maintenance depreciation, and other income. Previously, these items were included within production costs or within general and administrative costs.

General and administrative

General and administrative expenses ("G&A") are costs associated with the Company's Vancouver corporate head office and South African administrative office. Corporate office costs include legal and accounting, regulatory, executive management fees, investor relations, travel and consulting fees. Care and maintenance costs for the CRM and Eastern Limb projects were previously included in G&A but have now been shown separately in the condensed consolidated interim statements of loss.

During the quarter, G&A increased 41% from $2,142,000 in Q3 2012 to $3,021,000 in Q3 2013 due to a $692,000 increase in G&A at the Company's head office and a $191,000 increase in G&A in South Africa. The increase in G&A at the Company's head office was mainly due to an $832,000 termination payment paid to the Company's Vice President of Project Development, offset by decreases in directors' fees, travel and related costs. The increase in G&A in South Africa was due to payments made in connection with a VAT audit and reassessment, offset by decreases in office costs due to the closure of the South African administrative office in July 2013.

For the nine months ended September 30, 2013, G&A decreased 12% from $7,300,000 in 9M 2012 to $6,421,000 in 9M 2013 mainly due to an $887,000 decrease in G&A in South Africa as a result of the winding down of the South African administrative office throughout 2013. G&A at head office for 9M 2013 remained consistent with G&A for 9M 2012 as an $840,000 decrease in G&A was offset by the $832,000 termination payment discussed above. The decrease in G&A at head office was due to a decrease in bonuses granted to a consulting director in Q1 2012, decreases in directors' fees, shareholder communication costs and travel and related costs.

Care and maintenance and care and maintenance depreciation

Care and maintenance costs are incurred when the Company suspends production for a project and reduces its expenditures to the minimum required to maintain the assets in good condition. Such costs consist of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, general and administrative expenses and other costs necessary to safeguard the assets of the project. The Company's Mareesburg and Kennedy's Vale concentrator project was placed on care and maintenance in Q4 2012 and CRM was placed on care and maintenance in Q3 2013. As a result, care and maintenance costs increased from $40,000 in Q3 2012 to $1,747,000 in Q3 2013, and from $92,000 in 9M 2012 to $2,516,000 in 9M 2013. Prior to Q4 2012, care and maintenance costs were incurred only at the Company's Spitzkop and Kennedy's Vale properties.

Care and maintenance depreciation consists of the depreciation expense related to assets belonging to a project that is currently on care and maintenance. Care and maintenance depreciation increased from $nil in the three and nine months ended September 30, 2012, to $748,000 and $856,000 in the three and nine months ended September 30, 2013, respectively. These increases are due to the Company's Mareesburg and Kennedy's Vale concentrator project being placed on care and maintenance in Q4 2012, and CRM being placed on care and maintenance in Q3 2013.

Interest income

Interest income recorded during the three months and nine months ended September 30, 2013 was $580,000 and $1,582,000, respectively, compared with $791,000 and $2,720,000, respectively, during the same periods in 2012. The decrease in interest income was mainly due to a decrease in the Company's cash balances as a result of cash expenditures on the Company's development of the Mareesburg open-pit and Kennedy's Vale concentrator project and negative cash flows from CRM operations.

Other income

Other income consists of rental income from company-owned residential properties on the Eastern Limb and at CRM as well as other types of income not directly related to operations. In Q3 2013, other income decreased 92% from $312,000 in Q3 2012 to $24,000 in Q3 2013. The decrease was due to the reversal of an over accrual of other income in a previous period. This over accrual offset rental income, which otherwise increased 161% from $121,000 in Q3 2012 to $316,000 in Q3 2013.

Other income increased 26% from $911,000 in 9M 2012 to $1,148,000 in 9M 2013 mainly due to a $454,000 increase in rental income, which was offset by the receipt of a $350,000 insurance claim with regards to underground damages.

Finance costs

Finance costs recorded during the three and nine months ended September 30, 2013 were $649,000 and $1,146,000 respectively, compared with $281,000 and $5,380,000, respectively, during the same periods in 2012. The $368,000 increase in finance costs during the three months ended September 30, 2013 compared to the same period in 2012 was mainly due to interest of $313,000 incurred as the result of a VAT reassessment in 2013. The $4,234,000 decrease in finance costs during the nine months ended September 30, 2013 compared to the same period in 2012 was mainly due to $4,517,000 in costs written off in Q3 2012 related to the U.S.$100 million financing package.

Income tax

During the three and nine months ended September 30, 2013, the Company recorded a net income tax expense of $94,000 and $291,000 respectively, consisting of deferred income tax expense, which arose due to changes in the Company's net assets. The consolidated statement of financial position reflects total deferred tax liabilities of $17,441,000 which arose primarily as a result of the step-up to fair value of the net assets acquired on the Spitzkop and Mareesburg business acquisitions in prior years.

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4. Liquidity and capital resources

At September 30, 2013, the Company had working capital of $100,224,000 (December 31, 2012 – $133,138,000) and cash and cash equivalents and short-term investments of $98,207,000 (December 31, 2012 – $130,925,000) in highly liquid, fully guaranteed, bank sponsored instruments.

Working capital, cash and cash equivalents and short-term investments decreased during the nine months ended September 30, 2013 as the Company incurred negative operating cash flows of approximately $21 million (including G&A), spent approximately $8 million in development costs at CRM, approximately $1 million in the care and maintenance of CRM and approximately $1 million in the care and maintenance of the Mareesburg/Kennedy's Vale open pit and concentrator. The Company's working capital and cash position were also affected by fluctuations in the exchange rates between the Rand and the U.S. dollar, and between the British Pound (GBP) and the U.S. dollar, as the Company held approximately $27 million (GBP 17 million) in British Pounds as at June 30, 2013, which decreased to $269,000 (GBP 162,000) as at September 30, 2013. Exchange rate fluctuations accounted for approximately $3 million in the decrease in working capital, cash and cash equivalents and short-term investments.

The Company had no long-term debt outstanding at September 30, 2013, other than a provision for environmental rehabilitation relating to CRM, Kennedy's Vale and Spitzkop.

4.1 Outlook

The Company believes that, given the stagnation of the European car market, which consumes approximately 50% of South Africa's platinum production, together with a continuing resistance to any significant meaningful production cuts from the larger PGM producers, the industry will have to contend with much lower PGM prices than previously projected in the short and medium term. At the same time, the South African PGM industry continues to experience a number of adverse economic factors, particularly ongoing labour unrest, unrelenting operating cost inflation, and heightened concerns with respect to reliable power delivery. Ongoing cost pressure and decreasing productivity in South Africa will continue to significantly reduce free cash flow for the industry.

In order to preserve its cash resources and mineral reserves in the current operating environment, the Company has taken significant actions at its South African projects over the last eighteen months. In mid-2012, the Company implemented a mine development plan at the Crocodile River Mine and suspended funding for the construction and development of its Mareesburg open pit mine and Kennedy's Vale concentrator project (the "Mareesburg Project" or "Project"). On April 19, 2013, the Company announced its decision to suspend funding for CRM's mine development plan as the impact of stagnant commodity markets, rising costs of mining and decreasing productivity made it increasingly difficult to justify the continued level of funding required for the CRM development plan.

In accordance with Section 189 of the South African Labour Relations Act 66 of 1995, the Company completed a 60-day facilitated consultation process with affected employees and their representatives to review the need for restructuring and the implications on manpower levels. Three of the four unions accepted the need for the operations to be placed on care and maintenance and thus production at CRM scaled down with effect from June 22, 2013 and ceased by the end of July 2013. As CRM was placed on care and maintenance only since August 2013, the Company is still in the process of mitigating ongoing care and maintenance costs.

The Company will continue to reassess the viability of funding CRM and to reinitiate funding for development and production once conditions support such a decision. Should there be a sustained strengthening of PGM prices and marked improvement in the operating environment in South Africa, the Company can react quickly and Barplats can ramp up activities at CRM.

Subject to adequate funding being available, funding and development of the Mareesburg Project can also be restarted once market and operating conditions support such recommencement. The Company does not believe that it will have sufficient funds in the form of cash and short-term investments to complete the development and construction of the open-pit mine and concentrator when the Project is restarted.

The Company had successfully negotiated a definitive facilities agreement dated December 30, 2011 with UniCredit Bank AG, London Branch and Standard Finance (Isle of Man) Limited (a subsidiary of Standard Bank Group Limited) for the U.S.$100 million financing package that was to be used to part fund the development costs of the Project. Due to the suspension of the Project, the facilities agreement was terminated in 2012 but the Company and the banks have agreed to investigate the restructuring of the financing package when the Project is restarted. There is no assurance that a restructuring of the financing package will be available to the Company or, if available, that this funding will be on acceptable terms.

Additional funding will be required to bring the Project into production, and to bring the rest of the Eastern Limb projects (including Spitzkop and Kennedy's Vale) into production, and such funding may include a restructuring of the financing package as described above, joint venture or other third party participation in one or more of these projects, or the public or private sales of equity or debt securities of the Company. Any additional financing may be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing, investing and operating activities. There can be no assurance that additional funding will be available to the Company when needed or, if available, that this funding will be on acceptable terms. If adequate funds are not available, including funds generated from producing operations, the Company may be required to delay or reduce the scope of these development projects or current mining operations.

4.2 Impairment

The Company assessed the carrying values of its mineral properties for indications of impairment at each quarter end in 2013. As at June 30, 2013, the Company believed that certain factors, such as the sustained weakness in PGM pricing, rising cost pressures, decreasing productivities, the stagnant European and global economy and the current operating environment in South Africa have contributed to the Company's decision to suspend funding of the CRM development plan as announced on April 19, 2013. These factors have also caused a further decrease in the Company's share price. The Company recorded an impairment charge in the quarter ended June 30, 2013 as described below. The Company concluded that, as at September 30, 2013, there was no further impairment or reversal of impairment to be recorded.

During the quarter ended June 30, 2013, the Company determined that the carrying value of its CRM project exceeded the expected net present value of its future cash flows. This resulted in an impairment charge of $147,787,000 that was allocated pro-rata amongst CRM's tangible assets owned, intangible mineral properties being depleted and refining contract. Impairment charges of $109,628,000, $35,132,000 and $3,027,000 were recorded against CRM's tangible assets owned, intangible mineral properties and refining contract, respectively. The Company concluded that as at June 30, 2013, there was no impairment of assets at the Company's Spitzkop Project, Mareesburg Project, or Kennedy's Vale.

Any changes to future market conditions and commodity prices may result in impairment, a further impairment or a reversal of impairment of any of the Company's mineral properties.

4.3 Share capital

During the three months ended September 30, 2013, the Company did not grant any stock options. Share-based payment expense recorded with regards to stock options vested during the quarter amounted to $32,000. During Q3 2013, no options were exercised, 5,517,000 options were forfeited at a weighted average exercise price of Cdn$2.22, and no options expired.

During the nine months ended September 30, 2013, the Company granted 28,975,000 stock options at an exercise price of Cdn$0.19 and total share-based payment expense with regards to stock option was $3,174,000, which takes into account the vesting of options. During the nine months ended September

30, 2013, no options were exercised, 6,277,000 options were forfeited at a weighted average exercise price of Cdn$2.07 and no options expired.

In 2010, the Company's South African subsidiary, Barplats Investments Limited, implemented a key skills retention plan for its senior employees in South Africa. The purpose of the plan is to retain key employees, attract new employees as the need arises and remain competitive with other South African mining companies. The plan operates through a trust which purchases shares of the Company on behalf of the employees. These shares then vest to the employees over time. The trust purchased 198,563 shares in February 2011 pursuant to the plan and has not purchased any shares since. On November 30, 2012, 77,999 shares vested to employees. During the three and nine months ended September 30, 2013, there was no share-based payment recorded with regards to the key skills retention plan, and there was no share-based payment liability as at September 30, 2013.

As at November 13, 2013, the Company had:

- 928,187,840 common shares outstanding;
- 120,564 treasury shares outstanding; and
- 45,075,667 stock options outstanding, which are exercisable at prices ranging from Cdn$0.19 to Cdn$2.31 and which expire between 2013 and 2018.

4.4 Contractual obligations, commitments and contingencies

The Company's major contractual obligations and commitments at September 30, 2013 were as follows:

Table 7

(in thousands of U.S. dollars)	Total	Less than 1 year	More than 5 years
Provision for environmental rehabilitation	$ 10,736	$ -	$ 10,736
Capital expenditure and purchase commitments contracted at September 30, 2013 but not recognized on the consolidated statement of financial position	108	108	-
	$ 10,844	$ 108	$ 10,736

In June 2011, the Company became aware that the law firm of Siskinds LLP of London, Ontario, had filed a "Notice of Application" under the Class Action Proceedings Act, 1992, in the Ontario Superior Court of Justice against the Company and three of its directors and officers. The Notice of Application seeks permission of the Court to grant leave or permission to commence a lawsuit under the Securities Act of Ontario and other provinces in respect to certain alleged breaches of disclosure obligations. In July 2011, the Company and its officers and directors were served with court documents.

On June 18, 2012, the Company was served with the Plaintiff's Application Record and Amended Notice of Application. The Amended Notice of Application is no longer being brought on behalf of a class, and instead, is being brought by Brian Bradley in his individual capacity. The affidavits filed in support of the application state that should the applicant be successful in obtaining leave to file the statement of claim, the plaintiff would move for the certification of the action as a class proceeding. The Company believes the proposed action has no merit and intends to continue to vigorously defend the action.

The Company is also subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to the Company. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its financial statements.

When evaluating legal proceedings that are pending against the Company, the Company and its legal counsel assess the perceived merits of the legal proceedings along with the perceived merits of the amount of relief sought. It is management's opinion that there are currently no other claims expected to have a material effect on the results of operations or financial condition of the Company.

5. Related party transactions

A number of the Company's executive officers and directors are engaged under contract with those officers' and directors' personal services companies or consulting companies. Other executive officers are paid directly via salary and directors' fees. All share options are issued to the Company's officers and directors, and not to their companies.

Table 8

(Expressed in thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	**2013**	2012
Trading transactions				
Management and consulting fees	**$ 1,272**	$ 382	**$ 2,288**	$ 1,325
General and administrative expenses	**25**	77	**142**	269
Mine contractor fees	**543**	-	**4,587**	-
Total trading transactions	**$ 1,840**	$ 459	**$ 7,017**	$ 1,594
Compensation of key management personnel				
Remuneration and directors' fees	**$ 1,341**	$ 469	**$ 2,498**	$ 1,755
Share-based payments	**-**	-	**2,640**	2,216
Total compensation of key management personnel	**$ 1,341**	$ 469	**$ 5,138**	$ 3,971

In the three months ended September 30, 2013, management and consulting fees increased $890,000 from $382,000 in Q3 2012 to $1,272,000 in Q3 2013 mainly due to an $832,000 termination payment paid to the Company's Vice President of Project Development.

In the three and nine months ended September 30, 2013, $543,000 and $4,587,000, respectively, was paid to a mine contractor company which undertook specific design, procurement and construction projects at CRM. The Company's South African executive officer is a principal of the mine contractor company.

Share-based payments increased from $2,216,000 in the nine months ended September 30, 2012 to $2,640,000 in the nine months ended September 30, 2013 due to the issuance of more stock options to key management personnel in 2013 compared to 2012, which was partially offset by a decrease in the grant date fair value of the share options granted in 2013 compared to 2012.

At September 30, 2013, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R602 million ($59,324,000) (December 31, 2012 – R569 million, $67,061,000), which has been provided for in full as explained in Note 3(b) of the unaudited condensed consolidated interim financial statements. The Company did not record any interest income with regards to this loan or receive cash from, or lend any further cash to, Gubevu in the three and nine months ended September 30, 2012 and 2013.

All related party transactions were recorded at the amounts agreed upon between the parties. Any balances payable are payable on demand without interest.

6. Adoption of accounting standards and accounting pronouncements under IFRS

6.1 Application of new and revised IFRSs

Effective January 1, 2013, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the International Accounting Standards Board ("IASB").

(a) *Amendment to IFRS 7 Financial Instruments: Disclosures*

The amendment to IFRS 7 enhances the disclosure required when offsetting financial assets and liabilities. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(b) *New standard IFRS 10 Consolidated Financial Statements*

IFRS 10 outlines the principles for the presentation and preparation of consolidated financial statements. The application of this IFRS resulted in accounting for an investment in an associate in accordance with equity accounting. Previously, this associate was consolidated. This change affected the Company's non-controlling interest but had no effect on the Company's mine operating loss, net loss, cash flows or basic or diluted earnings per share.

The application of IFRS 10 was applied retrospectively and the effects on the comparative condensed consolidated interim statements of net loss and the comparative condensed consolidated interim statements of financial position have been outlined in Note 3(b) of the condensed consolidated interim financial statements.

(c) *New standard IFRS 11 Joint Arrangements*

IFRS 11 defines the two types of joint arrangements (joint operations and joint ventures) and outlines how to determine the type of joint arrangement entered into and the principles for accounting for each type of joint arrangement. The application of this IFRS resulted in the Company recording its share of revenues and cost of sales from its interest in a jointly controlled operation to the respective revenue and cost of sales lines in the condensed consolidated interim financial statements. Previously, net profits from the jointly controlled operation were recorded as revenue in the consolidated statements of income or loss. This change had no effect on the Company's mine operating loss, net loss, cash flows or basic or diluted earnings per share.

The application of IFRS 11 was applied retrospectively as at January 1, 2013 and the effects on the comparative condensed consolidated interim statements of net loss have been outlined in Note 3(c) of the condensed consolidated interim financial statements.

(d) *New standard IFRS 12 Disclosure of Interests in Other Entities*

IFRS 12 outlines the disclosures required in order to provide users of financial statements with the information necessary to evaluate an entity's interest in other entities, the corresponding risks related to those interests and the effects of those interests on the entity's financial position, financial performance and cash flows. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements. The application of this IFRS will have an immaterial impact on disclosures in the Company's annual financial statements.

(e) *New standard IFRS 13 Fair Value Measurement*

IFRS 13 defines fair value, summarizes the methods of determining fair value and outlines the required fair value disclosures. IFRS 13 is utilized when another IFRS standard requires or allows fair value measurements or disclosures about fair value measurements. The application of this IFRS resulted in minor changes to the disclosures within the statement of comprehensive loss.

(f) *New interpretation IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*

IFRIC Interpretation 20 summarizes the method of accounting for waste removal costs incurred as a result of surface mining activity during the production phase of a mine. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(g) *Amended standard IAS 1 Presentation of Financial Statements*

The amendments to IAS 1 pertain to the number of comparative financial statements required in different circumstances and disclosure required in the statement of comprehensive loss. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements. The application of this IFRS did have an immaterial impact on disclosures within the statement of comprehensive loss.

(h) *Amended standard IAS 16 Property, Plant and Equipment*

The amendments to IAS 16 clarify when spare parts, stand-by equipment and servicing equipment are to be classified as inventory or property, plant and equipment. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(i) *Amended standard IAS 19 Employee Benefits*

IAS 19 outlines the accounting treatment and required disclosures for employee benefits. The amendments applicable to the Company consist of modification of the accounting treatment for termination benefits and the clarification of miscellaneous issues including the classification of employee benefits. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(j) *Amended standard IAS 27 Separate Financial Statements*

IAS 27 outlines the accounting principles to be applied with regards to investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate, non-consolidated, financial statements. The previous standard was titled *IAS 27 Consolidated and Separate Financial Statements*. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years and is not expected to affect the accounting for future transactions or arrangements.

(k) *Amended standard IAS 28 Investments in Associates and Joint Ventures*

IAS 28 outlines the accounting treatment and corresponding application of the equity method of accounting in investments in associates and joint ventures. The previous standard was titled *IAS 28 Investments in Associates*. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

(l) *Amended standard IAS 32 Financial Instruments: Presentation*

The amendments to IAS 32 clarify the treatment of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction. The application of this IFRS did not have any material impact on the amounts reported for the current or prior years but may affect the accounting for future transactions or arrangements.

6.2 Change in accounting policy

(a) *Share-based payments*

As at December 31, 2012 and prior to December 31, 2012, when fully vested stock options expired, were forfeited or were cancelled, no accounting entry was made. The expense previously recognized within the equity-settled employee benefits reserve was not adjusted.

As at January 1, 2013, when fully vested stock options expire, are forfeited or are cancelled, the expense previously recognized within the equity-settled employee benefits reserve will be reallocated to deficit. As a result, going forward, the equity-settled employee benefits reserve will provide more relevant information as it will equal the stock options expensed and outstanding at that point in time.

This change in accounting policy was applied retrospectively as at January 1, 2013 and the effects on the comparative statements of financial position have been outlined in Note 4(a)(i) of the unaudited condensed consolidated interim financial statements. These changes had no effect on basic or diluted loss per share.

6.3 Accounting standards issued but not yet effective

(a) *Effective for annual periods beginning on or after January 1, 2014*

(i) *Amended standard IAS 32 Financial Instruments: Presentation*

The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities.

(ii) *Amended standard IAS 36 Impairment of Assets*

The amendments to IAS 36 outline the additional disclosures that will be required with regards to the recoverable amount of impaired assets.

(b) *Effective for annual periods beginning on or after January 1, 2015*

(i) *Amended standard IFRS 7 Financial Instruments: Disclosures*

The amendments to IFRS 7 outline the disclosures required when initially applying *IFRS 9 Financial Instruments.*

(c) *Effective date not yet determined*

(i) *New standard IFRS 9 Financial Instruments*

Partial replacement of IAS 39 *Financial Instruments: Recognition and Measurement. The mandatory effective date has been removed from the standard and will only be replaced when all sections of the standard have been completed.*

The Company has not early adopted these new and amended standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

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7. Internal control over financial reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, together with the Company's management, are responsible for the information disclosed in this MD&A and in the Company's other external disclosure documents. For the three months ended September 30, 2013 and 2012, the CEO and the CFO have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures ("DCP") to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries has been disclosed in accordance with regulatory requirements and good business practices and that the Company's DCP will enable the Company to meet its ongoing disclosure requirements.

The CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that the design and operation of the Company's DCP were effective as of September 30, 2013 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting ("ICFR") within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). Since 2009, the Company has used the services of an international accounting firm to act as the Company's internal auditors for its South African operations. Under the supervision, and with the participation, of the CEO and the CFO, management conducted an evaluation of the effectiveness of the Company's ICFR based on the framework in the *Internal Control – Integrated Framework* developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, the CEO and the CFO concluded that the design and operation of the Company's ICFR were effective as at September 30, 2013.

The scope of the Company's design of DCP and ICFR excluded Gubevu Consortium Investment Holdings (Pty) Ltd., an associate which is accounted for using the equity method under IFRS. During the design and evaluation of the Company's ICFR, management identified certain non-material deficiencies, a number of which have been addressed or are in the process of being addressed in order to enhance the Company's processes and controls. The Company employs entity level and compensating controls to mitigate any deficiencies that may exist in its process controls. Management intends to continue to further enhance the Company's ICFR.

The Company's management, including its CEO and CFO, believe that any DCP and ICFR, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override to the future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

There have been no changes in the Company's ICFR during the three months ended September 30, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

8. Cautionary statement on forward-looking information

This MD&A, which contains certain forward-looking statements, is intended to provide readers with a reasonable basis for assessing the financial performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward looking statements. These forward-looking statements pertain to assumptions regarding the price of PGMs, fluctuations in currency markets (specifically the Rand and the U.S. dollar), the future funding of the Company's projects, the future development of the Company's projects, the Company's plans for its properties, the anticipated timing for the awarding of tenders, and the accounting policies issued but not yet effective for the Company. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, the risk of fluctuations in the assumed exchange rates of currencies that directly impact the Company, such as Canadian dollar, South African Rand and U.S. dollar, the risk of fluctuations in the assumed prices of PGM and other commodities, the risk of changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, South Africa, or Barbados or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and assumed quantities or grades of reserves. Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements. Specific reference is made to the Company's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

November 13, 2013

Ian Rozier