Consolidated financial statements of

Eastern Platinum Limited

December 31, 2015 and 2014

Eastern Platinum Limited

December 31, 2015

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Independent Auditor's Report
To the Shareholders of
Eastern Platinum Limited

We have audited the accompanying consolidated financial statements of Eastern Platinum Limited (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2015 and December 31, 2014, and the consolidated statements of loss, comprehensive loss, changes in equity, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2015 and December 31, 2014, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

(Signed) Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 29, 2016

Eastern Platinum Limited

Consolidated statements of loss

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

	Note	**Year ended December 31, 2015**	Year ended December 31, 2014
Expenses			
General and administrative		**$ 2,889**	$ 2,788
Care and maintenance	6(a)(b)(c)	**11,392**	12,421
Care and maintenance depreciation and amortization	6 & 16	**1,154**	2,673
Impairment	6 & 16	**14,514**	129,994
Share-based payments	7(d)	**-**	36
Operating loss		**(29,949)**	(147,912)
Other income (expense)			
Gain on disposal of property, plant and equipment		**221**	702
Interest income		**1,195**	2,091
Other income		**1,727**	2,130
Finance costs	8	**(788)**	(769)
Foreign exchange gain (loss)		**3,519**	(16)
Loss before income taxes		**(24,075)**	(143,774)
Income tax recovery	9	**722**	11,114
Net loss for the period		**$ (23,353)**	$ (132,660)
Attributable to			
Non-controlling interest	10	**$ (3,738)**	$ (7,639)
Equity shareholders of the Company		**(19,615)**	(125,021)
Net loss for the period		**$ (23,353)**	$ (132,660)
Loss per share			
Basic and Diluted	11	**$ (0.21)**	$ (1.35)
Weighted average number of common shares outstanding in thousands			
Basic and Diluted	11	**92,599**	92,699

Approved and authorized for issue by the Board on March 29, 2016.

"David Cohen"
David Cohen, Director

"Robert Gayton"
Robert Gayton, Director

Eastern Platinum Limited

Consolidated statements of comprehensive loss

(Expressed in thousands of U.S. dollars)

	Year ended December 31, 2015	Year ended December 31, 2014
Net loss for the period	**$ (23,353)**	$ (132,660)
Other comprehensive loss		
Items that may subsequently be reclassified to loss or profit		
Exchange differences on translating foreign operations	**(64,036)**	(36,012)
Exchange differences on translating non-controlling interest	**9,482**	3,205
Comprehensive loss for the period	**$ (77,907)**	$ (165,467)
Attributable to		
Non-controlling interest	**$ 5,744**	$ (4,434)
Equity shareholders of the Company	**(83,651)**	(161,033)
Comprehensive loss for the period	**$ (77,907)**	$ (165,467)

Eastern Platinum Limited

Consolidated statements of financial position as at December 31, 2015 and December 31, 2014
(Expressed in thousands of U.S. dollars)

	Note	**December 31, 2015**	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	12	**$ 8,283**	$ 13,966
Short-term investments	13	**48,051**	61,438
Trade and other receivables	14	**1,159**	3,227
Inventories	15	**1,838**	2,532
		59,331	81,163
Non-current assets			
Property, plant and equipment	6	**116,733**	176,973
Refining contract	16	**-**	462
Other assets	17	**8,049**	9,723
		$ 184,113	$ 268,321
Liabilities			
Current liabilities			
Trade and other payables	18	**$ 3,615**	$ 5,078
		3,615	5,078
Non-current liabilities			
Provision for environmental rehabilitation	19	**6,590**	9,816
Deferred tax liabilities	9	**2,488**	4,100
		12,693	18,994
Equity			
Issued capital	7	**1,230,171**	1,230,171
Treasury shares	7(c)	**(204)**	(204)
Equity-settled employee benefits reserve		**5,305**	5,305
Foreign currency translation reserve		**(308,468)**	(244,432)
Deficit		**(725,674)**	(706,059)
Capital and reserves attributable to equity shareholders of the Company		**201,130**	284,781
Non-controlling interest	10	**(29,710)**	(35,454)
		171,420	249,327
		$ 184,113	$ 268,321

Eastern Platinum Limited

Consolidated statements of changes in equity
(Expressed in thousands of U.S. dollars)

	Issued capital	Treasury shares	Equity-settled employee benefits reserve	Foreign currency translation reserve	Deficit	Capital and reserves attributable to equity shareholders of the Company	Non-controlling interest	Equity
Balance, December 31, 2013	**$ 1,230,358**	**$ (204)**	**$ 5,334**	**$ (208,420)**	**$ (581,103)**	**$ 445,965**	**$ (31,020)**	**$ 414,945**
Net loss	-	-	-	-	(125,021)	(125,021)	(7,639)	(132,660)
Currency translation adjustment	-	-	-	(36,012)	-	(36,012)	3,205	(32,807)
Total comprehensive loss	-	-	-	(36,012)	(125,021)	(161,033)	(4,434)	(165,467)
Cancellation of shares (Note 7b)	(187)	-	-	-	-	(187)	-	(187)
Share-based payments	-	-	36	-	-	36	-	36
Transfer	-	-	(65)	-	65	-	-	-
Balance, December 31, 2014	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (244,432)**	**$ (706,059)**	**$ 284,781**	**$ (35,454)**	**$ 249,327**
Net loss	-	-	-	-	(19,615)	(19,615)	(3,738)	(23,353)
Currency translation adjustment	-	-	-	(64,036)	-	(64,036)	9,482	(54,554)
Total comprehensive loss	-	-	-	(64,036)	(19,615)	(83,651)	5,744	(77,907)
Balance, December 31, 2015	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (308,468)**	**$ (725,674)**	**$ 201,130**	**$ (29,710)**	**$ 171,420**

Eastern Platinum Limited

Consolidated statements of cash flows

(Expressed in thousands of U.S. dollars)

	Note	**Year ended December 31, 2015**	Year ended December 31, 2014
Operating activities			
Loss before income taxes		**$ (24,075)**	$ (143,774)
Adjustments to net loss for non-cash items			
Depletion and depreciation	6 & 16	**1,154**	2,673
Impairment		**14,514**	129,994
Gain on disposal of property, plant and equipment		**(221)**	(702)
Share-based payments	7(d)	**-**	36
Interest income		**(1,195)**	(2,091)
Finance costs	8	**788**	769
Foreign exchange (gain) loss		**(3,519)**	16
Environmental expense		**-**	800
Allowance for bad debts		**-**	181
Net changes in non-cash working capital items			
Trade and other receivables		**1,222**	155
Inventories		**64**	(5)
Trade and other payables		**95**	(384)
Cash used in operations		**(11,173)**	(12,332)
Adjustments to net loss for cash items			
Interest income received		**1,356**	1,910
Finance costs received paid		**(77)**	(16)
Taxes paid		**(505)**	(56)
Net operating cash flows		**(10,399)**	(10,494)
Investing activities			
Net sale of short-term investments		**7,818**	10,633
Increase in other assets		**(991)**	(1,460)
Property, plant and equipment expenditures		**(182)**	(167)
Disposal of property, plant and equipment		**588**	2,257
Net investing cash flows		**7,233**	11,263
Financing activities			
Cancellation of shares upon stock consolidation		**-**	(187)
Net financing cash flows		**-**	**(187)**
Effect of exchange rate changes on cash and cash equivalents		**(2,517)**	(1,105)
Decrease in cash and cash equivalents		**(5,683)**	(523)
Cash and cash equivalents, beginning of period		**13,966**	14,489
Cash and cash equivalents, end of period		**$ 8,283**	$ 13,966

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. Since August 2013, the Company's projects have been either in care and maintenance or on hold.

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 and the Johannesburg Stock Exchange. The head office, principal address and records office of the Company are located at 250 – 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9. 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Going Concern

These consolidated 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.

In late 2012, the Company suspended funding to its Eastern Limb projects and on August 1, 2013, the Company ceased production at its Crocodile River Mine. As at December 31, 2015, the Company does not have any producing operations and does not generate income other than interest and other income which is insufficient to cover the Company's general and administrative, and care and maintenance expenses. However, as at December 31, 2015 and at March 29, 2016, the Company has sufficient funds to satisfy its commitments for more than one year. Additional funding will be required to develop and bring the Eastern Limb projects into commercial 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.

(c) 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).

3. Application of new and revised International Financial Reporting Standards

Effective January 1, 2015, the Company adopted the following new and revised IFRSs that were issued by the IASB.

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

(i) Amended standard IFRS 2 Share-based Payment
The amendment to IFRS 2 re-defines the definition of "vesting condition." The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(ii) Amended standard IFRS 3 Business Combinations
The amendment to IFRS 3 provides further clarification on the accounting treatment for contingent consideration, and provides a scope exception for joint ventures. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(iii) Amended standard IFRS 8 Operating Segments
The amendments to IFRS 8 provide further clarification on the disclosure required for the aggregation of segments and the reconciliation of segment assets. The application of this IFRS did not have a material impact on the disclosure required for the current or prior years but may affect the disclosure required in the future.

(iv) Amended standard IFRS 13 Fair Value Measurement
The amendment to IFRS 13 provides further details on the scope of the portfolio exception. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(v) Amended standard IAS 16 Property, Plant and Equipment
The amendment to IAS 16 deals with the proportionate restatement of accumulated depreciation on revaluation. The application of this IFRS did not have a material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(vi) Amended standard IAS 24 Related Party Disclosures
The amendment to IAS 24 deals with the disclosure required for management entities. The application of this IFRS did not have a material impact on the disclosure required for the current or prior years but may affect the disclosure required in the future.

4. Summary of significant accounting policies

The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments. The Company's principal accounting policies are outlined below.

(a) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has (i) power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee, and (iii) the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions, balances, revenues and expenses have been eliminated.

4. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition, even if this results in the non-controlling interest having a deficit balance. Changes in the Company's ownership percentage in subsidiaries that do not result in loss of control are accounted for as equity transactions. The carrying amount of the Company's interest and the non-controlling interests are adjusted to reflect the change in the Company's ownership interest percentage. Any difference between the fair value of the consideration paid or received and the adjustment to the Company's non-controlling interest is recognized directly to equity.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the fair values (at the acquisition date) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Any costs directly attributable to the business combination are generally recognized in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* which are recognized and measured at fair value less costs to sell. Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognized immediately in profit or loss. The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

(c) Joint arrangements and investments in associates

(i) Joint Arrangements – A joint arrangement is a contractual arrangement where two or more parties undertake an economic activity that is subject to joint control. Joint control exists when the parties involved in the contractual arrangement agree to share control over the economic activity, and the financial and operating decisions are agreed to be made by unanimous consent.

There are two types of joint arrangements: joint operations and joint ventures. A joint operation exists when the parties with joint control have rights to the assets and the obligations for the liabilities. A joint venture exists when the parties with joint control have the rights to the net assets of the arrangement.

The Company has an interest in a joint operation for the sale of chrome. Income and expenses are recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and their amounts can be reliably measured. The Company recognizes its share of the assets that the Company controls and the liabilities that the Company incurs with regards to the jointly controlled operation in the consolidated statement of financial position. The Company also recognizes its share of the revenues generated from the sale of the outputs of the joint operation and its share of the expenses incurred by the joint operation within the consolidated statement of loss. There were no chrome sales in 2014 and 2015.

4. Summary of significant accounting policies (continued)

(c) Joint arrangements and investments in associates (continued)

(ii) Investments in associates – An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

When the Company or a subsidiary of the Company transacts with an associate of the Company, profits and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

(d) Presentation currency

The Company’s presentation currency is the U.S. dollar (“$”). The functional currencies of the Company and its South African subsidiaries are the Canadian Dollar (“Cdn.$”) and South African Rand (“ZAR”), respectively. These consolidated financial statements have been translated to the U.S. dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period).

(e) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

4. Summary of significant accounting policies (continued)

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific criteria must be met before revenue is recognized:

(i) Sale of goods

Revenue from the sale of platinum group and other metals is recognized when all of the following conditions are satisfied:

- the specific risks and rewards of ownership have been transferred to the purchaser;
- the Company does not retain continuing managerial involvement to the degree usually associated with ownership or effective control over the metals sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

The sale of platinum group and other metals is provisionally priced such that the price is not settled until a predetermined future date based on the market price at that time. Revenue on these sales is initially recognized (when the conditions above are met) at the current market price. The difference between the present value and the future value of the current market price is recognized as interest income over the term of settlement. Subsequent to initial recognition but prior to settlement, sales are marked to market at each reporting date using the forward price for the period equivalent to that outlined in the contract. This mark to market adjustment is recorded in revenue. There were no sales of platinum group and other metals in 2014 and 2015.

(i) Rental income

Rental income from residential properties is recognized on a straight-line basis over the term of the lease.

(ii) Interest income

Interest income is recognized in profit or loss as it accrues, using the effective interest method.

(g) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest.

When fully vested stock options expire, are forfeited or are cancelled, the expense previously recognized within the equity-settled employee benefits reserve is reallocated to deficit.

4. Summary of significant accounting policies (continued)

(h) Finance costs

Finance costs comprise interest payable on revenue advances, finance leases, provision for environmental rehabilitation and other borrowings. Interest payable on borrowings is calculated using the effective interest method and includes foreign exchange gains and losses on foreign currency borrowings.

(i) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit
- goodwill
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

4. Summary of significant accounting policies (continued)

(k) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in net profit (loss) such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. The Company's comprehensive income (loss), components of other comprehensive income (loss), and cumulative translation adjustments are presented in the consolidated statements of comprehensive income (loss) and the consolidated statements of changes in equity.

(l) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

(m) Short-term investments

Short-term investments are investments which are transitional or current in nature, with an original maturity greater than three months.

(n) Inventories

Inventories, comprising stockpiled ore, concentrate awaiting further processing and sale, and chrome inventory are valued at the lower of cost and net realizable value. Consumables are valued at cost except when inventories are written down to net realizable value, in which case consumables are valued at the lower of cost and net realizable value, with replacement cost used as the best available measure of net realizable value. Cost is determined using the weighted average method and includes direct mining expenditures and an appropriate portion of normal overhead expenditure. In the case of concentrate, direct concentrate costs are also included. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Obsolete, redundant and slow moving stores are identified and written down to net realizable values.

(o) Property, plant and equipment

(i) Mining assets

Assets owned and mineral properties being depleted are recorded at cost less accumulated depreciation and accumulated impairment losses. Mineral properties not being depleted are recorded at cost less accumulated impairment losses. All direct costs related to the acquisition, exploration and development of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned or management has determined there to be impairment. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mineral properties being depleted and amortized using the units-of-production method following commencement of commercial production. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

Mining properties and mining and process facility assets are amortized on a units-of-production basis which is measured by the portion of the mine's proven and probable ore reserves recovered during the period. Capital work-in-progress, which is included in mining assets, is not depreciated until the assets are ready for their intended use.

4. Summary of significant accounting policies (continued)

(o) Property, plant and equipment (continued)

(i) Mining assets (continued)

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(ii) Residential properties and other property, plant and equipment

Residential properties and other property, plant and equipment are recorded at cost less accumulated depreciation and impairment losses. These assets are depreciated using the straight-line method based on estimated useful lives, which generally range from 5 to 7 years, with the exception of residential properties and mine houses whose estimated useful lives are 50 years and office buildings whose estimated useful lives are 20 years. Land is not depreciated.

Where an item of plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognized as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of normal overheads.

The costs of day-to-day servicing are recognized in profit or loss as incurred. These costs are more commonly referred to as "maintenance and repairs."

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized at interest rates relating to loans specifically raised for that purpose, or at the weighted average borrowing rate where the general pool of group borrowings is utilized. Capitalization of borrowing costs ceases when the asset is substantially complete.

The depreciation method, useful life and residual values are assessed annually.

(iii) Leased assets

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Assets held under finance leases are recognized at the lower of the fair value of the leased property and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as discussed in Note 4(r).

4. Summary of significant accounting policies (continued)

(o) Property, plant and equipment (continued)

(iv) Subsequent costs

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. The carrying amount of the part that has been replaced is expensed. All other costs are recognized as an expense as incurred.

(v) Impairment

The Company's tangible and intangible assets are reviewed for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit or loss for the period.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(vi) Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(p) Refining contract

The Company sells substantially all its PGM concentrate to one customer under the terms of an off-take or refining contract. The refining contract is amortized over the original life of the contract, estimated to be fifteen years, commencing in mid-2004. An evaluation of the carrying value of the contract is undertaken whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(q) Financial assets

Financial assets are classified into one of four categories:

- fair value through profit or loss ("FVTPL");
- held-to-maturity ("HTM");
- available for sale ("AFS"); and,
- loans and receivables.

4. Summary of significant accounting policies (continued)

(q) Financial assets (continued)

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) FVTPL financial assets

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Provisionally priced trade receivables are classified as FVTPL and are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

(ii) HTM investments

HTM investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as HTM investments.

(iii) AFS financial assets

Short-term investments and other assets held by the Company are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized in other comprehensive income and are accumulated in the investments revaluation reserve. To date, these gains and losses have not been significant due to the nature of the underlying investment. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss rather than equity. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation differences on amortized cost of debt instruments is recognized in profit or loss, while other changes are recognized in equity.

(iv) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at period end. Bad debts are written off during the period in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. Summary of significant accounting policies (continued)

(q) Financial assets (continued)

(v) Effective interest method

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

(vi) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

(vii) Derecognition of financial assets

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

4. Summary of significant accounting policies (continued)

(r) Leases

(i) The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the corresponding lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

(ii) The Company as lessee

Assets held under finance leases are recognized as assets of the Company at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. The corresponding liability is recognized as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

Operating lease payments are expensed on a straight-line basis over the term of the relevant lease. Incentives received upon entry into an operating lease are recognized straight-line over the lease term.

(s) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(t) Environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

4. Summary of significant accounting policies (continued)

(t) Environmental rehabilitation (continued)

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit or loss as incurred.

(u) Employee benefits

(i) Employee post-retirement obligations – defined contribution retirement plan

The Company's South African subsidiaries operate a defined contribution retirement plan for its employees. The pension plan is funded by payments from the employees and the subsidiaries and payments are charged to profit and loss for the period as incurred. The assets of the different plans are held by independently managed trust funds. The South African Pension Funds Act of 1956 governs these funds.

(ii) Leave pay

Employee entitlements to annual leave are recognized as they are earned by the employees. A provision, stated at current cost, is made for the estimated liability at period end.

(v) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified trade and other payables and short-term financial liabilities as other financial liabilities.

4. Summary of significant accounting policies (continued)

(v) Financial liabilities and equity (continued)

(ii) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(w) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year.

(i) Impairment of property, plant and equipment

Please refer to Note 4(o) and 6(d).

(ii) Rehabilitation provision

The future value of the provision for environmental rehabilitation was determined using an inflation rate of 6.66% (December 31, 2014 – 6.16%) and an estimated life of mine of 16 years for Zandfontein (December 31, 2014 – 16 years), 8 years for Maroelabult (December 31, 2014 – 8 years), 10 years for Crocette (December 31, 2014 – 10 years), 23 years for Kennedy's Vale (December 31, 2014 – 23 years) and 23 years for Spitzkop (December 31, 2014 – 23 years). The provision has been discounted to present value at a discount rate of 9.43% (December 31, 2014 – 7.96%).

(x) Critical accounting judgments

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

(i) Determination of functional currency

In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, management determined that the functional currencies of Eastern Platinum Limited and its South African subsidiaries are the Canadian Dollar and South African Rand ("ZAR"), respectively, as these are the currencies of the primary economic environment in which the companies operate.

(ii) Useful life of assets

At December 31, 2015 the remaining life of mine for Zandfontein, Maroelabult, Crocette, Kennedy's Vale and Spitzkop was assessed at 16 years, 8 years, 10 years, 23 years and 23 years, respectively (December 31, 2013 – 16 years, 8 years, 10 years, 23 years and 23 years, respectively) based on proven and probable ore reserves. The change in remaining mine life will be evaluated each year as the reserves move to the proven and probable category.

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

4. Summary of significant accounting policies (continued)

(iii) Depreciation rates

The estimated maximum useful lives of property, plant and equipment are:

Mining assets owned	
Underground and other assets	Units of production
Mine houses	50 years
Office buildings	20 years
Plant	Units of production
Computer equipment	3 years
Mining assets leased	5 years
Mineral properties being depleted	Units of production
Residential properties	50 years
Properties and land	50 years

(y) Accounting standards issued but not yet effective

(i) Effective for annual periods beginning on or after January 1, 2016

- *Amended standard IFRS 10 Consolidated Financial Statements*
  The amendments to IFRS 10 deal with the sale or contribution of assets between an investor and its associate or joint venture.

- *Amended standards IFRS 11 Joint Arrangements*
  The amendments to IFRS 11 deal with the accounting for acquisitions of an interest in a joint operation.

- *Amended standard IAS 1 Presentation of Financial Statements*
  The amendments to IAS 1 deal with clarification of materiality in terms of the presentation of financial statements, clarification of the disclosure required in the statement of financial position, statement of loss and statement of other comprehensive income, and addition of possible ways of ordering the notes in order to increase the understandability and comparability of the financial statements.

- *Amended standard IAS 16 Property, Plant and Equipment*
  The amendments to IAS 16 deal with the clarification of acceptable methods of depreciation and amortization, as well as changes to the scope of IAS 16 to include bearer plants.

- *Amended standard IAS 28 Investments in Associate and Joint Ventures*
  The amendments to IAS 28 deal with the sale or contribution of assets between an investor and its associate or joint venture.

- *Amended standard IAS 38 Intangible Assets*
  The amendments to IAS 38 deal with the clarification of acceptable methods of depreciation and amortization.

4. Summary of significant accounting policies (continued)

(a) Accounting standards issued but not yet effective (continued)

(ii) Effective for annual periods beginning on or after January 1, 2018

- *Amended standard IFRS 7 Financial Instruments: Disclosures*
  The amendments to IFRS 7 outline the disclosures required when initially applying *IFRS 9 Financial Instruments.*

- *New standard IFRS 9 Financial Instruments*
  Replacement of IAS 39 *Financial Instruments: Recognition and Measurement.*

- *New standard IFRS 15 Revenue from Contracts with Customers*
  IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information.

(iii) Effective for annual periods beginning on or after January 1, 2019

- *New standard IFRS 16 Leases*
  Replaces existing lease accounting guidance. All leases will be required to be reported on the statement of financial position unless certain requirements for exclusion are met.

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.

5. Subsidiaries, associates and joint venture

(a) Sale of South African platinum group metal business

On November 7, 2014, the Company entered into acquisition agreements ("Original Agreements") with Hebei Zhongbo Platinum Co. Limited ("HZP") whereby HZP would acquire all of the Company's South African platinum group metal business, including the Crocodile River Mine, Kennedy's Vale, Spitzkop and Mareesburg projects and their associated mining and prospecting rights, all of the Company's subsidiaries, a majority of the interests held by the Company's existing minority partners and all loan agreements that the Company has with its subsidiaries, for cash consideration of $225,000 and estimated proceeds of $175,522, net of transaction costs. On November 9, 2015, the Company announced that the shareholders of HZP were engaged in a process to resolve certain differences, and that HZP had advised the Company that until such resolution occurred, the transaction could not proceed.

The Company has not classified the assets and liabilities associated with the transaction as a disposal group held for sale due to uncertainties in concluding the transaction, and has not reported its loss from the platinum group metal business as loss from discontinued operations.

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

5. Subsidiaries, associates and joint venture (continued)

(b) Subsidiaries

Details of the Company’s subsidiaries at December 31, 2015 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held **December 31, 2015**	December 31, 2014
Eastern Platinum Holdings Limited	Holding company	BVI (i)	**100%**	100%
Eastplats Holdings Limited	Holding company	BVI (i)	**100%**	100%
Eastplats Acquisition Co. Ltd.	Holding company	BVI (i)	**100%**	100%
Eastplats International Incorporated	Holding company	Barbados	**100%**	100%
Royal Anthem Investments 134 (Pty) Ltd.	Holding company	South Africa	**100%**	100%
Spitzkop Joint Venture	Mining	South Africa	**93.37%**	93.37%
Barplats Investments Limited	Holding company	South Africa	**87.49%**	87.49%
Barplats Mines Limited	Mining	South Africa	**87.49%**	87.49%
Rhodium Reefs Limited	Mining	South Africa	**87.49%**	87.49%
Spitzkop Platinum (Pty) Ltd.	Mining	South Africa	**86.74%**	86.74%
Mareesburg Joint Venture	Mining	South Africa	**87%**	87%
Lion's Head Platinum (Pty) Ltd.	Holding company	South Africa	**74%**	74%

(i) British Virgin Islands (“BVI”)

(c) Associates

Details of the Company’s associates at December 31, 2015 are as follows:

Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held **December 31, 2015**	December 31, 2014
Afrimineral Holdings (Pty) Ltd.	Holding company	South Africa	**49.00%**	49.00%
Gubevu Consortium Investment Holdings (Pty) Ltd.	Holding company	South Africa	**49.99%**	49.99%

(d) Joint arrangement

The Company has a 50% interest in a joint operation for the sale of chrome. There were no chrome sales in 2014 and 2015.

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

6. Property, plant and equipment

	Plant and equipment owned	Mineral properties being depleted	Mineral properties not being depleted	Residential properties	Properties and land	TOTAL
Cost						
Balance as at December 31, 2013	**$ 453,204**	**$ 96,657**	**$ 393,932**	**$ 15,972**	**$ 4,784**	**$ 964,549**
Assets acquired	167	-	-	-	-	167
Environmental asset capitalized	(226)	-	-	-	-	(226)
Assets disposed	(1,475)	-	-	(898)	(155)	(2,528)
Foreign exchange movement	(40,906)	(8,737)	(35,903)	(1,392)	(423)	(87,361)
Balance as at December 31, 2014	**$ 410,764**	**$ 87,920**	**$ 358,029**	**$ 13,682**	**$ 4,206**	**$ 874,601**
Assets acquired	182	-	-	-	-	182
Environmental asset capitalized	(1,364)	-	(74)	-	-	(1,438)
Assets disposed	-	-	-	(196)	(210)	(406)
Foreign exchange movement	(104,084)	(22,295)	(90,784)	(3,425)	(1,016)	(221,604)
Balance as at December 31, 2015	**$ 305,498**	**$ 65,625**	**$ 267,171**	**$ 10,061**	**$ 2,980**	**$ 651,335**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2013	**$ 274,958**	**$ 66,225**	**$ 284,179**	**$ 1,972**	**$ 587**	**$ 627,921**
Depreciation	1,500	-	-	154	-	1,654
Depreciation of disposed assets	(795)	-	-	(178)	-	(973)
Impairment loss	67,940	12,804	48,750	-	-	129,494
Foreign exchange movement	(26,796)	(6,355)	(27,105)	(158)	(54)	(60,468)
Balance as at December 31, 2014	**$ 316,807**	**$ 72,674**	**$ 305,824**	**$ 1,790**	**$ 533**	**$ 697,628**
Depreciation	581	-	-	124	-	705
Depreciation of disposed assets	-	-	-	(39)	-	(39)
Impairment loss (reversal)	12,072	(581)	3,023	-	-	14,514
Foreign exchange movement	(81,428)	(18,381)	(77,796)	(466)	(135)	(178,206)
Balance as at December 31, 2015	**$ 248,032**	**$ 53,712**	**$ 231,051**	**$ 1,409**	**$ 398**	**$ 534,602**
Carrying amounts						
At December 31, 2013	$ 178,246	$ 30,432	$ 109,753	$ 14,000	$ 4,197	$ 336,628
At December 31, 2014	$ 93,957	$ 15,246	$ 52,205	$ 11,892	$ 3,673	$ 176,973
At December 31, 2015	**$ 57,466**	**$ 11,913**	**$ 36,120**	**$ 8,652**	**$ 2,582**	**$ 116,733**

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

6. Property, plant and equipment (continued)

The following is property, plant and equipment categorized by project:

	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, 2013	**$ 450,104**	**$ 402,181**	**$ 90,047**	**$ 22,084**	**$ 133**	**$ 964,549**
Assets acquired	155	10	-	-	2	167
Environmental asset capitalized	(226)	-	-	-	-	(226)
Assets disposed	(1,491)	(1,037)	-	-	-	(2,528)
Foreign exchange movement	(40,552)	(36,389)	(8,416)	(1,995)	(9)	(87,361)
Balance as at December 31, 2014	**$ 407,990**	**$ 364,765**	**$ 81,631**	**$ 20,089**	**$ 126**	**$ 874,601**
Assets acquired	177	2	-	-	3	182
Environmental asset capitalized	(794)	(570)	(74)	-	-	(1,438)
Assets disposed	(283)	(123)	-	-	-	(406)
Foreign exchange movement	(103,327)	(92,464)	(20,693)	(5,098)	(22)	(221,604)
Balance as at December 31, 2015	**$ 303,763**	**$ 271,610**	**$ 60,864**	**$ 14,991**	**$ 107**	**$ 651,335**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2013	**$ 317,283**	**$ 278,923**	**$ 25,363**	**$ 6,219**	**$ 133**	**$ 627,921**
Depreciation	1,173	480	-	-	1	1,654
Depreciation of disposed assets	(918)	(55)	-	-	-	(973)
Impairment loss	58,729	29,675	31,935	9,155	-	129,494
Foreign exchange movement	(30,347)	(26,084)	(3,204)	(823)	(10)	(60,468)
Balance as at December 31, 2014	**$ 345,920**	**$ 282,939**	**$ 54,094**	**$ 14,551**	**$ 124**	**$ 697,628**
Depreciation	401	304	-	-	-	705
Depreciation of disposed assets	(27)	(12)	-	-	-	(39)
Impairment loss (reversal)	(17,385)	28,876	3,023	-	-	14,514
Foreign exchange movement	(86,369)	(74,163)	(13,964)	(3,689)	(21)	(178,206)
Balance as at December 31, 2015	**$ 242,540**	**$ 237,944**	**$ 43,153**	**$ 10,862**	**$ 103**	**$ 534,602**
Carrying amounts						
At December 31, 2013	$ 132,821	$ 123,258	$ 64,684	$ 15,865	$ -	$ 336,628
At December 31, 2014	$ 62,070	$ 81,826	$ 27,537	$ 5,538	$ 2	$ 176,973
At December 31, 2015	**$ 61,223**	**$ 33,666**	**$ 17,711**	**$ 4,129**	**$ 4**	**$ 116,733**

6. Property, plant and equipment (continued)

(a) *Crocodile River Mine ("CRM")*

The Company holds directly and indirectly an 87.5% interest in CRM, which is located on the eastern portion of the western limb of the Bushveld Complex. On August 1, 2013, CRM was placed on care and maintenance. Management will continue to monitor the factors contributing to the care and maintenance decision, and production will not resume until conditions improve. There can be no assurance that the conditions will improve or that production will resume in the near future.

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

The Company holds directly and indirectly an 87.5% interest in KV, which is located on the eastern limb of the Bushveld Complex, near Steelpoort in the Province of Mpumalanga. It comprises PGM mineral rights on five farms in the Steelpoort Valley. The design and construction of a concentrator located on the KV property commenced in 2011 and was suspended in mid-2012 due to the then negative outlook in the global economic environment and the operating environment in South Africa. 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 went into production. The Mareesburg Project, which was being developed in conjunction with the construction of the concentrator located on the KV property, has been on full care and maintenance since the fourth quarter of 2012.

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

(i) *Year ended December 31, 2015*

The Company assessed the carrying values of its mineral properties for indication of impairment or reversal of impairment at each quarter end in 2015. Although PGM prices, the global economy and the operating environment in South Africa have remained stagnant in 2015 and are potential indicators of impairment, the strengthening of the U.S. dollar throughout 2015 has been a mitigating factor and an indication of reversal of impairment. During the fourth quarter of 2015, the Company's market capitalization and share price retreated to its pre-HZP transaction levels likely as a result of the non-completion of the HZP transaction (Note 5(a)) and to the levels of June 30, 2013, the most recent date prior to the HZP transaction that the Company recorded an impairment charge on its mineral properties. As at December 31, 2015, the Company's market capitalization was below its book value and this is an indicator of impairment.

As the HZP transaction did not close, the Company determined the carrying values of its mineral properties at December 31, 2015 based on discounted net present value cash flow ("NPV") models that the Company used during the years ended December 31, 2013 and 2012, rather than on the HZP purchase price less costs to sell that the Company used during the year ended December 31, 2014.

The Company considers the NPV valuation to be fair value less costs to sell. For the purposes of the valuation, the Company identified CRM as one cash-generating unit and the Spitzkop, Mareesburg and Kennedy's Vale projects (collectively the "Eastern Limb" projects) as one cash-generating unit. There has been no change to the composition of CGUs compared to the prior year.

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

6. Property, plant and equipment (continued)

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

(ii) Year ended December 31, 2015 (continued)

As a result of the substantially different valuation methods compared to December 31, 2014, the Company determined that the carrying value of CRM was below the expected NPV of its future cash flows and the carrying values of its Eastern Limb projects exceeded the expected NPV of its future cash flows. This resulted in a reversal of impairment of $17,385 at CRM and an impairment charge of $3,023 and $28,876 at Spitzkop and KV respectively.

As at December 31, 2015, the expected NPV of the Company's mineral properties' future cash flows were calculated using a weighted average cost of capital of 14.21%, an exchange rate of ZAR 15.46 per U.S. Dollar as at December 31, 2015, and the following forecasted metals prices:

		2016	2017	2018	2019	2020	2021+
Platinum	US$/oz	1,109	1,117	1,148	1,229	1,272	1,272
Palladium	US$/oz	713	760	801	868	814	814
Rhodium	US$/oz	872	1,004	1,055	892	1,236	1,236
Gold	US$/oz	1,156	1,174	1,192	1,216	1,201	1,201
Iridium	US$/oz	460	460	480	510	530	530
Ruthenium	US$/oz	120	120	130	140	140	140
Nickel	US$/tonne	11,640	13,228	16,044	16,827	18,206	18,206
Copper	US$/tonne	5,219	5,528	5,926	6,090	6,315	6,315
Chrome	Rand/tonne	500	500	500	500	600	600

(ii) Year ended December 31, 2014

As a result of the proposed sale of the Company's South African platinum group assets to HZP (Note 5(a)), the Company recorded an impairment charge in the quarter ended December 31, 2014, based on the HZP purchase price less costs to sell. During the quarter ended December 31, 2014, the Company determined that the carrying values of its CRM and Eastern Limb projects exceeded the projects' fair value less costs to sell. This resulted in an impairment charge of $59,229 that was allocated pro-rata amongst CRM's tangible assets owned ($45,925), intangible mineral properties being depleted ($12,804) and refining contract ($500). This also resulted in impairment charges of $22,015, $7,660, $31,935 and $9,155 being allocated pro-rata to the KV plant and equipment owned and the KV, Spitzkop and Mareesburg intangible mineral properties not being depleted, respectively.

At December 31, 2014, the fair value less costs to sell were determined based on the agreement reached with HZP on November 7, 2014. The following table shows the fair value less costs to sell for each of the CRM, Kennedy's Vale, Spitzkop and Mareesburg projects, as at December 31, 2014.

	CRM	**KV**	**Spitzkop**	**Mareesburg**	**Total**
Fair value per share purchase agreement	$ 85,000	$ 101,000	$ 32,000	$ 7,000	**$ 225,000**
Minority interests buy-out	(9,723)	(11,553)	(3,660)	(801)	**(25,737)**
Finder's fee	(7,528)	(8,944)	(2,834)	(620)	**(19,926)**
Estimated transaction costs	(1,441)	(1,712)	(543)	(119)	**(3,815)**
Fair value less costs to sell	**$ 66,308**	**$ 78,791**	**$ 24,963**	**$ 5,460**	**$ 175,522**

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

7. 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.

(b) Issued and outstanding

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

	December 31, 2015	December 31, 2014
	Number of shares	Number of shares
Balance outstanding, beginning and end of period	92,639,032	92,818,781
Shares cancelled during the period	-	(179,749)
Balance outstanding, end of period	92,639,032	92,639,032

(c) Treasury shares

Changes to the number of treasury shares are as follows:

	December 31, 2015	December 31, 2014
	Number of treasury shares	Number of treasury shares
Balance outstanding, beginning and end of period	39,722	39,722

(d) Share options

The Company has an incentive plan (the "2014 Plan"), approved by the Company's shareholders at its annual general meeting held on June 12, 2014, 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 2014 Plan:

- 7,515,293 common shares were initially reserved for issuance upon the exercise of options, of which 4,313,393 remain available for issuance at December 31, 2015.

- 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 market price, being the weighted average trading price of the Company's shares on the TSX, for the five trading days preceding the day of the grant of the option.

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

7. Issued capital (continued)

(d) Share options (continued)

- The 2014 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 year

The changes in share options during the years ended December 31, 2015 and year ended December 31, 2014 were as follows:

	December 31, 2015		December 31, 2014	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Cdn$		Cdn$
Balance outstanding, beginning of period	**3,201,900**	**2.85**	3,237,900	2.88
Options forfeited	**-**	**-**	(36,000)	5.43
Balance outstanding, end of period	**3,201,900**	**2.85**	3,201,900	2.85

Options granted and vested during the year ended December 31, 2015 resulted in share-based payment expense of $nil (year ended December 31, 2014 – $36), respectively.

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

There were no share options granted during the years ended December 31, 2015 and December 31, 2014.

(iii) Share options outstanding at the end of the period

The following table summarizes information concerning outstanding and exercisable options at December 31, 2015:

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn$		
664,400	664,400	6.00	1.20	March 12, 2017
15,000	15,000	23.10	1.76	October 5, 2017
2,522,500	2,414,167	1.90	2.02	January 8, 2018
3,201,900	3,093,567		1.85	

The weighted average exercise price of options exercisable at December 31, 2015 is Cdn$2.85.

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

8. Finance costs

	Year ended, December 31, 2015	Year ended, December 31, 2014
Interest on provision for environmental rehabilitation	**$ 711**	$ 753
Interest on VAT reassessments	**71**	16
Other interest	**6**	-
	$ 788	$ 769

9. Income tax recovery

The income tax recognized in profit or loss comprises of:

	December 31, 2015	December 31, 2014
Deferred tax recovery relating to the origination and reversal of temporary differences	**$ 814**	$ 11,492
Current tax expense	**(92)**	(378)
Income tax recovery	**$ 722**	$ 11,114

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the loss before tax provision due to the following:

	December 31, 2015	December 31, 2014
Statutory tax rate	**26.00%**	26.00%
Expected tax recovery on loss before income tax	**$ 6,262**	$ 37,381
Difference in tax rates between foreign jurisdictions and Canada	**542**	(4,879)
Items not deductible for income tax purposes	**(1,115)**	4,078
Tax losses not recognized	**(4,967)**	(25,466)
Income tax recovery	**$ 722**	$ 11,114

9. Income tax recovery (continued)

The approximate tax effect of each item that gives rise to the Company's deferred tax liabilities are as follows:

	December 31, 2015	December 31, 2014
Non-capital loss carry forwards	**$ 9,008**	$ 10,435
Accumulated cost base difference on assets and other	**59,972**	86,972
Deferred receipts	**-**	(17)
Net deferred tax assets	**$ 68,980**	$ 97,407
Unrecognized deferred tax assets	**(71,468)**	(101,507)
Deferred tax liabilities	**$ (2,488)**	$ (4,100)

The movement between the opening and closing balances was recognized in profit or loss and in foreign currency translation reserve.

At December 31, 2015, the Company has non-capital losses of approximately Cdn$47,341 (December 31, 2014 – Cdn$46,558) available to apply against future Canadian income for tax purposes. In South Africa, the Company has unredeemed capital expenditures available for utilization against future taxable income and estimated tax losses of approximately R3.3 billion (December 31, 2014 – R3.7 billion). The South African losses do not expire unless the Company's mining activities cease. The Canadian non-capital losses will expire as follows (in thousands of Canadian dollars):

	Cdn$ (000's)
2026	**$ 3,224**
2027	**9,498**
2028	**4,217**
2029	**859**
2030	**8,665**
2031	**3,148**
2032	**3,078**
2033	**6,492**
2034	**4,869**
2035	**3,291**
	$ 47,341

At December 31, 2015, the Company had capital losses of $Nil available to apply against future capital gains in Canada.

The Company's operations are conducted in a number of countries with complex tax legislation and regulations pertaining to the Company's activities. Any reassessment of the Company's tax filings by the tax authorities may result in material adjustments to net profit or loss, tax assets, tax liabilities and operating loss carry-forwards. The Company provides for such reassessments when it is probable that a taxation authority will not sustain the Company's filing position and the amount of the tax exposure can be reasonably estimated.

10. Non-controlling interest

The Company has a 49.99% interest in Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu"), a holding company incorporated and operating in South Africa. Gubevu is the Company's black economic empowerment partner (Note 22(a)) and holds a 25.01% interest in Barplats Investments Limited ("Barplats"). The proportion of equity and total comprehensive loss of Barplats is allocated to the non-controlling interest using the indirect method resulting in a 12.5% allocation. The non-controlling interests are comprised of the following amounts:

Balance, December 31, 2013	$	(31,020)
Non-controlling interests' share of loss in Barplats		(7,639)
Foreign exchange movement		3,205
Balance, December 31, 2014	$	(35,454)
Non-controlling interests' share of loss in Barplats		(3,738)
Foreign exchange movement		9,482
Balance, December 31, 2015	**$**	**(29,710)**

11. 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:

	Year ended December 31, 2015	Year ended December 31, 2014
	(in thousands)	
Weighted average number of ordinary shares used in the calculation of basic loss per share	**92,599**	92,699
Shares deemed to be issued for no consideration in respect of options	**-**	-
Weighted average number of ordinary used in the calculation of diluted loss per share	**92,599**	92,699

The loss used to calculate basic and diluted loss per share for the year ended December 31, 2015 was $19,615 (year ended December 31, 2014 – $125,021), respectively.

The following potential ordinary shares, outstanding at December 31, 2015, are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	December 31, 2015	December 31, 2014
	(in thousands)	
Options	**3,202**	3,202

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

12. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	December 31, 2015	December 31, 2014
Cash in bank	**$ 7,412**	$ 12,332
Money market instruments	**871**	1,634
	$ 8,283	$ 13,966

13. Short-term investments

Changes to short-term investments for the years ended December 31, 2015 and 2014 are as follows:

Balance, December 31, 2013	$ 78,471
Additional investments	97,454
Redemptions	(108,087)
Foreign exchange movement	(6,400)
Balance, December 31, 2014	$ 61,438
Additional investments	64,875
Redemptions	(72,693)
Foreign exchange movement	(5,569)
Balance, December 31, 2015	**$ 48,051**

14. Trade and other receivables

Trade and other receivables are comprised of the following:

	December 31, 2015	December 31, 2014
Trade receivables	**$ 277**	$ 335
VAT receivable	**663**	2,079
Other receivables	**725**	1,417
Allowance for doubtful debts for other receivables	**(506)**	(604)
	$ 1,159	$ 3,227

(a) *Aging of past due, but not impaired*

The average credit period of PGM sales was 4 months. The Company had the right to request up to a 90% advance on payment, payable 1 month subsequent to sale. The Company has financial risk management policies in place to ensure that all receivables are received within the pre-agreed credit terms.

Included in trade and other receivables are receivables with a carrying value of $Nil (December 31, 2014 - $Nil) that are past due but have not been provided for.

(b) *Movement in the allowance for doubtful debts*

	December 31, 2015	December 31, 2014
Opening balance	**$ (604)**	$ (477)
Impairment losses recognized on receivables	**(67)**	(483)
Amounts recovered during the year	**-**	302
Foreign exchange translation	**165**	54
Closing balance	**$ (506)**	$ (604)

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

14. Trade and other receivables (continued)

(c) Aging of other impaired receivables

		December 31, 2015		December 31, 2014
Less than 1 month	**$**	**-**	$	2
Greater than 1 month, less than 8 months		**21**		25
Greater than 8 months		**485**		577
	$	**506**	$	604

At December 31, 2015, receivables of $506 (December 31, 2014 - $604) were impaired and provided for. These receivables were for rental income, royalties and scrap sales. Impairment was determined based on payment history and how far past due the receivables were.

15. Inventories

At December 31, 2015, inventories consist of consumables of $1,838 ($2,532 at December 31, 2014).

16. 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 fully amortized as at December 31, 2015.

Cost		
Balance as at December 31, 2013	$	14,912
Foreign exchange movement		(1,349)
Balance as at December 31, 2014	$	13,563
Foreign exchange movement		(690)
Balance as at December 31, 2015	**$**	**12,873**
Accumulated amortization and impairment		
Balance as at December 31, 2013	$	12,817
Amortization		1,019
Impairment		500
Foreign exchange movement		(1,235)
Balance as at December 31, 2014	$	13,101
Amortization		448
Foreign exchange movement		(676)
Balance as at December 31, 2015	**$**	**12,873**
Carrying amounts		
At December 31, 2013	$	2,095
At December 31, 2014	$	462
At December 31, 2015	**$**	**-**

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

17. 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 19). Changes to other assets for the years ended December 31, 2015 and 2014 are as follows:

Balance, December 31, 2013	$	9,180
Additional investment		953
Service fees		(146)
Interest income		653
Foreign exchange movement		(917)
Balance, December 31, 2014	$	9,723
Additional investment		570
Service fees		(169)
Interest income		590
Foreign exchange movement		(2,665)
Balance, December 31, 2015	**$**	**8,049**

18. Trade and other payables

		December 31, 2015		December 31, 2014
Trade payables	**$**	**503**	$	688
Accrued liabilities		**412**		487
Other		**2,700**		3,903
	$	**3,615**	$	5,078

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.

19. 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 December 31, 2015 is ZAR 102 million ($6,590) (December 31, 2014 – ZAR 113 million, ($9,816)). The provision was determined using an inflation rate of 6.67% (December 31, 2014 – 6.16%) and an estimated life of mine of 16 years for Zandfontein (December 31, 2014 – 16 years), 8 years for Maroelabult (December 31, 2014 – 8 years), 10 years for Crocette (December 31, 2014 – 10 years), 23 years for Kennedy's Vale (December 31, 2014 – 23 years) and 23 years for Spitzkop (December 31, 2014 – 23 years). A discount rate of 9.43% was used (December 31, 2014 – 7.96%). A guarantee of $8,049 (December 31, 2014 - $9,723) has been issued to the Department of Mineral Resources (Note 17). 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 539 million ($34,872) (December 31, 2014 – ZAR 467 million, ($40,495)).

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

19. Provision for environmental rehabilitation (continued)

Changes to the environmental rehabilitation provision are as follows:

Balance, December 31, 2013	$	9,414
Revision in estimates		564
Interest expense (Note 8)		753
Foreign exchange movement		(915)
Balance, December 31, 2014	$	9,816
Revision in estimates		(1,438)
Interest expense (Note 8)		711
Foreign exchange movement		(2,499)
Balance, December 31, 2015	**$**	**6,590**

20. Commitments

The Company has committed to capital expenditures in South Africa of approximately ZAR 517,000 ($33) as at December 31, 2015 (December 31, 2014 – ZAR 350,000, ($30)), all of which are expected to be due by December 31, 2016.

21. 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 year ended December 31, 2015 were $277 (year ended December 31, 2014 - $306), respectively. The total number of employees in the plan at December 31, 2015 was 99 (December 31, 2014 – 122).

22. 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.

(a) Trading transactions

The Company's related parties consist of (a) private companies owned by executive officers and directors and (b) the Company's black economic empowerment partner as follows:

	Nature of transactions
Andrews PGM Consulting ("Andrews")	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
Remington Resources Inc.	General and administrative
Zinpro Engineering (Pty) Ltd ("Zinpro")	Consulting and mine contractor

Andrews PGM Consulting ceased to be a related party as at April 1, 2014. The services of Buccaneer Management Inc. were terminated on January 31, 2016 (Note 26).

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.

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

22. Related party transactions (continued)

(a) Trading transactions (continued)

	Note	**Year ended December 31, 2015**	Year ended December 31, 2014
Consulting fees	(i)	**$ 113**	$ 166
General and administrative expenses		**90**	97
Management fees		**787**	910
Mine contractor fees	(ii)	**-**	47
		$ 990	$ 1,220

(i) Consulting fees relate to fees paid to Zinpro, a private company controlled by a key member of the management personnel of the Company, for consulting services performed outside of their capacities as key management personnel.

(ii) Mine contractor fees were paid to Zinpro, 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.

(iii) At December 31, 2015, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R726 million ($46,972) (December 31, 2014 – R668 million, $56,738). This loan is secured by Gubevu's interest in Barplats, bears interest at the Johannesburg Interbank Agreed Rate ("JIBAR") + 3% and 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 years ended December 31, 2015 and 2014. For further details, please refer to Note 10.

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at December 31, 2015 included $13 (December 31, 2014 - $10) which was due to private companies controlled by officers and directors of the Company. Accounts receivable at December 31, 2015 included $31 (December 31, 2014 - $3) due from Remington Resources Inc. which reimburses the Company for certain general and administrative expenses which the Company incurred on behalf of Remington Resources Inc.

(b) Compensation of key management personnel

Remuneration and directors' fees include consulting and management fees disclosed in Note 22(a). The remuneration of directors and other key members of management personnel for the year ended December 31, 2015 was $1,075 (year ended December 31, 2014 - $1,271).

Key management personnel were not paid share-based payments, post-employment benefits or other long-term benefits during the years ended December 31, 2015 and 2014.

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

23. 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 years ended December 31, 2015 and 2014, and assets by geographic areas as at December 31, 2015 and 2014, are as follows:

	Year ended December 31, 2015							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Property, plant and equipment expenditures	$ 177	$ 2	$ -	$ -	$ 179	$ -	$ 3	$ 182
Cost of property, plant and equipment disposals	283	123	-	-	406	-	-	406
Impairment reversal (loss)	17,385	(28,876)	(3,023)		(14,514)	-	-	(14,514)
Gain (loss) on disposal of property, plant and equipment	244	(23)	-	-	221	-	-	221
General and administrative expenses	-	-	-	-	-	(60)	(2,829)	(2,889)
Care and maintenance	(9,887)	(1,448)	(52)	(5)	(11,392)	-	-	(11,392)
Care and maintenance depreciation and amortization	(849)	(304)	-	-	(1,153)	-	(1)	(1,154)
Interest income	512	40	3	1	556	-	639	1,195
Other income	1,190	537	-	-	1,727	-	-	1,727
Finance costs	(481)	(280)	(27)	-	(788)	-	-	(788)
Foreign exchange (loss) gain	(34)	-	-	-	(34)	(19)	3,572	3,519
Loss before income taxes	8,080	(30,354)	(3,099)	(4)	(25,377)	(79)	1,381	(24,075)
Income tax (expense) recovery	(92)	-	873	(2)	779	(57)	-	722
Net (loss) income	$ 7,988	$ (30,354)	$ (2,226)	$ (6)	$ (24,598)	$ (136)	$ 1,381	$ (23,353)

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

23. Segmented Information (continued)

(b) Geographic segments (continued)

	Year ended December 31, 2014							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Property, plant and equipment expenditures	$ 155	$ 10	$ -	$ -	$ 165	$ -	$ 2	$ 167
Cost of property, plant and equipment disposals	1,491	1,037	-	-	2,528	-	-	2,528
Impairment	(59,229)	(29,675)	(31,935)	(9,155)	(129,994)	-	-	(129,994)
Gain (loss) on disposal of property, plant and equipment	943	(241)	-	-	702	-	-	702
General and administrative expenses	-	-	-	-	-	(67)	(2,721)	(2,788)
Care and maintenance	(10,597)	(1,704)	(96)	(24)	(12,421)	-	-	(12,421)
Care and maintenance depreciation and amortization	(2,192)	(480)	-	-	(2,672)	-	(1)	(2,673)
Share-based payments	(36)	-	-	-	(36)	-	-	(36)
Interest income	639	25	10	2	676	-	1,415	2,091
Other income	1,412	714	4	-	2,130	-	-	2,130
Finance costs	(528)	(213)	(28)	-	(769)	-	-	(769)
Foreign exchange loss	(4)	-	-	-	(4)	(2)	(10)	(16)
Loss before income taxes	(69,592)	(31,574)	(32,045)	(9,177)	(142,388)	(69)	(1,317)	(143,774)
Income tax (expense) recovery	-	(378)	8,921	2,337	10,880	234	-	11,114
Net (loss) income	$ (69,592)	$ (31,952)	$ (23,124)	$ (6,840)	$ (131,508)	$ 165	$ (1,317)	$ (132,660)

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

23. Segmented Information (continued)

(b) Geographic segments (continued)

	December 31, 2015							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Assets								
Current assets	$ 2,961	$ 600	$ 1	$ -	$ 3,562	$ 11	$ 55,758	$ 59,331
Property, plant and equipment	61,223	33,666	17,711	4,129	116,729	-	4	116,733
Refining contract	-	-	-	-	-	-	-	-
Other assets	8,049	-	-	-	8,049	-	-	8,049
	$ 72,233	$ 34,266	$ 17,712	$ 4,129	$ 128,340	$ 11	$ 55,762	$ 184,113
Liabilities								
Current liabilities	$ 3,020	$ 214	$ (5)	$ 26	$ 3,255	$ 15	$ 345	$ 3,615
Provision for environmental rehabilitation	4,556	1,799	235	-	6,590	-	-	6,590
Deferred tax liabilities	-	-	734	-	734	1,754	-	2,488
	$ 7,576	$ 2,013	$ 964	$ 26	$ 10,579	$ 1,769	$ 345	$ 12,693
Net assets (liabilities)	$ 64,658	$ 32,253	$ 16,749	$ 4,103	$ 117,762	$ (1,759)	$ 55,417	$ 171,420

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

23. Segmented Information (continued)

(b) Geographic segments (continued)

	December 31, 2014							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets	$ 5,171	$ 1,373	$ 157	$ 33	$ 6,734	$ 32	$ 74,397	$ 81,163
Property, plant and equipment	62,070	81,826	27,537	5,538	176,971	-	2	176,973
Refining contract	462	-	-	-	462	-	-	462
Other assets	9,723	-	-	-	9,723	-	-	9,723
	$ 77,426	$ 83,199	$ 27,694	$ 5,571	$ 193,890	$ 32	$ 74,399	$ 268,321
Liabilities								
Current liabilities	$ 3,794	$ 620	$ 9	$ 48	$ 4,471	$ 13	$ 594	$ 5,078
Provision for environmental rehabilitation	6,560	2,880	376	-	9,816	-	-	9,816
Deferred tax liabilities	-	-	2,058	-	2,058	2,042	-	4,100
	$ 10,354	$ 3,500	$ 2,443	$ 48	$ 16,345	$ 2,055	$ 594	$ 18,994
Net assets (liabilities)	$ 67,072	$ 79,699	$ 25,251	$ 5,523	$ 177,545	$ (2,023)	$ 73,805	$ 249,327

(c) Revenue

The Company's primary product is platinum group metals ("PGM") and its by-product is chrome. No revenues were recorded in the years ended December 31, 2015 or 2014.

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

24. Financial instruments

(a) *Management of capital risk*

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued capital, equity-settled employee benefits reserve, deficit, and currency translation adjustment. The Company's objectives when managing capital are to: (i) preserve capital, (ii) obtain the best available net return, and (iii) maintain liquidity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

The Company is not subject to externally imposed capital requirements.

(b) *Categories of financial instruments*

	December 31, 2015	December 31, 2014
Financial assets		
Cash and cash equivalents	**$ 8,283**	$ 13,966
Loans and receivables		
Trade and other receivables	**1,159**	3,227
Available for sale financial assets		
Short-term investments	**48,051**	61,438
Other assets	**8,049**	9,723
	$ 65,542	$ 88,354
Financial liabilities		
Other financial liabilities		
Trade and other payables	**$ 3,615**	$ 5,078
	$ 3,615	$ 5,078

(c) *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. For the years ended December 31, 2015 and 2014, there have been no provisional price adjustments recorded. At December 31, 2015, there were no financial assets or liabilities recognized at fair value on a non-recurring basis.

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

24. Financial instruments (continued)

(c) Fair value of financial instruments (continued)

(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 December 31, 2015 and 2014. The fair value of short-term investments is assessed using estimated discounted cash flows based on forward interest rates derived from observable yield curves at the end of the reporting 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. There were no transfers between levels during the years ended December 31, 2015 and 2014.

(d) Reclassification of financial assets

There was no reclassification of financial assets during the years ended December 31, 2015 and 2014.

(e) Financial risk management

The Company's financial instruments are exposed to certain financial risks, including currency risk, interest rate risk, price risk, credit risk and liquidity risk. The Company's exposure to these risks and its methods of managing the risks remain consistent.

(i) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company's revenues are based on US dollar PGM prices, but the Company receives revenues in South African Rand and incurs operating costs in South African Rand. A significant change in the currency exchange rates between the South African Rand, the functional currency of the South African subsidiaries, relative to the US dollar could have an effect on the Company's results of operations, financial position and cash flows. CRM has been in care and maintenance since August 1, 2013 but the Company still holds certain loans and receivables in South African Rand. The Company has not entered into any derivative financial instruments to manage exposures to currency fluctuations.

The carrying amount of the Company's subsidiary's foreign-currency denominated monetary assets at December 31, 2015 and 2014, are as follows:

	December 31, 2015	December 31, 2014
Financial assets		
Loans and receivables	**241**	331

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

24. Financial instruments (continued)

(e) Financial risk management (continued)

(i) Currency risk (continued)

The sensitivity of the Company’s net earnings due to changes in the exchange rate between the South African Rand and the United States dollar is summarized in the table below. This sensitivity is based on loans and receivables not denominated in the functional currency of the subsidiary. The increase (decrease) in net earnings is due to the effect of the exchange rate on financial instruments.

	Year ended Dec. 31, 2015	
	10% weakening of ZAR in relation to USD FX rate	10% strengthening of ZAR in relation to USD FX rate
Increase (decrease) in net earnings	24	(24)

The functional currency of the Company’s Canadian head office is the Canadian dollar. The carrying amount of the foreign-currency denominated monetary assets of this office at December 31, 2015 and 2014 is as follows:

	December 31, 2015	December 31, 2014
Financial assets		
Cash and cash equivalents	**32,869**	200

The sensitivity of the Company’s net earnings due to changes in the exchange rate between the Canadian dollar and the United States dollar is summarized in the table below. This sensitivity is based on cash and cash equivalents not denominated in the reporting currency of head office. The (decrease) increase in net earnings is due to the effect of the exchange rate on financial instruments.

	Year ended Dec. 31, 2015	
	10% weakening of CAD in relation to USD FX rate	10% strengthening of CAD in relation to USD FX rate
Increase (decrease) in net earnings	3,652	(2,988)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its short-term investments. The risk that the Company will realize a loss as a result of a decline in the fair value of short-term investments is limited because these investments, although available for sale, are generally not sold before maturity. The Company monitors its exposure to interest rates and has not entered into any derivative financial instruments to manage this risk.

The sensitivity of the Company’s net earnings due to changes in interest rates is summarized in the table below. The (decrease) increase in net earnings is due to the effect of the interest rates on the Company’s interest income.

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

24. Financial instruments (continued)

(e) Financial risk management (continued)

(ii) Interest rate risk (continued)

	Year ended Dec. 31, 2015	
	10% decrease in interest rates throughout the year	10% increase in interest rates throughout the year
(Decrease) increase in net loss	(119)	119

(iii) Price risk

The Company is exposed to price risk with respect to fluctuations in the prices of platinum group metals and chrome. These fluctuations directly affect revenues and trade receivables. As at December 31, 2015, the Company's financial assets subject to metal price risk consist of trade receivables of $Nil (December 31, 2014 - $Nil). Historically, the Company has not entered into any derivative financial instruments to manage exposures to price fluctuations. No such derivative financial instruments existed at December 31, 2015 and 2014.

As there were no revenues from PGM and chrome sales during the year ended December 31, 2015, the Company's net earnings were not sensitive to changes in PGM and chrome prices.

(iv) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables. The carrying value of the financial assets represents the maximum credit exposure.

Prior to the suspension of production at CRM, the Company sold substantially all of its PGM concentrate production to one customer under an off-take contract. At December 31, 2015, the Company had receivable balances associated with this customer of $Nil (December 31, 2014 - $Nil). When the Company resumes production, the loss of this customer or unexpected termination of the off-take contract could have a material adverse effect on the Company's results of operations, financial condition and cash flows. The Company has not experienced any bad debts with this customer since it initially entered into the off-take contract.

The Company minimizes credit risk by reviewing the credit risk of the counterparty to the arrangement and has made any necessary provisions related to credit risk at December 31, 2015.

(v) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company's policy is to invest its excess cash in highly liquid, fully guaranteed, bank-sponsored instruments. The Company staggers the maturity dates of its investments over different time periods and dates to minimize exposure to interest rate changes. This strategy remains unchanged from 2014.

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

24. Financial instruments (continued)

(e) Financial risk management (continued)

(v) Liquidity risk (continued)

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the Company's significant commitments and corresponding maturities.

	December 31, 2015	
	Total	**<1 year**
Trade and other payables	**$ 3,615**	**$ 3,615**
Commitments	**33**	**33**
	$ 3,648	**$ 3,648**

	December 31, 2014	
	Total	<1 year
Trade and other payables	$ 5,078	$ 5,078
Commitments	30	30
	$ 5,108	$ 5,108

25. 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 then 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 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 was no longer being brought on behalf of a class, and instead, was 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 filed materials in response to the Application Record and Amended Notice of Application in March 2013. A hearing of the application was heard in September 2015 and the decision is under reserve. 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.

26. Subsequent event

On January 31, 2016, Ian Rozier stepped down as President and Chief Executive Officer ("CEO") of the Company and David Cohen, Chairman of the Company, assumed the role of President and CEO. Mr. Rozier remained as a director of the Company. Mr. Rozier's services were provided pursuant to a management services contract with Buccaneer Management Inc. ("Buccaneer"), a private company controlled by Mr. Rozier. In accordance with the management services contract, Buccaneer was paid a termination amount of Cdn$1.96 million ($1,400) on January 31, 2016.