Condensed interim consolidated financial statements of

Eastern Platinum Limited

For the Three and Six Months Ended June 30, 2016
(Unaudited)

Eastern Platinum Limited
For the three and six months ended June 30, 2016

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Eastern Platinum Limited

Condensed interim consolidated statements of loss

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

	Note	Three months ended June 30		Six months ended June 30	
		2016	2015	**2016**	2015
Expenses					
General and administrative		**$ 1,010**	$ 492	**$ 2,917**	$ 1,130
Care and maintenance		**1,455**	2,622	**3,306**	4,958
Care and maintenance depreciation and amortization		**122**	411	**196**	920
Impairment	5	**23,357**	—	**23,357**	—
Operating loss		**(25,944)**	(3,525)	**(29,776)**	(7,008)
Other income (expense)					
Gain on disposal of property, plant and equipment		**227**	104	**418**	202
Interest income		**214**	313	**415**	695
Other income		**391**	355	**856**	943
Finance costs	7	**(161)**	(257)	**(316)**	(449)
Foreign exchange (loss) gain		**(181)**	(248)	**(2,229)**	208
Loss before income taxes		**(25,454)**	(3,258)	**(30,632)**	(5,409)
Income tax (expense) recovery		**(55)**	39	**153**	(22)
Net loss for the period		**(25,509)**	(3,219)	**(30,479)**	(5,431)
Attributable to					
Non-controlling interest	8	**(3,302)**	(553)	**(3,661)**	(1,036)
Equity shareholders of the Company		**(22,207)**	(2,666)	**(26,818)**	(4,395)
Net loss for the period		**$ (25,509)**	$ (3,219)	**$ (30,479)**	$ (5,431)
Loss per share					
Basic and diluted		**(0.24)**	(0.03)	**(0.29)**	(0.05)
Weighted average number of common shares outstanding in thousands					
Basic and diluted		**92,599**	92,599	**92,599**	92,599

The accompanying notes are an integral part of these condensed interim consolidated financial statements

"George Dorin"
George Dorin, Director

"Mike Cosic"
Mike Cosic, Director

Eastern Platinum Limited

Condensed interim consolidated statements of comprehensive loss

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

	Three months ended June 30		Six months ended June 30	
	2016	2015	**2016**	2015
Net loss for the period	**$ (25,509)**	$ (3,219)	**$ (30,479)**	$ (5,431)
Other comprehensive income (loss)				
Items that may subsequently be reclassified to loss or profit				
- Exchange differences on translating foreign operations	**794**	252	**11,518**	(15,918)
- Exchange differences on translating non-controlling interest	**(118)**	120	**(1,648)**	1,825
Comprehensive loss for the period	**(24,833)**	(2,847)	**(20,609)**	(19,524)
Attributable to				
Non-controlling interest	**(3,420)**	(433)	**(5,309)**	789
Equity shareholders of the Company	**(21,413)**	(2,414)	**(15,300)**	(20,313)
Comprehensive loss for the period	**$ (24,833)**	(2,847)	**(20,609)**	(19,524)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Eastern Platinum Limited

Condensed interim consolidated statements of financial position

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

	Note		June 30, 2016		December 31, 2015
Assets					
Current assets					
Cash and cash equivalents	9	**$**	**26,828**	$	8,283
Short-term investments	10		**19,003**		48,051
Restricted cash	5(a)		**5,000**		—
Trade and other receivables	11		**984**		1,159
Inventories			**1,858**		1,838
			53,673		59,331
Non-current assets					
Property, plants and equipment	5		**99,497**		116,733
Other assets	12		**8,811**		8,049
		$	**161,981**	$	184,113
Liabilities					
Current liabilities					
Trade and other payables	13	**$**	**1,220**	$	3,615
			1,220		3,615
Non-current liabilities					
Provision for environmental rehabilitation	14		**7,271**		6,590
Deferred tax liabilities			**2,679**		2,488
			11,170		12,693
Equity					
Issued capital	6		**1,230,171**		1,230,171
Treasury shares			**(204)**		(204)
Equity-settled employee benefits reserve			**5,305**		5,305
Foreign currency translation reserve			**(296,950)**		(308,468)
Deficit			**(752,492)**		(725,674)
Capital and reserves attributable to equity shareholders of the Company			**185,830**		201,130
Non-controlling interest	8		**(35,019)**		(29,710)
			150,811		171,420
		$	**161,981**	$	184,113

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Eastern Platinum Limited

Condensed interim consolidated statements of changes in equity

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

	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, 2014	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (244,432)**	**$ (706,059)**	**$ 284,781**	**$ (35,454)**	**$ 249,327**
Net loss	—	—	—	—	(4,395)	(4,395)	(1,036)	(5,431)
Currency translation adjustment	—	—	—	(15,918)	—	(15,918)	1,825	(14,093)
Total comprehensive loss	—	—	—	(15,918)	(4,395)	(20,313)	789	(19,524)
Balance, June 30, 2015	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (260,350)**	**$ (710,454)**	**$ 264,468**	**$ (34,665)**	**$ 229,803**
Net loss	—	—	—	—	(15,220)	(15,220)	(2,702)	(17,922)
Currency translation adjustment	—	—	—	(48,118)	—	(48,118)	7,657	(40,461)
Total comprehensive loss	—	—	—	(48,118)	(15,220)	(63,338)	4,955	(58,383)
Balance, December 31, 2015	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (308,468)**	**$ (725,674)**	**$ 201,130**	**$ (29,710)**	**$ 171,420**
Net loss	—	—	—	—	(26,818)	(26,818)	(3,661)	(30,479)
Currency translation adjustment	—	—	—	11,518	—	11,518	(1,648)	9,870
Total comprehensive loss	—	—	—	11,518	(26,818)	(15,300)	(5,309)	(20,609)
Balance, June 30, 2016	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (296,950)**	**$ (752,492)**	**$ 185,830**	**$ (35,019)**	**$ 150,811**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Eastern Platinum Limited

Condensed interim consolidated statements of cash flows

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

	Three months ended June 30		Six months ended June 30	
	2016	2015	**2016**	2015
Operating activities				
Loss before income taxes	**$ (25,454)**	$ (3,258)	**$ (30,632)**	$ (5,409)
Adjustments to net loss for non-cash items				
Care and maintenance depreciation	**122**	411	**196**	920
Impairment	**23,357**	—	**23,357**	—
Gain on disposal of property, plant and equipment	**(227)**	(104)	**(418)**	(202)
Interest income	**(214)**	(313)	**(415)**	(695)
Finance costs	**161**	257	**316**	449
Foreign exchange loss (gain)	**181**	248	**2,229**	(208)
Net changes in non-cash working capital items				
Trade and other receivables	**105**	52	**127**	(197)
Inventories	**47**	42	**76**	57
Trade and other payables	**(228)**	(20)	**(642)**	(486)
Cash used in operations	**(2,150)**	(2,685)	**(5,806)**	(5,771)
Adjustments to net loss for cash items				
Interest income received	**208**	238	**523**	796
Finance costs paid	**(1)**	(70)	**(4)**	(70)
Taxes paid	**(38)**	(49)	**(1,587)**	(114)
Net operating cash flows	**(1,981)**	(2,566)	**(6,874)**	(5,159)
Investing activities				
Net purchases and redemptions of short-term investments	**10,261**	9,947	**30,193**	26,207
Increase in restricted cash	**(5,000)**	—	**(5,000)**	—
Increase in other assets	**(179)**	(255)	**(317)**	(672)
Property, plant and equipment expenditures	**(27)**	(2)	**(75)**	(12)
Disposal of property, plant and equipment	**223**	176	**423**	569
Net investing cash flows	**5,278**	9,866	**25,224**	26,092
Effect of exchange rate changes on cash and cash equivalents	**(89)**	33	**195**	(1,375)
Increase in cash and cash equivalents	**3,208**	7,333	**18,545**	19,558
Cash and cash equivalents, beginning of period	**23,620**	26,191	**8,283**	13,966
Cash and cash equivalents, end of period	**$ 26,828**	$ 33,524	**$ 26,828**	$ 33,524

The accompanying notes are an integral part of these condensed interim consolidated financial statements

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.

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 580 – 625 Howe Street, Vancouver, British Columbia, Canada, V6C 2T6.

These condensed interim consolidated financial statements were approved and authorized for issuance by the board of directors on August 15, 2016.

2. Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*.

The preparation of these unaudited condensed interim consolidated financial statements is based on accounting principles and methods consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2015, amended, where applicable, by the adoption of the new and amended accounting standards outlined in Note 3. The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2015. The Company's interim results are not necessarily indicative of its results for a full year.

Going Concern
These unaudited condensed interim 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 June 30, 2016, the Company does not have any producing operations and does not generate income other than interest and other income. However, as at June 30, 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.

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.

Areas of significant judgement and estimates made by management for the three and six months ended June 30, 2016 includes determination whether selling Crocodile River Mine is considered to be an asset held for sale in accordance with IFRS 5. Additional judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes

4(w) and 4(x) of the Company's audited consolidated financial statements for the year ended December 31, 2015.

3. Application of new and revised International Financial Reporting Standards

Effective January 1, 2016, the Company adopted the following new and amended IFRSs that were issued by the IASB. The application of these IFRS Standards did not have a material impact to the Company's unaudited condensed interim consolidated financial statements.

(i) 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.

(ii) Amended standards IAS 16*, Property, Plant and Equipment* and IAS 38*, Intangibles*
The amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" prohibit the use of revenue-based depreciation for plant and equipment and significantly limit the use of revenue-based amortization for intangible assets.

(iii) Amended standard IFRS 11*, Joint Arrangements*
The amendments to IFRS 11 deal with the accounting for acquisitions of an interest in a joint operation.

4. Accounting standards issued but not yet effective

(i) Amended standard IAS 7*, Statement of Cash Flows*
These amendments to IAS 7 "Statement of Cash Flows" were issued to improve information provided to users of financial statements about an entity's changes in liabilities arising from financing activities. Effective for annual periods commencing on or after January 1, 2017.

(ii) Amended standard IAS 12*, Income Taxes*
These amendments relate to the recognition of deferred tax assets for unrealized losses associated with debt instruments measured at fair value. Effective for annual periods commencing on or after January 1, 2017.

(iii) Amended standard IFRS 7, Financial Instruments: Disclosures
The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9 Financial Instruments. Effective date January 1, 2018.

(iv) New standard IFRS 9, *Financial Instruments*
Replacement of IAS 39 *Financial Instruments: Recognition and Measurement.* Effective date January 1, 2018.

(v) 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. Effective as at January 1, 2018.

(vi) New standard IFRS 16*, Leases*
Effective for annual periods commencing on or after January 1, 2019, this 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.

Eastern Platinum Limited

Notes to the condensed interim consolidated financial statements
For the three and six months ended June 30, 2016
(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

5. 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, 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**
Assets acquired	75	—	—	—	—	75
Assets disposed	(925)	—	—	(121)	(4)	(1,050)
Foreign exchange movement	16,304	3,517	14,320	536	160	34,837
Balance as at June 30, 2016	**320,952**	**69,142**	**281,491**	**10,476**	**3,136**	**685,197**
Accumulated depreciation and impairment losses						
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**
Depreciation	76	—	—	46	—	122
Depreciation of disposed assets	(923)	—	—	(46)	—	(969)
Impairment loss	23,357	—	—	—	—	23,357
Foreign exchange movement	13,228	2,879	12,384	76	21	28,588
Balance as at June 30, 2016	**283,770**	**56,591**	**243,435**	**1,485**	**419**	**585,700**
Carrying amounts						
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
At June 30, 2016	**37,182**	**12,551**	**38,056**	**8,991**	**2,717**	**99,497**

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

5. Property, plant and equipment (continued)

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

	Crocodile River Mine (a)	Kennedy's Vale and Concentrator (b)	Spitzkop PGM Project (c)	Mareesburg Project (c)	Other property plant and equipment	TOTAL
	$	$	$	$	$	$
Cost						
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**
Assets acquired	75	—	—	—	—	75
Assets disposed	(1,048)	—	—	—	(2)	(1,050)
Foreign exchange movement	16,206	14,558	3,262	803	8	34,837
Balance as at June 30, 2016	**318,996**	**286,168**	**64,126**	**15,794**	**113**	**685,197**
Accumulated depreciation and impairment losses						
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**
Depreciation	50	72	—	—	—	122
Depreciation of disposed assets	(969)	—	—	—	—	(969)
Impairment loss	23,357	—	—	—	—	23,357
Foreign exchange movement	12,928	12,757	2,313	582	8	28,588
Balance as at June 30, 2016	**277,906**	**250,773**	**45,466**	**11,444**	**111**	**585,700**
Carrying amounts						
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
At June 30, 2016	**41,090**	**35,395**	**18,660**	**4,350**	**2**	**99,497**

5. Property, plant and equipment (continued)

(a) Crocodile River Mine ("CRM")

The Company holds directly and indirectly an 87.5% interest in CRM through its South Africa subsidiary Barplats Mines Limited ("Barplats Mines"), 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.

On June 28, 2016, the Company entered a share purchase agreement (the "CRM Purchase Agreement") with Hebei Zhongheng Tianda Platinum Co., Limited ("HZT"), a company incorporated in People's Republic of China ("PRC"), whereby HZT will acquire a 100% equity interest in Barplats Mines and associated intercorporate investments and loans for total consideration of $50,000. The completion of this transaction is subject to a number of conditions including but not limited to approvals by the necessary regulatory bodies and governmental departments or ministries of South Africa and Company's shareholders. Pursuant to the same agreement, both HZT and the Company have agreed that certain events, including the failure to perform certain obligations under the CRM Purchase Agreement, will trigger the payment of break fees of up to $10,000 in the case of HZT failing to meet its obligations, and $5,000 in the case of the Company failing to meet its obligations. Both HZT and the Company have agreed to place the break fee into an escrow account. As at June 30, 2016, restricted cash in the amount of $5,000 presents the break fee deposit made by the Company.

(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 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 care and maintenance since the fourth quarter of 2012.

5. Property, plant and equipment (continued)

(d) Impairment of property, plant and equipment

The Company assesses the carrying value of its property plant and equipment for indicators of impairment at each quarter end. For the purpose of the impairment assessment, the Company has considered that CRM as one cash-generating unit and Kennedy's Vale, Spitzkop PGM and Mareesburg Projects (collectively the "Eastern Limb Projects") as one cash-generating unit.

(i) CRM

The Company considered the sale of CRM, although closing of this transaction is subject to certain conditions discussed in (a) above, representing an impairment indicator. Therefore, the Company recorded an impairment charge in the amount of $23,357 during the three months ended June 30, 2016 based on the fair value less cost to sell. The Fair value less cost to sell was estimated to be $47,400 calculated based on the HZT's purchase price pursuant to the CRM Purchase Agreement less estimated costs to sell of approximately $2,600.

(ii) Eastern Limb

The Company concluded that there were no impairment indicators as at June 30, 2016.

***6.* Issued capital**

(a) Authorized

- Unlimited number of preferred redeemable, voting, non-participating shares without nominal or par value;
- Unlimited number of common shares with no par value.

(b) Issued and outstanding

As at June 30, 2016 and December 31, 2015, the Company had 92,639,032 common shares issued and outstanding. There were no changes to the number of common shares issued and outstanding during the three and six months ended June 30, 2016.

(c) Treasury shares

As at June 30, 2016 and December 31, 2015, the Company had 39,722 treasury shares. There were no changes to the number of treasury shares during the three and six months ended June 30, 2016.

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

6. Issued capital (continued)

(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. The following is a summary of stock option transactions:

	Number of options	Weighted average exercise price $
Balance, December 31, 2015 and 2014	3,201,900	2.85
Granted	—	—
Expired	(66,000)	3.83
Balance, June 30, 2016	3,135,900	2.83

The following table summarizes information concerning outstanding and exercisable options at June 30, 2016:

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn$		
664,400	664,400	6.00	0.70	March 12, 2017
9,000	9,000	23.10	1.27	October 5, 2017
2,462,500	2,462,500	1.90	1.53	January 8, 2018
3,135,900	3,135,900		1.35	

Also see Note 20(b).

7. Finance costs

	Three months ended		Six months ended	
	June 30, 2016	June 30, 2015	**June 30, 2016**	June 30, 2015
	$	$	**$**	$
Interest on provision for environmental rehabilitation	**160**	187	**312**	379
Other interest	**1**	70	**4**	70
	161	257	**316**	449

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

8. Non-controlling interest

The Company has the following black economic empowerment partners (the "BEE Partners") in South Africa for the projects it owns:

BEE holding company, incorporated and operating in South Africa	% owned by BEE Partner	South Africa Project	Effective interest owned by BEE Partner
Gubevu Consortium Investment Holdings (Pty) Ltd.	50.01%	CRM and KV	12.5%
Lion's Head Platinum (Pty) Ltd.	26%	Mareesburg	13%
Afriminerals Holdings (Pty) Ltd.	51%	Spitzkop PGM	6.6%

The effective interest owned by the BEE Partners represents the non-controlling interest of the Company. The proportion of equity and total comprehensive loss is allocated to the non-controlling interest. The non-controlling interests are comprised of the following amounts:

	$
Balance, December 31, 2014	(35,454)
Non-controlling interests' share of loss	(3,738)
Foreign exchange movement	9,482
Balance, December 31, 2015	(29,710)
Non-controlling interests' share of loss	(359)
Foreign exchange movement	(1,530)
Balance, March 31, 2016	**(31,599)**
Non-controlling interests' share of loss	(3,302)
Foreign exchange movement	(118)
Balance, June 30, 2016	**(35,019)**

Also see Note 20.

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

9. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	June 30, 2016	December 31, 2015
	$	$
Cash in bank	**7,236**	7,412
Money market instruments	**19,592**	871
	26,828	8,283

10. Short-term investments

Changes to short-term investments for the six months ended June 30, 2016 and the year ended December 31, 2015 are as follows:

	$
Balance, December 31, 2014	61,438
Additional investments	64,875
Redemptions	(72,693)
Foreign exchange movement	(5,569)
Balance, December 31, 2015	48,051
Additional investments	43,601
Redemptions	(74,023)
Foreign exchange movement	1,374
Balance, June 30, 2016	**19,003**

11. Trade and other receivables

Trade and other receivables are comprised of the following:

	June 30, 2016	December 31, 2015
	$	$
Trade receivables	**300**	277
VAT receivable	**716**	663
Other receivables	**531**	725
Allowance for doubtful debts for other receivables	**(563)**	(506)
	984	1,159

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

12. 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 14). Changes to other assets for the six months ended June 30, 2016 and the year ended December 31, 2015 are as follows:

	$
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
Additional investment	94
Service fees	(103)
Interest income	325
Foreign exchange movement	446
Balance, June 30, 2016	**8,811**

13. Trade and other payables

	June 30, 2016	December 31, 2015
	$	$
Trade payables	**392**	503
Accrued liabilities	**122**	412
Other	**706**	2,700
	1,220	3,615

14. 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 June 30, 2016 is ZAR 106,717 ($7,271) (December 31, 2015 – ZAR 101,912 ($6,590)). The provision was determined using an inflation rate of 6.67% (December 31, 2015 – 6.67%) and an estimated life of mine of 16 years for Zandfontein (December 31, 2015 – 16 years), 8 years for Maroelabult (December 31, 2015 – 8 years), 10 years for Crocette (December 31, 2015 – 10 years), 23 years for Kennedy's Vale (December 31, 2015 – 23 years) and 23 years for Spitzkop (December 31, 2015 – 23 years). A discount rate of 9.43% was used (December 31, 2015 – 9.43%). Zandforntein, Maroelabult and Crocette collectively referred as CRM. A guarantee of $8,811 (December 31, 2015 - $8,049) has been issued to the Department of Mineral Resources (Note 12). 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 538,982 ($36,721) (December 31, 2015 – ZAR 538,982 ($34,872)).

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

14. Provision for environmental rehabilitation (continued)

Changes to the environmental rehabilitation provision are as follows:

	$
Balance, December 31, 2014	9,816
Revision in estimates	(1,438)
Interest expense	711
Foreign exchange movement	(2,499)
Balance, December 31, 2015	6,590
Revision in estimates	—
Interest expense (Note 7)	312
Foreign exchange movement	369
Balance, June 30, 2016	**7,271**

15. Commitments

The Company has committed to capital expenditures in South Africa of approximately ZAR 436 ($30) as at June 30, 2016 (December 31, 2015 – ZAR 517 ($33)), all of which are expected to be payable by December 31, 2016.

16. Retirement benefit plans

The Barplats Provident Fund is an independent, defined contribution plan administered by Liberty Life Limited in South Africa. The costs associated with the defined contribution plan included in net loss for the three and six months ended June 30, 2016 were $38 and $85 (three and six months ended June 30, 2015 - $73 and $146), respectively. The total number of employees in the plan at June 30, 2016 was 66 (December 31, 2015 – 99).

17. Related party transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Related party transactions not disclosed elsewhere in these consolidated financial statements are listed below:

(a) Trading transactions

The Company's related parties consist of (a) private companies owned by executive officers and directors, (b) a public company over which a director has significant influence, and (c) the Company's black economic empowerment partner as follows:

	Nature of transactions
Buccaneer Management Inc. ("Buccaneer") (i)	Management
Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") (ii)	Black economic empowerment Holding company
Jazz Financial Ltd. ("Jazz") (iii)	Management
Maluti Services Limited ("Maluti") (iii)	Management
Remington Resources Inc. ("Remington") (iii)	General and administrative
Sterling West Management Ltd. ("Sterling") (iii)	General and administrative
Zinpro Engineering (Pty) Ltd ("Zinpro") (iii)	Consulting and mine contractor

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

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

17. Related party transactions (continued)

	Note	Three months ended **June 30, 2016**	Three months ended June 30, 2015	Six months ended **June 30, 2016**	Six months ended June 30, 2015
Consulting fees		**$ 24**	$ 31	**$ 47**	$ 57
General and administrative expenses		**170**	127	**369**	302
Management fees	(i)	**114**	204	**1,688**	406
		$ 308	$ 362	**$ 2,104**	$ 765

(i) On January 31, 2016, Ian Rozier stepped down as President and Chief Executive Officer ("CEO") of the Company and David Cohen, the then Chairman of the Company, assumed the role of President and CEO until July 5, 2016. Mr. Rozier remained as a director of the Company until July 5, 2016. Mr. Rozier's services were provided pursuant to a management services contract with Buccaneer, a private company controlled by Mr. Rozier. In accordance with the management services contract, Buccaneer was paid a termination amount of $1,442 (Cdn$1.98 million) on January 31, 2016.

(ii) At June 30, 2016, the Company held a loan receivable from Gubevu in the amount of ZAR761 million ($51,869) (December 31, 2015 – ZAR726 million ($46,972)). This loan is secured by Gubevu's interest in Barplats Investments Limited, 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 three and six months ended June 30, 2016 and 2015.

(iii) Jazz is controlled by the Company's former chief financial officer who resigned on July 5, 2016. Maluti is controlled by David Cohen, the Company's former CEO and director who resigned on July 5, 2016. Both Remington and Sterling are significantly influenced by the Company's former officers and directors who resigned on July 5, 2016. Zinpro is controlled by the Company's former director of the South Africa subsidiaries who resigned on July 5, 2016. (Also see Note 20)

Accounts payable at June 30, 2016 included $nil (December 31, 2015 - $13) due to private companies controlled by officers and directors of the Company. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

Accounts receivable at June 30, 2016 included $39 (December 31, 2015 - $31) due from Remington which reimburses the Company for certain general and administrative expenses incurred by the Company on behalf of Remington.

(b) Compensation of key management personnel

Remuneration and directors' fees include consulting and management fees disclosed in Note 17(a). The remuneration of directors and other key members of management personnel for the three and six months ended June 30, 2016 were $167 and $1,809 (three and six months ended June 30, 2015 - $280 and $553), respectively. As noted above, the total compensation figure includes a termination payment of $1,442 made in January 2016.

Key management personnel were not paid share-based payments, post-employment benefits or other long-term benefits during the three and six months ended June 30, 2016 and 2015. (Note 20)

Eastern Platinum Limited

Notes to the condensed interim consolidated financial statements
For the three and six months ended June 30, 2016
(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

18. 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. The Company has five reportable segments – Crocodile River Mine, Kennedy's Vale, Spitzkop, Mareesburg and corporate. Barbados, BVI and Canada collectively are corporate segment.

(b) Geographic segments - The Company's revenues and expenses by geographic areas for the three and six months ended June 30, 2016 and 2015, and assets by geographic areas as at June 30, 2016 and December 31, 2015, are as follows:

	Three months ended June 30, 2016							
	Crocodile River Mine $	**Kennedy's Vale $**	**Spitzkop $**	**Mareesburg $**	**Total South Africa $**	**Barbados and BVI $**	**Canada $**	**TOTAL $**
Property, plant and equipment expenditures	**27**	**—**	**—**	**—**	**27**	**—**	**—**	**27**
Cost of property, plant and equipment disposals	**109**	**—**	**—**	**—**	**109**	**—**	**—**	**109**
Impairment	(23,357)	—	—	—	(23,357)	—	—	(23,357)
Gain on disposal of property, plant and equipment	227	—	—	—	227	—	—	227
General and administrative expenses	—	—	—	—	—	(9)	(1,001)	(1,010)
Care and maintenance	(1,296)	(150)	(9)	—	(1,455)	—	—	(1,455)
Care and maintenance depreciation and amortization	(94)	(28)	—	—	(122)	—	—	(122)
Interest income	111	1	—	—	112	—	102	214
Other income	260	131	—	—	391	—	—	391
Finance costs	(111)	(44)	(6)	—	(161)	—	—	(161)
Foreign exchange loss	(1)	—	—	—	(1)	(1)	(179)	(181)
Loss before income taxes	**(24,261)**	**(90)**	**(15)**	**—**	**(24,366)**	**(10)**	**(1,078)**	**(25,454)**
Income tax (expense) recovery	(38)	—	7	—	(31)	(24)	—	(55)
Net loss	**(24,299)**	**(90)**	**(8)**	**—**	**(24,397)**	**(34)**	**(1,078)**	**(25,509)**

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

18. Segmented Information (continued)

(b) Geographic segments (continued)

	Six months ended June 30, 2016							
	Crocodile River Mine $	**Kennedy's Vale $**	**Spitzkop $**	**Mareesburg $**	**Total South Africa $**	**Barbados and BVI $**	**Canada $**	**TOTAL $**
Property, plant and equipment expenditures	**75**	**—**	**—**	**—**	**75**	**—**	**—**	**75**
Cost of property, plant and equipment disposals	**1,047**	**—**	**—**	**—**	**1,047**	**—**	**2**	**1,049**
Impairment	(23,357)	—	—	—	(23,357)	—	—	(23,357)
Gain on disposal of property, plant and equipment	418	—	—	—	418	—	—	418
General and administrative expenses	—	—	—	—	—	(17)	(2,900)	(2,917)
Care and maintenance	(2,948)	(337)	(20)	(1)	(3,306)	—	—	(3,306)
Care and maintenance depreciation and amortization	(124)	(72)	—	—	(196)	—	—	(196)
Interest income	219	4	—	—	223	—	192	415
Other income	589	267	—	—	856	—	—	856
Finance costs	(219)	(86)	(11)	—	(316)	—	—	(316)
Foreign exchange loss	(5)	—	—	—	(5)	(3)	(2,221)	(2,229)
Loss before income taxes	**(25,427)**	**(224)**	**(31)**	**(1)**	**(25,683)**	**(20)**	**(4,929)**	**(30,632)**
Income tax (expense) recovery	189	—	(2)	—	187	(34)	—	153
Net loss	**(25,238)**	**(224)**	**(33)**	**(1)**	**(25,496)**	**(54)**	**(4,929)**	**(30,479)**

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

18. Segmented Information (continued)

(b) Geographic segments (continued)

	Three months ended June 30, 2015							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Property, plant and equipment expenditures	**—**	**2**	**—**	**—**	**2**	**—**	**—**	**2**
Cost of property, plant and equipment disposals	**27**	**61**	**—**	**—**	**88**	**—**	**—**	**88**
General and administrative expenses	—	—	—	—	—	(24)	(468)	(492)
Care and maintenance	(2,340)	(271)	(14)	3	(2,622)	—	—	(2,622)
Care and maintenance depreciation and amortization	(332)	(79)	—	—	(411)	—	—	(411)
Gain (loss) on disposal of property, plant and equipment	115	(11)	—	—	104	—	—	104
Interest income	134	13	1	—	148	—	165	313
Other income	217	138	—	—	355	—	—	355
Finance costs	(125)	(125)	(7)	—	(257)	—	—	(257)
Foreign exchange loss	(6)	—	—	—	(6)	(3)	(239)	(248)
(Loss) income before income taxes	**(2,337)**	**(335)**	**(20)**	**3**	**(2,689)**	**(27)**	**(542)**	**(3,258)**
Income tax recovery (expense)	—	—	2	49	51	(12)	—	39
Net (loss) income	**(2,337)**	**(335)**	**(18)**	**52**	**(2,638)**	**(39)**	**(542)**	**(3,219)**

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

18. Segmented Information (continued)

(b) Geographic segments (continued)

	Six months ended June 30, 2015							
	Crocodile River Mine $	**Kennedy's Vale $**	**Spitzkop $**	**Mareesburg $**	**Total South Africa $**	**Barbados and BVI $**	**Canada $**	**TOTAL $**
Property, plant and equipment expenditures	**7**	**2**	**—**	**—**	**9**	**—**	**3**	**12**
Cost of property, plant and equipment disposals	**283**	**123**	**—**	**—**	**406**	**—**	**—**	**406**
General and administrative expenses	—	—	—	—	—	(32)	(1,098)	(1,130)
Care and maintenance	(4,381)	(550)	(29)	2	(4,958)	—	—	(4,958)
Care and maintenance depreciation and amortization	(756)	(164)	—	—	(920)	—	—	(920)
Gain (loss) on disposal of property, plant and equipment	225	(23)	—	—	202	—	—	202
Interest income	271	25	3	1	300	—	395	695
Other income	666	277	—	—	943	—	—	943
Finance costs	(253)	(182)	(14)	—	(449)	—	—	(449)
Foreign exchange gain	7	—	—	—	7	4	197	208
(Loss) income before income taxes	**(4,221)**	**(617)**	**(40)**	**3**	**(4,875)**	**(28)**	**(506)**	**(5,409)**
Income tax recovery (expense)	—	—	4	(2)	2	(24)	—	(22)
Net (loss) income	**(4,221)**	**(617)**	**(36)**	**1**	**(4,873)**	**(52)**	**(506)**	**(5,431)**

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

18. Segmented Information (continued)

(b) Geographic segments (continued)

	June 30, 2016							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
	$	$	$	$	$	$	$	$
Assets								
Current assets	2,527	62	4	—	2,593	10	51,070	53,673
Property, plant and equipment	41,090	35,395	18,660	4,350	99,495	—	2	99,497
Other assets	8,811	—	—	—	8,811	—	—	8,811
	52,428	**35,457**	**18,664**	**4,350**	**110,899**	**10**	**51,072**	**161,981**
Liabilities								
Current liabilities	699	153	(8)	22	866	23	331	1,220
Provision for environmental rehabilitation	5,028	1,984	259	—	7,271	—	—	7,271
Deferred tax liabilities	—	—	776	—	776	1,903	—	2,679
	5,727	**2,137**	**1,027**	**22**	**8,913**	**1,926**	**331**	**11,170**
Net assets (liabilities)	**46,701**	**33,320**	**17,637**	**4,328**	**101,986**	**(1,916)**	**50,741**	**150,811**

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

18. 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
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**

(c) Revenue

The Company’s primary product is platinum group metals (“PGM”) and its by-product is chrome. No revenues were recorded in the three and six months ended June 30, 2016 and 2015.

(Unaudited – all monetary amounts expressed in thousands of U.S. dollars unless otherwise indicated)

19. Financial instruments

(a) Management of capital risk

The capital structure of the Company consists of equity attributable to common shareholders, comprising issued capital, treasury shares, equity-settled employee benefits reserve, deficit, and foreign 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

	June 30, 2016 $	December 31, 2015 $
Financial assets		
Loans and receivables		
Cash and cash equivalents	**26,828**	8,283
Restricted cash	**5,000**	—
Trade and other receivables (excluding VAT receivable and prepayments)	**676**	711
Available for sale financial assets		
Short-term investments	**19,003**	48,051
Other assets	**8,811**	8,049
	60,318	65,094
Financial liabilities		
Other financial liabilities		
Trade and other payables	**1,220**	3,615

(c) Fair value of financial instruments

(i) Fair value estimation of financial instruments

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

19. 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.

At June 30, 2016, there were no financial assets or liabilities recognized at fair value on a non-recurring basis.

20. Subsequent events

(a) At the Company's annual general meeting held on July 5, 2016, the shareholders elected a new board of directors ("New Directors") and the Company underwent a change in management ("New Management") (collectively, the "Change of Control"). The previous directors of the Company resigned on the same date. Sterling, Maluti and Jazz (collectively, the "Former Management") terminated its services with the Company as a result of the Change of Control and were paid a termination fee totaling $1,231 (Cdn$1.59 million) by the Company.

(b) On June 30, 2016, the Former Management of the Company entered into a number of share purchase agreements (the "BEE Buyout Agreement") with certain holders of the BEE Partners' interests in the Company's South African projects to acquire all of its interest in the Company's South Africa projects except for 17.65% equity interest in Afirminerals Holdings (Pty) Ltd. ("Afriminerals") for a total of $13,367. The BEE Buyout Agreement provides for the buy out of:

i) Ingwenya Incorporated's ("Ingwenya") 44.12% equity interest in Gubevu for a total of $8,955 and a 18% equity interest in Lion's Head Platinum (Pty) Ltd. ("Lion's Head") for $1,099; and
ii) Serina Service AG's ("Serina") 8% interest in Lion's Head for $502, a 5.89% equity interest in Gubevu for $1,194 and a 33.35% equity interest of Afrimeinerals for $1,617.

Pursuant to the BEE Buyout Agreement, the Company is required to place 100% of the consideration with an escrow agent (the "Escrow Agent") on or before July 4, 2016. The funds held in escrow will be released to Ingwenya and Serina upon the closing. The closing date is the earlier of any change of control as defined in the BEE Buyout Agreement and December 31, 2016. On June 30, 2016, the Company entered into the escrow agreements with Ingwenya and Serina in accordance with the BEE Buyout Agreement. On July 4, 2016, the Company deposited $13,367 with the Escrow Agent. On July 5, 2016, the Company underwent the Change of Control and the funds held in escrow were automatically released on July 6, 2016. The Company continues to investigate these transactions undertaken and disclosed by the former management of the Company and will update the shareholders of the Company as more details become available.

(c) On July 5, 2016, the Company granted 600,000 stock options to the New Directors of the Company at an exercise price of $1.05 per share. These stock options vest in 90 days from the grant date and expire on July 4, 2021.