Condensed consolidated interim financial statements of

Eastern Platinum Limited

March 31, 2015
(Unaudited)

Eastern Platinum Limited
March 31, 2015

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Eastern Platinum Limited

Condensed consolidated interim statements of loss

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

	Note		Three months ended March 31, 2015		March 31, 2014
Gain on disposal of property, plant and equipment		**$**	**98**	$	143
Expenses					
General and administrative			**638**		729
Care and maintenance	6(a)(b)(c)		**2,336**		2,862
Care and maintenance depreciation	6 & 15		**509**		640
Share-based payments	7(e)		**-**		9
			3,483		4,240
Operating loss			**(3,385)**		(4,097)
Other income (expense)					
Interest income			**382**		527
Other income			**588**		419
Finance costs	8		**(192)**		(187)
Foreign exchange gain			**456**		25
Loss before income taxes			**(2,151)**		(3,313)
Income tax expense			**(61)**		(118)
Net loss for the period		**$**	**(2,212)**	$	(3,431)
Attributable to					
Non-controlling interest	9	**$**	**(483)**	$	(1,435)
Equity shareholders of the Company			**(1,729)**		(1,996)
Net loss for the period		**$**	**(2,212)**	$	(3,431)
Loss per share					
Basic	7(b) & 10	**$**	**(0.02)**	$	(0.02)
Diluted	7(b) & 10	**$**	**(0.02)**	$	(0.02)
Weighted average number of common shares outstanding in thousands					
Basic	7(b) & 10		**92,601**		92,781
Diluted	7(b) & 10		**92,601**		92,781

Approved and authorized for issue by the Board on May 13, 2015.

"David Cohen"
David Cohen, Director

"Robert Gayton"
Robert Gayton, Director

Eastern Platinum Limited

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

	Three months ended	
	March 31, 2015	March 31, 2014
Net loss for the period	**$ (2,212)**	$ (3,431)
Other comprehensive loss		
Items that may subsequently be reclassified to loss or profit		
Exchange differences on translating foreign operations	**(16,170)**	(4,387)
Exchange differences on translating non-controlling interest	**1,705**	39
Comprehensive loss for the period	**$ (16,677)**	$ (7,779)
Attributable to		
Non-controlling interest	**$ 1,222**	$ (1,396)
Equity shareholders of the Company	**(17,899)**	(6,383)
Comprehensive loss for the period	**$ (16,677)**	$ (7,779)

Eastern Platinum Limited

Condensed consolidated interim statements of financial position as at
March 31, 2015 and December 31, 2014
(Expressed in thousands of U.S. dollars - unaudited)

	Note	**March 31, 2015**	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	11	**$ 26,191**	$ 13,966
Short-term investments	12	**40,820**	61,438
Trade and other receivables	13	**3,124**	3,227
Inventories	14	**2,396**	2,532
		72,531	81,163
Non-current assets			
Property, plant and equipment	6	**167,968**	176,973
Refining contract	15	**212**	462
Other assets	16	**9,666**	9,723
		$ 250,377	$ 268,321
Liabilities			
Current liabilities			
Trade and other payables	17	**$ 4,305**	$ 5,078
		4,305	5,078
Non-current liabilities			
Provision for environmental rehabilitation	18	**9,534**	9,816
Deferred tax liabilities		**3,888**	4,100
		17,727	18,994
Equity			
Issued capital	7	**1,230,171**	1,230,171
Treasury shares	7(d)	**(204)**	(204)
Equity-settled employee benefits reserve		**5,305**	5,305
Foreign currency translation reserve		**(260,602)**	(244,432)
Deficit		**(707,788)**	(706,059)
Capital and reserves attributable to equity shareholders of the Company		**266,882**	284,781
Non-controlling interest	9	**(34,232)**	(35,454)
		232,650	249,327
		$ 250,377	$ 268,321

Eastern Platinum Limited

Condensed consolidated interim statements of changes in equity

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

	Issued capital	Treasury shares	Equity-settled employee benefits reserve	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	-	-	-	-	(1,996)	(1,996)	(1,435)	(3,431)
Currency translation adjustment	-	-	-	(4,387)	-	(4,387)	39	(4,348)
Total comprehensive loss	-	-	-	(4,387)	(1,996)	(6,383)	(1,396)	(7,779)
Share-based payments	-	-	9	-	-	9	-	9
Balance, March 31, 2014	**$ 1,230,358**	**$ (204)**	**$ 5,343**	**$ (212,807)**	**$ (583,099)**	**$ 439,591**	**$ (32,416)**	**$ 407,175**
Net loss	-	-	-	-	(123,025)	(123,025)	(6,204)	(129,229)
Currency translation adjustment	-	-	-	(31,625)	-	(31,625)	3,166	(28,459)
Total comprehensive loss	-	-	-	(31,625)	(123,025)	(154,650)	(3,038)	(157,688)
Cancellation of shares (Note 7b)	(187)	-	-	-	-	(187)	-	(187)
Share-based payments	-	-	27	-	-	27	-	27
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	-	-	-	-	(1,729)	(1,729)	(483)	(2,212)
Currency translation adjustment	-	-	-	(16,170)	-	(16,170)	1,705	(14,465)
Total comprehensive loss	-	-	-	(16,170)	(1,729)	(17,899)	1,222	(16,677)
Balance, March 31, 2015	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (260,602)**	**$ (707,788)**	**$ 266,882**	**$ (34,232)**	**$ 232,650**

Eastern Platinum Limited

Condensed consolidated interim statements of cash flows

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

	Note	Three months ended March 31, 2015	March 31, 2014
Operating activities			
Loss before income taxes		**$ (2,151)**	$ (3,313)
Adjustments to net loss for non-cash items			
Gain on disposal of property, plant and equipment		**(98)**	(143)
Care and maintenance depreciation	6 & 15	**509**	640
Share-based payments	7(e)	**-**	9
Interest income		**(382)**	(527)
Finance costs	8	**192**	187
Foreign exchange gain		**(456)**	(25)
Net changes in non-cash working capital items			
Trade and other receivables		**(249)**	161
Inventories		**15**	3
Trade and other payables		**(466)**	(74)
Cash used in operations		**(3,086)**	(3,082)
Adjustments to net loss for cash items			
Interest income received		**558**	383
Taxes (paid) received		**(65)**	21
Net operating cash flows		**(2,593)**	(2,678)
Investing activities			
Net sale (purchase) of short-term investments		**16,260**	(5,140)
Increase in other assets		**(417)**	(438)
Property, plant and equipment expenditures		**(10)**	(72)
Disposal of property, plant and equipment		**393**	783
Net investing cash flows		**16,226**	(4,867)
Effect of exchange rate changes on cash and cash equivalents		**(1,408)**	(530)
Increase in cash and cash equivalents		**12,225**	(8,075)
Cash and cash equivalents, beginning of period		**13,966**	14,489
Cash and cash equivalents, end of period		**$ 26,191**	$ 6,414

1. Nature of operations

Eastern Platinum Limited (the "Company" or "Eastplats") 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 837 West Hastings Street, Suite 501, Vancouver, British Columbia, Canada, V6C 3N6. The Company's registered address is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

2. Basis of preparation

(a) Statement of compliance

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

(b) Going Concern

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

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 March 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. As at May 13, 2015, 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.

On November 7, 2014, the Company reached an agreement with Hebei Zhongbo Platinum Co. Limited ("Hebei Zhongbo") whereby Hebei Zhongbo will acquire the Company's entire South African platinum group metal business (including a majority of the interests held by the Company's existing minority partners) and all loan agreements that Eastplats has with its subsidiary companies for gross consideration of $225,000 (Note 5). Net proceeds of the transaction are expected to be $175,522.

(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.

2. Basis of preparation (continued)

(c) *Judgments and estimates (continued)*

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

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(w) and 4(x) of the Company's audited consolidated financial statements for the year ended December 31, 2014.

3. Application of new and revised International Financial Reporting Standards

Effective January 1, 2015, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the International Accounting Standards Board ("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 provides 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.

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

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

(vii) Amended standard IAS 38 Intangible Assets
The amendment to IAS 38 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.

4. Summary of significant accounting policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at December 31, 2014, amended, where applicable, by the adoption of the new and amended accounting standards outlined in Note 3. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014.

(a) 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 27 Separate Financial Statements*
  The amendments to IAS 27 reinstate the equity method as a method of accounting for investments in subsidiary, joint ventures and associates in an entity's separate financial statements.

- *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*
  Partial 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.

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. Sale of South African platinum group metal business

On November 7, 2014, the Company entered into acquisition agreements with Hebei Zhongbo Platinum Co. Limited ("Hebei Zhongbo") whereby Hebei Zhongbo will 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 including the Buy-Out described below. Closing of the transaction is subject to certain conditions, including approval by the Company's shareholders and regulatory approvals from South Africa and the People's Republic of China.

On January 6, 2015, the Company reached an agreement with its minority interest partners to acquire a majority of their ownership interests in the Company's South African platinum group assets (the "Buy-Out"). The Buy-Out is required as part of the transaction with Hebei Zhongbo and consideration for the Buy-Out is $25,737.

On February 5, 2015, the Company received shareholder approval for the transaction. Hebei Zhongbo also informed the Company that it had received all necessary regulatory approvals from the People's Republic of China in connection with this transaction.

As part of the transaction, Hebei Zhongbo and the Company have each lodged break fees of $11,250 with the escrow agent. The break fees are payable as liquidated damages upon the occurrence of certain events of default under the acquisition agreements. The Company has classified the break fees as restricted cash.

As closing of the transaction remains subject to certain other conditions, including the necessary regulatory approvals from South Africa, the Company has not classified the assets and liabilities associated with the transaction as a disposal group held for sale 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 - unaudited)

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	10	-	-	-	-	10
Assets disposed	-	-	-	(109)	(209)	(318)
Foreign exchange movement	(19,615)	(4,191)	(17,062)	(650)	(194)	(41,712)
Balance as at March 31, 2015	**$ 391,159**	**$ 83,729**	**$ 340,967**	**$ 12,923**	**$ 3,803**	**$ 832,581**
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	239	-	-	34	-	273
Depreciation of disposed assets	-	-	-	(23)	-	(23)
Foreign exchange movement	(15,117)	(3,464)	(14,574)	(85)	(25)	(33,265)
Balance as at March 31, 2015	**$ 301,929**	**$ 69,210**	**$ 291,250**	**$ 1,716**	**$ 508**	**$ 664,613**
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 March 31, 2015	**$ 89,230**	**$ 14,519**	**$ 49,717**	**$ 11,207**	**$ 3,295**	**$ 167,968**

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

6. Property, plant and equipment (continued)

	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	7	-	-	-	3	10
Assets disposed	(256)	(62)	-	-	-	(318)
Foreign exchange movement	(19,415)	(17,436)	(3,890)	(958)	(13)	(41,712)
Balance as at March 31, 2015	**$ 388,326**	**$ 347,267**	**$ 77,741**	**$ 19,131**	**$ 116**	**$ 832,581**
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	188	85	-	-	-	273
Depreciation of disposed assets	(18)	(5)	-	-	-	(23)
Foreign exchange movement	(16,499)	(13,485)	(2,577)	(693)	(11)	(33,265)
Balance as at March 31, 2015	**$ 329,591**	**$ 269,534**	**$ 51,517**	**$ 13,858**	**$ 113**	**$ 664,613**
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 March 31, 2015	**$ 58,735**	**$ 77,733**	**$ 26,224**	**$ 5,273**	**$ 3**	**$ 167,968**

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) Sale of South African platinum group metals business

On November 7, 2014, the Company reached an agreement with Hebei Zhongbo whereby Hebei Zhongbo will acquire CRM, KV, the Spitzkop PGM and Mareesburg Projects (Note 5) from the Company as part of a share sale. Closing of the transaction is subject to certain conditions, including the required regulatory approvals from South Africa.

(e) Impairment of property, plant and equipment

(i) Quarter ended March 31, 2015

The Company assesses the carrying values of its mineral properties for indication of impairment at each quarter end. Based on its assessment, the Company concluded that, as at March 31, 2015, there was no impairment or reversal of impairment to be recorded.

(ii) Year ended December 31, 2014

As at December 31, 2014, the Company assessed the carrying values of its mineral properties for indication of impairment and believed that certain factors, such as the continued stagnation of PGM prices, rising cost pressures, decreasing productivities, the sluggish European and global economy and the operating environment in South Africa contributed to the sustained weakness in the Company's share price and to an indication of impairment. As a result of the proposed sale of the Company's South African platinum group assets to Hebei Zhongbo, which closing is subject to certain conditions, the Company recorded an impairment charge in the quarter ended December 31, 2014, based on the Hebei Zhongbo purchase price less costs to sell, as described below.

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

6. Property, plant and equipment (continued)

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

(i) Year ended December 31, 2014 (continued)

During the quarter ended December 31, 2014, the Company determined that the carrying values of its Western Limb 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 Hebei Zhongbo on November 7, 2014 (Note 5). 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**
Buy-out of minority interests	(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**

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.

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

7. Issued capital (continued)

(b) Stock consolidation and split

On July 15, 2014, pursuant to a special resolution passed by shareholders on June 12, 2014, the Company consolidated its common shares on a 1,000 old for 1 new basis (the "Consolidation"). Shareholders holding less than one full share post-Consolidation are entitled to a cash payment of Cdn$0.11 per share on a pre-Consolidation basis in lieu of a fractional share, such amount being equal to the average weighted trading price of the pre-Consolidated Shares on the Toronto Stock Exchange for the ten trading days preceding the effective date of the Consolidation, which was July 15, 2014. Following the Consolidation, the Company immediately completed a stock split on the basis of 1 old for 100 new, with fractional shares being rounded to the nearest whole number (the "Stock Split"). The Consolidation and Stock Split achieved a 10 to 1 consolidation (the "Effective Consolidation") and eliminated all of the shareholdings of less than 1,000 pre-Consolidation shares in exchange for the cash payment of Cdn$0.11 (R1.04) per share. Prior to Effective Consolidation, the Company had 928,187,807 common shares issued and outstanding. Subsequent to the Effective Consolidation, the Company had 92,639,032 common shares issued and outstanding. The Effective Consolidation resulted in the cancellation of 179,749 common shares.

All information relating to basic and diluted loss per share (Note 10), issued and outstanding common shares (Note 7(c)), treasury shares (Note 7(d)), and stock options (Note 7(e)) have been adjusted retroactively to reflect the impact of the Effective Consolidation in these consolidated financial statements.

(c) Issued and outstanding

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

	Note	March 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	7(b)	-	(179,749)
Balance outstanding, end of period		92,639,032	92,639,032

(d) Treasury shares

Changes to the number of treasury shares, are as follows:

	March 31, 2015	December 31, 2014
	Number of treasury shares	Number of treasury shares
Balance outstanding, beginning and end of period	12,056	12,056

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

7. Issued capital (continued)

(e) 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, retroactively adjusted for the Effective Consolidation (Note 7(b)):

- 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 March 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.
- 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 quarter ended March 31, 2015 and the year ended December 31, 2014 were as follows:

	March 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 three months ended March 31, 2015 resulted in share-based payment expense of $Nil (three months ended March 31, 2014 – $9), respectively.

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

There were no share options granted during the three months ended March 31, 2015 or the year ended December 31, 2014.

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

7. Issued capital (continued)

(e) Share options (continued)

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

The following table summarizes information concerning outstanding and exercisable options at March 31, 2015, retroactively adjusted for the Effective Consolidation (Note 7(b)):

Options outstanding	Options exercisable	Exercise price (Cdn$)	Remaining Contractual Life (Years)	Expiry date
664,400	664,400	6.00	1.95	March 12, 2017
15,000	15,000	23.10	2.52	October 5, 2017
2,522,500	2,522,500	1.90	2.78	January 8, 2018
3,201,900	3,201,900		2.61	

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

8. Finance costs

	Three months ended March 31, 2015	March 31, 2014
Interest on provision for environmental rehabilitation	**$ 192**	$ 187
	$ 192	$ 187

9. 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 21(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	(483)
Foreign exchange movement	1,705
Balance, March 31, 2015	**$ (34,232)**

10. Loss per share

The following information was retroactively adjusted for the Effective Consolidation (Note 7(b)).

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:

10. Loss per share (continued)

	Three months ended	
	March 31, 2015	March 31, 2014
	(in thousands)	
Weighted average number of ordinary shares used in the calculation of basic loss per share	**92,601**	92,781
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	**92,601**	92,781

The loss used to calculate basic and diluted loss per share for the three months ended March 31, 2015 was $1,729 (three months ended March 31, 2014 – $1,996), respectively.

The following potential ordinary shares, outstanding at March 31, 2015 and December 31, 2014, are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	Three months ended	
	March 31, 2015	March 31, 2014
	(in thousands)	
Options	**3,202**	3,238

11. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	March 31, 2015	December 31, 2014
Cash in bank	**$ 13,253**	$ 12,332
Money market instruments	**1,688**	1,634
Restricted cash (Note 5)	**11,250**	-
	$ 26,191	$ 13,966

12. Short-term investments

Changes to short-term investments for the three months ended March 31, 2015 and the year ended December 31, 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	29,146
Redemptions	(45,206)
Foreign exchange movement	(4,558)
Balance, March 31, 2015	**$ 40,820**

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

13. Trade and other receivables

Trade and other receivables are comprised of the following:

		March 31, 2015		December 31, 2014
Trade receivables	**$**	**324**	$	335
VAT receivable		**2,087**		2,079
Other receivables		**1,289**		1,417
Allowance for doubtful debts for other receivables		**(576)**		(604)
	$	**3,124**	$	3,227

14. Inventories

At March 31, 2015, inventories consist of consumables of $2,396 ($2,532 at December 31, 2014).

15. Refining contract

During the year ended June 30, 2006, the Company acquired a 69% interest in Barplats and assigned a portion of the purchase price to the off-take contract governing the sales of Barplats' PGM concentrate production. The initial value of the contract was $17,939. During the year ended June 30, 2007, the Company acquired an additional 5% interest in Barplats resulting in an additional allocation to the contract of $4,802 for a total aggregate value of $22,741. During the year ended December 31, 2008, the Company acquired an additional 2.47% interest in Barplats. The acquisition did not affect the aggregate value of the contract. The value of the contract is amortized over the remaining term of the contract which is 4.25 years as at March 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		(646)
Balance as at March 31, 2015	**$**	**12,917**
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		236
Foreign exchange movement		(632)
Balance as at March 31, 2015	**$**	**12,705**
Carrying amounts		
At December 31, 2013	$	2,095
At December 31, 2014	$	462
At March 31, 2015	**$**	**212**

During the year ended December 31, 2014, the Company determined that the carrying value of CRM exceeded the expected net present value of its future cash flows. This resulted in an impairment charge of $500 being recorded against the refining contract.

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

16. 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 18). Changes to other assets for the three months ended March 31, 2015 and the year ended December 31, 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		200
Service fees		(32)
Interest income		252
Foreign exchange movement		(477)
Balance, March 31, 2015	**$**	**9,666**

17. Trade and other payables

		March 31, 2015		December 31, 2014
Trade payables	**$**	**497**	$	688
Accrued liabilities		**173**		487
Other		**3,635**		3,903
	$	**4,305**	$	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.

18. 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 March 31, 2015 is ZAR 116 million ($9,534) (December 31, 2014 – ZAR 113 million, ($9,816)). The provision was determined using an inflation rate of 6.16% (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 7.96% was used (December 31, 2014 – 7.96%). A guarantee of $9,666 (December 31, 2014 - $9,723) has been issued to the Department of Mineral Resources (Note 16). 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 467 million ($38,566) (December 31, 2014 – ZAR 467 million, ($40,495)).

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

18. 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
Interest expense (Note 8)		192
Foreign exchange movement		(474)
Balance, March 31, 2015	**$**	**9,534**

19. Commitments

The Company has committed to capital expenditures in South Africa of approximately ZAR 113,000 ($9) as at March 31, 2015 (December 31, 2014 – ZAR 350,000, ($30)), all of which are expected to be payable by June 30, 2015.

20. 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 months ended March 31, 2015 were $73 (three months ended March 31, 2014 - $74), respectively. The total number of employees in the plan at March 31, 2015 was 122 (December 31, 2014 – 122).

21. 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. (iv)	Black economic empowerment partner
Jazz Financial Ltd.	Management
Maluti Services Limited	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 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 - unaudited)

21. Related party transactions (continued)

(a) Trading transactions (continued)

	Note	Three months ended **March 31, 2015**	March 31, 2014
Consulting fees	(i)	**$ 26**	$ 57
General and administrative expenses		**35**	25
Management fees		**202**	228
Mine contractor fees	(ii)	**-**	54
		$ 263	$ 364

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

(ii) Mine contractor fees are 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 March 31, 2015, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R681 million ($56,224) (December 31, 2014 – R668 million, $57,838). 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 in the condensed consolidated interim statement of loss with regards to this loan or receive cash from, or lend any further cash to, Gubevu in the three months ended March 31, 2015 and 2014. For further details, please refer to Note 9.

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2015, included $31 (December 31, 2014 - $10) which was due to private companies controlled by officers and directors of the Company.

(b) Compensation of key management personnel

Remuneration and directors' fees include consulting, management fees and termination payments disclosed in Note 21(a). The remuneration of directors and other key members of management personnel during the three months ended March 31, 2015 and 2014 were $273 and $333, respectively.

Key management personnel were not paid post-employment benefits or other long-term benefits during the three months ended March 31, 2015 and 2014.

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

22. Segmented Information

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

(b) Geographic segments - The Company's revenues and expenses by geographic areas for the three months ended March 31, 2015 and 2014, and assets by geographic areas as at March 31, 2015 and December 31, 2014, are as follows:

	Three months ended March 31, 2015							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Property, plant and equipment expenditures	$ 7	$ -	$ -	$ -	$ 7	$ -	$ 3	$ 10
Cost of property, plant and equipment disposals	256	62	-	-	318	-	-	318
Gain (loss) on disposal of property, plant and equipment	110	(12)	-	-	98	-	-	98
General and administrative expenses	-	-	-	-	-	(7)	(631)	(638)
Care and maintenance	(2,041)	(279)	(15)	(1)	(2,336)	-	-	(2,336)
Care and maintenance depreciation and amortization	(424)	(85)	-	-	(509)	-	-	(509)
Interest income	137	13	2	-	152	-	230	382
Other income	449	139	-	-	588	-	-	588
Finance costs	(129)	(56)	(7)	-	(192)	-	-	(192)
Foreign exchange gain	13	-	-	-	13	7	436	456
(Loss) income before income taxes	(1,885)	(280)	(20)	(1)	(2,186)	-	35	(2,151)
Income tax recovery (expense)	-	-	2	(51)	(49)	(12)	-	(61)
Net (loss) income	$ (1,885)	$ (280)	$ (18)	$ (52)	$ (2,235)	$ (12)	$ 35	$ (2,212)

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

22. Segmented Information (continued)

(b) Geographic segments (continued)

	Three months ended March 31, 2014							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 68	$ 4	$ -	$ -	$ 72	$ -	$ -	$ 72
Property, plant and equipment disposals	992	330	-	-	1,322	-	-	1,322
Gain on disposal of property, plant and equipment	335	(192)	-	-	143	-	-	143
General and administrative expenses	-	-	-	-	-	(7)	(722)	(729)
Care and maintenance	(2,535)	(324)	(12)	9	(2,862)	-	-	(2,862)
Care and maintenance depreciation	(614)	(26)	-	-	(640)	-	-	(640)
Share-based payments	(9)	-	-	-	(9)	-	-	(9)
Interest income	160	1	3	1	165	-	362	527
Other income	238	181	-	-	419	-	-	419
Finance costs	(127)	(53)	(7)	-	(187)	-	-	(187)
Foreign exchange gain	13	-	-	-	13	8	4	25
Loss before income taxes	(2,539)	(413)	(16)	10	(2,958)	1	(356)	(3,313)
Income tax expense	-	-	(14)	(11)	(25)	(93)	-	(118)
Net loss	$ (2,539)	$ (413)	$ (30)	$ (1)	$ (2,983)	$ (92)	$ (356)	$ (3,431)

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

22. Segmented Information (continued)

(b) Geographic segments (continued)

March 31, 2015	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets	$ 4,981	$ 1,205	$ 131	$ 26	$ 6,343	$ 24	$ 66,164	$ 72,531
Property, plant and equipment	58,735	77,733	26,224	5,273	167,965	-	3	167,968
Refining contract	212	-	-	-	212	-	-	212
Other assets	9,666	-	-	-	9,666	-	-	9,666
	$ 73,594	$ 78,938	$ 26,355	$ 5,299	$ 184,186	$ 24	$ 66,167	$ 250,377
Liabilities								
Current liabilities	$ 3,383	$ 573	$ -	$ 34	$ 3,990	$ 12	$ 303	$ 4,305
Provision for environmental rehabilitation	6,371	2,798	365	-	9,534	-	-	9,534
Deferred tax liabilities	-	-	1,957	49	2,006	1,882	-	3,888
	$ 9,754	$ 3,371	$ 2,322	$ 83	$ 15,530	$ 1,894	$ 303	$ 17,727
Net assets (liabilities)	$ 63,840	$ 75,567	$ 24,033	$ 5,216	$ 168,656	$ (1,870)	$ 65,864	$ 232,650

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

22. 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

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

23. Financial instruments

(a) Categories of financial instruments

		March 31, 2015		December 31, 2014
Financial assets				
Cash and cash equivalents	**$**	**26,191**	$	13,966
FVTPL financial assets				
Trade receivables		**324**		335
Loans and receivables				
Other receivables		**2,800**		2,892
Available for sale financial assets				
Short-term investments		**40,820**		61,438
Other assets		**9,666**		9,723
	$	**79,801**	$	88,354
Financial liabilities				
Other financial liabilities				
Trade and other payables	**$**	**4,305**	$	5,078
	$	**4,305**	$	5,078

(b) Fair value of financial instruments

(i) Fair value estimation of financial instruments

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

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

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

At March 31, 2015, there were no financial assets or liabilities recognized at fair value on a non-recurring basis.

(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.

23. Financial instruments (continued)

(b) Fair value of financial instruments (continued)

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

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 March 31, 2015 and December 31, 2014. 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 three months ended March 31, 2015 and 2014.

(c) Reclassification of financial assets

There was no reclassification of financial assets during the three months ended March 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.

24. Contingency

In June 2011, the Company became aware that the law firm of Siskinds LLP of London, Ontario, had filed a "Notice of Application" under the Class Action Proceedings Act, 1992, in the Ontario Superior Court of Justice against the Company and three of its directors and officers. The Notice of Application asks the Court to grant leave to commence a lawsuit under the Securities Act of Ontario and other provinces in respect to certain alleged breaches of disclosure obligations. In July 2011, the Company and its officers and directors were served with court documents. On June 18, 2012, the Company was served with the applicant'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, he 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 has been scheduled for September 2015. 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. Events after the reporting period

There were no events that required adjustment to, or disclosure in, the financial statements after the reporting period from April 1, 2015 to May 13, 2015.

EASTERN PLATINUM LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS FOR THE THREE MONTHS MARCH 31, 2015

The following MD&A is intended to assist the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("Eastplats" or the "Company") as at March 31, 2015 and for the three months then ended in comparison to the same period in 2014.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015 and supporting notes. These unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard 34 Interim Financial Reporting.

All monetary amounts are in U.S. dollars unless otherwise specified. The effective date of this MD&A is May 13, 2015. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Contents of the MD&A

1. Overview

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

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

(b) an 87% direct and indirect interest in Mareesburg Platinum Project (the "Mareesburg Project"), located on the Eastern Limb of the BC; and

(c) a 93.4% direct and indirect interest in Spitzkop PGM Project ("Spitzkop"), also located on the Eastern Limb of the BC.

Due to the uncertain outlook in the global economic environment, particularly in Europe, stagnant PGM pricing and the operating environment in South Africa, the development of the Mareesburg Project was suspended in mid-2012 and CRM was placed on care and maintenance commencing August 1, 2013.

On November 7, 2014, the Company entered into an agreement to sell all of its South African platinum group business, and all of its subsidiaries and loan agreements that it has with its subsidiaries for cash consideration of $225,000,000 and estimated net proceeds of $175,522,000. Closing of the transaction is subject to certain conditions and is not expected to occur until the third quarter of 2015.

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2. Summary of results for the three months ended March 31, 2015

In this MD&A, all comparative information relating to basic and diluted loss per share, issued and outstanding common shares, treasury shares, and stock options have been adjusted retroactively to reflect the impact of the net 10 to 1 share consolidation which was approved by the Company's shareholders on June 12, 2014 and which took effect on July 15, 2014. Details of the share consolidation are provided in Section 4.3 of this MD&A and in Note 7(b) of the consolidated financial statements.

- At March 31, 2015, the Company had a cash position (including cash and cash equivalents and short-term investments) of $67,011,000 (December 31, 2014 – $75,404,000). Of this amount, $11,250,000 represents break fees lodged in respect of the sale of assets transaction and has been classified as restricted cash.

- Exchange rate fluctuations accounted for approximately $5.8 million in the decrease in cash and cash equivalents and short-term investments as the U.S. dollar strengthened against the Canadian dollar and South African Rand during the quarter.

- Eastplats recorded a loss attributable to equity shareholders of the Company of $1,729,000 ($0.02 per share) in the three months ended March 31, 2015 ("Q1 2015") compared to a loss of $1,996,000 ($0.02 per share) in the three months ended March 31, 2014 ("Q1 2014").

- General and administrative costs decreased 12% from $729,000 in Q1 2014 to $638,000 in Q1 2015.

- Care and maintenance costs at CRM and at the Eastern Limb projects decreased 18% from $2,862,000 in Q1 2014 to $2,336,000 in Q1 2015.

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3. Results of operations for the three months ended March 31, 2015

The following table sets forth selected consolidated financial information for the three months ended March 31, 2015 and 2014:

Table 1

Consolidated statements of loss (Expressed in thousands of U.S. dollars, except per share amounts)	**Three months ended March 31, 2015**	Three months ended March 31, 2014
Gain on disposal of property, plant and equipment	**$ (98)**	$ (143)
Mine operating income	**98**	143
Expenses		
General and administrative	**638**	729
Care and maintenance	**2,336**	2,862
Care and maintenance depreciation	**509**	640
Share-based payments	**-**	9
Operating loss	**(3,385)**	(4,097)
Other income (expense)		
Interest income	**382**	527
Other income	**588**	419
Finance costs	**(192)**	(187)
Foreign exchange gain	**456**	25
Loss before income taxes	**(2,151)**	(3,313)
Income tax expense	**(61)**	(118)
Net loss for the period	**$ (2,212)**	$ (3,431)
Attributable to		
Non-controlling interest	**$ (483)**	$ (1,435)
Equity shareholders of the Company	**(1,729)**	(1,996)
Net loss for the period	**$ (2,212)**	$ (3,431)
Loss per share		
Basic and diluted	**$ (0.02)**	$ (0.02)
Weighted average number of common shares outstanding		
Basic and diluted	**92,601**	92,781
Consolidated statements of financial position	**March 31, 2015**	December 31, 2014
Total assets	**$ 250,377**	$ 268,321
Total long-term liabilities	**$ 13,422**	$ 13,916

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

Table 2

Selected quarterly data	**2015** Mar 31	**2014** Dec 31	**2014** Sept 30	**2014** June 30	**2014** Mar 31	**2013** Dec 31	**2013** Sept 30	**2013** June 30
Revenues	$ -	$ -	$ -	$ -	$ -	$ 539	$ 1,341	$ 16,561
Cost of operations	98	(129,294)	(348)	207	143	394	(2,759)	(175,119)
Mine operating (loss) earnings	98	(129,294)	(348)	207	143	933	(1,418)	(158,558)
Expenses (G&A, C&M and other)	(3,483)	(5,025)	(4,425)	(4,228)	(4,240)	(4,579)	(5,548)	(2,183)
Operating loss	(3,385)	(134,319)	(4,773)	(4,021)	(4,097)	(3,646)	(6,966)	(160,741)
Net loss attributable to equity shareholders of the Company	$ (1,729)	$ (118,680)	$ (2,456)	$ (1,889)	$ (1,996)	$ (1,559)	$ (4,617)	$ (139,710)
Loss per share - basic and diluted	$ (0.02)	$ (1.28)	$ (0.03)	$ (0.02)	$ (0.02)	$ (0.02)	$ (0.05)	$ (1.51)
Average foreign exchange rates								
South African Rand per US dollar	11.73	11.21	10.77	10.54	10.86	10.15	9.99	9.47
US dollar per Canadian dollar	0.8060	0.8803	0.9182	0.9173	0.9059	0.9527	0.9631	0.9770
Period end foreign exchange rates								
South African Rand per US dollar	12.12	11.54	11.30	10.62	10.53	10.50	10.06	9.88
US dollar per Canadian dollar	0.7895	0.8620	0.8929	0.9372	0.9046	0.9402	0.9706	0.9508

3.1 Sale of platinum group metals business to Hebei Zhongbo

On November 7, 2014, the Company entered into agreements with Hebei Zhongbo Platinum Co. Limited ("Hebei Zhongbo") whereby Hebei Zhongbo 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 $225,000,000 and estimated net proceeds of $175,522,000 (the "Acquisition"). Closing of the transaction is subject to certain conditions, including approval by the Company's shareholders and regulatory approvals from South Africa and the People's Republic of China.

On January 6, 2015, the Company reached an agreement with its minority interest partners to acquire a majority of their ownership interests in the Company's South African platinum group assets (the "Buy-Out"). The Buy-Out is required as part of the agreement reached with Hebei Zhongbo on November 7, 2014 and consideration for the Buy-Out is $25,737,000.

On February 5, 2015, the Company received shareholder approval for the Acquisition. Hebei Zhongbo also informed the Company that it had received all necessary regulatory approvals from the People's Republic of China in connection with this transaction. Closing of the transaction remains subject to certain other conditions, including the necessary regulatory approvals from South Africa.

On April 8, 2015, the Company and Hebei Zhongbo each lodged break fees of $11,250,000 with the Company's escrow agent. The break fees are payable as liquidated damages upon the occurrence of certain events of default under the Acquisition agreements. The Company has classified the break fees as restricted cash, part of cash and cash equivalents on the consolidated statement of financial position as at March 31, 2015.

The estimated net proceeds of the Acquisition to the Company, net of the Buy-Out, finder's fee and estimated transaction costs are as follows:

Gross proceeds from Hebei Zhongbo	$ 225,000,000
Less: Buy-Out	(25,737,000)
Net proceeds	199,263,000
Less: Finder's fee (Note 1)	(19,926,300)
Less: Alpha Global payment (Note 2)	(2,614,705)
Less: Estimated transaction costs (Note 3)	(1,200,000)
Net proceeds of the Acquisition	$ 175,521,995

Notes:

(1) On May 12, 2014, the Company and P.R. Finance Inc. entered into a Finder's Fee Agreement with respect to a potential transaction with the Hebei group of companies (the "Hebei Group"). The Finder's Fee Agreement provides for a finder's fee equal to 10% of the proceeds to the Company of any transaction involving the sale of the Company's South African assets to the Hebei Group, to companies related to the Hebei Group, or to other parties identified and subsequently introduced to the Company by P.R. Finance. In connection with this agreement, Hebei Zhongbo is a company in the Hebei Group. The finder's fee would be payable only upon the successful closing of such a sale.

(2) Pursuant to an agreement dated April 25, 2007 (the "Alpha Global Agreement") between Eastplats International Inc., a wholly-owned subsidiary of the Company, and Alpha Global Capital Inc. ("Alpha Global") an arm's-length third party, Alpha Global is entitled to receive ZAR30,797,464 (US$2,614,705 translated at an exchange rate of US$1.00:ZAR11.78) upon the closing of a Fundamental Transaction, defined in the Alpha Global Agreement (in the context of this Transaction) as the sale of "40% or more of the assets (as determined on a fair market value basis) of the combined or separate assets of the Company, Eastplats International Inc., their subsidiaries and/or affiliate entities (including Gubevu)".

(3) Estimated transaction costs are comprised mainly of legal fees, financial advisory fees, and costs for the special meeting of shareholders. As at March 31, 2015, the Company has incurred $468,000 in transaction costs which are considered as prepaid expenses and have been included in trade and other receivables in the statement of financial position.

Upon closing of the Acquisition, the Company will reclassify foreign exchange losses accumulated in the foreign currency translation reserve and losses allocated to non-controlling shareholders ($260,602,000 and $34,232,000 respectively as at March 31, 2015) to the consolidated statement of loss.

As a result of the Acquisition, the Company has been advised by the Toronto Stock Exchange ("TSX") that, on closing of the transaction, the Company will have up to 120 days to meet the original listing requirements of the TSX in order to maintain its current listing. Failing this, the Company's shares will be subject to delisting from the TSX. In such an event, the Company intends to make application to list on the TSX Venture Exchange so as to maintain a Canadian listing for its shares. The Company's shares will continue to be listed on the Johannesburg Stock Exchange on closing of the transaction.

3.2 Crocodile River Mine ("CRM")

CRM has been on care and maintenance since production ceased on August 1, 2013. Production will not resume until it is clear that the factors leading to the care and maintenance decision have changed. In the meantime, the Company is continuing to meet all its commitments with respect to its environmental management programs and the relevant aspects of its Social and Labour Plan. Care and maintenance costs are discussed under Section 3.3.

In Q1 2015, the Company sold certain of its property, plant and equipment assets at CRM and the Eastern Limb for total gross proceeds of $393,000 and an overall net gain of $98,000. These assets were not required during the care and maintenance phase.

In Q1 2015, the Company increased its environmental guarantee issued to the Department of Mineral Resources of South Africa by $200,000. The guarantee consists of money market funds investments and is issued in respect of the environmental rehabilitation liability at CRM and at the Eastern Limb.

3.3 Corporate and other expenses

General and administrative

General and administrative expenses ("G&A") are costs associated with the Company's Vancouver corporate head office and include legal and accounting, regulatory, executive management fees, investor relations, travel and consulting fees. Such costs are incurred in Canadian dollars. G&A decreased 12% from $729,000 in Q1 2014 to $638,000 in Q1 2015 mostly due to the effects of an 11% weakening of the Canadian dollar versus the U.S. dollar compared to Q1 2014 (Cdn.$1.00=U.S.$0.8060 during Q1 2015 and Cdn.$1.00=U.S.$0.9059 during Q1 2014).

Care and maintenance and care and maintenance depreciation

Care and maintenance costs are incurred when the Company suspends production for a project and reduces its expenditures to the minimum required to maintain the assets in good condition. Such costs consist of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, general and administrative expenses and other costs necessary to safeguard the assets of the project. The Company's Mareesburg and Kennedy's Vale concentrator project was placed on care and maintenance in Q4 2012 and CRM was placed on care and maintenance in Q3 2013. Quarterly costs have generally remained consistent since Q1 2014, the first full quarter of care and maintenance.

Care and maintenance costs decreased 18% from $2,862,000 in Q1 2014 to $2,336,000 in Q1 2015 as a result of a VAT refund of R4.8 million ($409,000) received by Rhodium Reefs Limited, a South African subsidiary of the Company, and as a result of an 8% weakening of the Rand versus the U.S. dollar compared to Q1 2014 (U.S.$1:00=R11.73 during Q1 2015 and U.S.$1:00=R10.86 during Q1 2014).

Care and maintenance depreciation consists of the depreciation expense related to assets belonging to a project that is currently on care and maintenance. Care and maintenance depreciation decreased from $640,000 in Q1 2014 to $509,000 in Q1 2015 as the undepreciated asset base was lower in Q1 2015 following the impairment charge taken in Q4 2014. Care and maintenance depreciation has also been generally consistent on a quarterly basis.

Interest income

Interest income recorded during Q1 2015 was $382,000 compared to $527,000 in Q1 2014. Interest income decreased due to the Company's lower cash balances compared to Q1 2014 as a result of cash spent on care and maintenance and general and administrative over the last 12 months. Also, the Company held more U.S. dollars during Q1 2015 compared to 2014 and U.S. cash balances attracted a lower interest rate than Canadian cash balances. At March 31, 2015, $25 million of the Company's cash balances were held in U.S. dollars.

Other income

Other income consists of rental income from company-owned residential properties on the Eastern Limb and at CRM as well as other types of income not directly related to operations. The Company recorded other income of $588,000 in Q1 2015 compared to $419,000 in Q1 2014. The increase in rental income coincided with the increase in the number of residential properties available for rental following the suspension of the Company's operations in late 2013.

Finance costs

Finance costs include interest accretion on the provision for environmental rehabilitation and miscellaneous interest charges. The Company recorded finance costs of $192,000 in Q1 2015 compared with $187,000 in Q1 2014.

Income tax

During the three months ended March 31, 2015 and 2014, the Company recorded a net income tax expense of $61,000 and $118,000, respectively. The expense relates to the origination and reversal of temporary differences which arose due to changes in the Company's net assets. The consolidated statement of financial position reflects total deferred tax liabilities of $3,888,000 which arose primarily as a result of the step-up to fair value of the net assets acquired on the Spitzkop and Mareesburg business acquisitions in prior years.

4. Liquidity and capital resources

At March 31, 2015, the Company had working capital of $68,226,000 (December 31, 2014 – $76,085,000) and cash and cash equivalents and short-term investments of $67,011,000 (December 31, 2014 – $75,404,000) in highly liquid, fully guaranteed, bank sponsored instruments.

Working capital, cash and cash equivalents, and short-term investments decreased during the three months ended March 31, 2015 as the Company incurred $638,000 in G&A and $2,336,000 in the care and maintenance of CRM and the Eastern Limb projects, offset by interest and other income of $970,000. The Company's working capital and cash position were also affected by fluctuations in the exchange rates particularly between the Canadian dollar and the U.S. dollar. Exchange rate fluctuations accounted for approximately $5.8 million in the decrease in working capital, cash and cash equivalents, and short-term investments, as the Canadian dollar weakened by 8% during the quarter ended March 31, 2015 compared to the U.S dollar, from Cdn.$1.00=US$0.8620 at December 31, 2014 to Cdn.$1.00=US$0.7895 at March 31, 2015. The South African Rand also weakened by 5% compared to the U.S. dollar since December 31, 2014.

The Company had no long-term debt outstanding at March 31, 2015, other than a provision for environmental rehabilitation relating to CRM, Kennedy's Vale and Spitzkop.

4.1 Outlook

As previously mentioned, on November 7, 2014, the Company entered into an agreement with Hebei Zhongbo whereby Hebei Zhongbo 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 $225,000,000 and estimated net proceeds of $175,522,000.

The Acquisition, if successfully completed, will result in the Company having cash and cash equivalents of approximately $240 million (approximately Cdn.$288 million) with no debt and no other significant assets. Upon closing of the Acquisition, the Company intends to consult with its major shareholders with respect to the use of proceeds from the transaction, including the possibility of declaring an agreed dividend. Any such dividend would be paid to shareholders as soon as practicable after the closing of the transaction and prior to any potential future transaction that the Company may enter into.

Although the Company's shareholders approved the Acquisition on February 5, 2015 and Hebei Zhongbo has received all necessary regulatory approvals from the People's Republic of China in connection with this Acquisition, there is no assurance that the Acquisition will be completed as anticipated, as closing of the transaction remains conditional upon the receipt of certain additional regulatory approvals from South Africa to be obtained by both parties.

If the Acquisition does not close, the Company would be forced to reassess the viability of its South African mine and development projects in light of the current PGM market.

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

The Company will continue to reassess the viability of funding CRM and to reinitiate development and production once conditions improve sufficiently to support such a decision. Should there be a sustained strengthening of PGM prices and marked improvement in the operating environment in South Africa, the Company believes it currently has sufficient cash resources that it can react quickly and ramp up activities at CRM.

Subject to adequate funding being available, development of the Mareesburg open pit mine and Kennedy's Vale concentrator project (the "Project"), which was suspended in mid-2012, can also be restarted once market and operating conditions support such recommencement. The Company does not have sufficient funds in the form of cash and short-term investments to complete the development and construction of the open-pit mine and concentrator when the Project is restarted. The Company had successfully negotiated a definitive facilities agreement in 2011 with UniCredit Bank AG, London Branch and Standard Finance (Isle of Man) Limited (a subsidiary of Standard Bank Group Limited) for a U.S.$100 million financing package that was to be used to part fund the development costs of the Project. Due to the suspension of the Project, the facilities agreement was terminated in 2012, but the Company and the banks had agreed to investigate the restructuring of the financing package when the Project is restarted. There is no assurance that a restructuring of the financing package will be available to the Company or, if available, that this funding will be on acceptable terms.

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

4.2 Impairment

The Company assesses the carrying values of its mineral properties for indication of impairment at the end of each quarter. As a result of the transaction with Hebei Zhongbo during the quarter ended December 31, 2014, the Company determined that the carrying values of CRM and its Eastern Limb projects exceeded the projects' fair value less costs to sell which was calculated based on the sale of assets agreement reached with Hebei Zhongbo (see section 3.1 above). This resulted in an impairment charge at December 31, 2014 of $59,229,000 that was allocated pro-rata amongst CRM's tangible assets owned ($45,925,000), intangible mineral properties being depleted ($12,804,000) and refining contract ($500,000). This also resulted in impairment charges of $22,015,000, $7,660,000, $31,935,000 and $9,155,000 being allocated pro-rata to the Kennedy's Vale plant and equipment owned and the Kennedy's Vale, Spitzkop and Mareesburg intangible mineral properties not being depleted, respectively.

The Company determined that no impairment or reversal impairment was required in Q1 2015.

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

4.3 Share capital

On July 15, 2014, pursuant to a special resolution passed by shareholders on June 12, 2014, the Company consolidated its common shares on a 1,000 old for 1 new basis (the "Consolidation"). Shareholders holding less than one full share post-Consolidation are entitled to a cash payment of Cdn.$0.11 per share of their holdings on a pre-Consolidation basis in lieu of a fractional share, such amount being equal to the average weighted trading price of the pre-Consolidated Shares on the Toronto Stock Exchange for the ten trading days preceding the effective date of the Consolidation, which was July 15, 2014. Following the Consolidation, the Company immediately completed a stock split on the basis of 1 old for 100 new, with fractional shares being rounded to the nearest whole number (the "Stock Split"). The Consolidation and Stock Split achieved a 10 to 1 consolidation (the "Effective Consolidation") and eliminated all of the shareholdings of less than 1,000 pre-Consolidation shares in exchange for the cash payment of Cdn.$0.11

(R1.04) per share. Prior to Effective Consolidation, the Company had 928,187,807 common shares issued and outstanding. As a result of the Effective Consolidation, the Company cancelled 179,749 common shares and had 92,639,032 common shares issued and outstanding.

During the three months ended March 31, 2015, the Company did not grant any stock options and there were no option exercises and forfeitures. Share-based payment expense recorded with regards to stock options vested amounted to $Nil in Q1 2015 and $9,000 in Q1 2014.

As at May 13, 2015, the Company had:

- 92,639,032 common shares outstanding;
- 12,056 treasury shares outstanding; and
- 3,201,900 stock options outstanding, which are exercisable at prices ranging from Cdn$1.90 to Cdn$23.10 per share and which expire between March 12, 2017 and January 8, 2018.

4.4 Contractual obligations, commitments and contingencies

The Company's major contractual obligations and commitments at March 31, 2015 were as follows:

Table 3

(in thousands of U.S. dollars)	Total	Less than 1 year	More than 5 years
Provision for environmental rehabilitation	$ 9,534	$ -	$ 9,534
Capital expenditure and purchase commitments contracted at March 31, 2015 but not recognized on the consolidated statement of financial position	9	9	-
	$ 9,543	$ 9	$ 9,534

In June 2011, the Company became aware that the law firm of Siskinds LLP of London, Ontario, had filed a "Notice of Application" under the Class Action Proceedings Act, 1992, in the Ontario Superior Court of Justice against the Company and three of its directors and officers. The Notice of Application asks the Court to grant leave to commence a lawsuit under the Securities Act of Ontario and other provinces in respect to certain alleged breaches of disclosure obligations. In July 2011, the Company and its officers and directors were served with court documents. On June 18, 2012, the Company was served with the applicant'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, he 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 has been scheduled for September 2015. The Company believes the proposed action has no merit and intends to continue to vigorously defend the action.

The Company is also subject to claims and legal proceedings arising in the ordinary course of business activities, each of which is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to the Company. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its financial statements. When evaluating legal proceedings that are pending against the Company, the Company and its legal counsel assess the perceived merits of the legal proceedings along with the perceived merits of the amount of relief sought. It is management's opinion that there are currently no other claims expected to have a material effect on the results of operations or financial condition of the Company.

5. Related party transactions

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

Table 4

(Expressed in thousands of U.S. dollars)	Three months ended March 31,			
	2015		2014	
Consulting fees	**$**	**26**	$	57
Management fees		**202**		228
General and administrative expenses		**35**		25
Mine contractor fees		**-**		54
	$	**263**	$	364

Management and consulting fees decreased from $285,000 in Q1 2014 to $228,000 in Q1 2015 as a result of a reduction in the use of consultants after CRM and the Eastern Limb projects were put in care and maintenance.

At March 31, 2015, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R681 million ($56,224,000) (December 31, 2014 – R668 million, $57,838,000), which has been fully provided for in the consolidated financial statements. The Company did not record any interest income with regards to this loan or receive cash from, or lend any further cash to Gubevu in the three months ended March 31, 2015 and 2014.

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

6. Adoption of accounting standards and accounting pronouncements under IFRS

6.1 Application of new and revised IFRSs

Effective January 1, 2015, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the International Accounting Standards Board ("IASB"). The application of these IASs and IFRICs did not have any material impact on the disclosures or amounts reported for the current or prior years but may affect the disclosures or presentation of future transactions or arrangements.

(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."

(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.

(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.

(iv) Amended standard IFRS 13 Fair Value Measurement
The amendment to IFRS 13 provides further details on the scope of the portfolio exception.

(v) Amended standard IAS 16 Property, Plant and Equipment
The amendment to IAS 16 deals with the proportionate restatement of accumulated depreciation on revaluation.

(vi) Amended standard IAS 24 Related Party Disclosures
The amendment to IAS 24 deals with the disclosure required for management entities.

(vii) Amended standard IAS 38 Intangible Assets
The amendment to IAS 38 deals with the proportionate restatement of accumulated depreciation on revaluation.

6.2 Accounting standards issued but not yet effective

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.

(a) 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 27 Separate Financial Statements*
  The amendments to IAS 27 reinstate the equity method as a method of accounting for investments in subsidiary, joint ventures and associates in an entity's separate financial statements.

- *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.

(b) *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*
  Partial 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.

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7. Internal control over financial reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, together with the Company's management, are responsible for the information disclosed in this MD&A and in the Company's other external disclosure documents. For the three months ended March 31, 2015 and 2014, the CEO and the CFO have designed, or caused to be designed under their supervision, the Company's disclosure controls and procedures ("DCP") to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries has been disclosed in accordance with regulatory requirements and good business practices and that the Company's DCP will enable the Company to meet its ongoing disclosure requirements.

The CEO and CFO have evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that the design and operation of the Company's DCP were effective as of March 31, 2015 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting ("ICFR") within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). Since 2009, the Company has used the services of an international accounting firm to act as the Company's internal auditors for its South African operations. Under the supervision, and with the participation, of the CEO and the CFO, management conducted an evaluation of the effectiveness of the Company's ICFR based on the 2013 framework developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, the CEO and the CFO concluded that the design and operation of the Company's ICFR were effective as at March 31, 2015.

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

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

There have been no changes in the Company's ICFR during the three months ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

8. Cautionary statement on forward-looking information

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

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

May 13, 2015

Ian Rozier