Condensed consolidated interim financial statements of

Eastern Platinum Limited

March 31, 2016
(Unaudited)

Eastern Platinum Limited
March 31, 2016
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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, 2016**		March 31, 2015
Expenses					
General and administrative		**$**	**1,907**	$	638
Care and maintenance	5(a)(b)(c)		**1,851**		2,336
Care and maintenance depreciation and amortization	5		**74**		509
Operating loss			**(3,832)**		(3,483)
Other income (expense)					
Gain on disposal of property, plant and equipment			**191**		98
Interest income			**201**		382
Other income			**465**		588
Finance costs	7		**(155)**		(192)
Foreign exchange (loss) gain			**(2,048)**		456
Loss before income taxes			**(5,178)**		(2,151)
Income tax recovery (expense)			**208**		(61)
Net loss for the period		**$**	**(4,970)**	$	(2,212)
Attributable to					
Non-controlling interest	8	**$**	**(359)**	$	(483)
Equity shareholders of the Company			**(4,611)**		(1,729)
Net loss for the period		**$**	**(4,970)**	$	(2,212)
Loss per share					
Basic and Diluted	9	**$**	**(0.05)**	$	(0.02)
Weighted average number of common shares outstanding in thousands					
Basic and Diluted	9		**92,599**		92,599

Approved and authorized for issue by the Board on May 12, 2016.

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

Eastern Platinum Limited

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

	Three months ended	
	March 31, 2016	March 31, 2015
Net loss for the period	**$ (4,970)**	$ (2,212)
Other comprehensive income (loss)		
Items that may subsequently be reclassified to loss or profit		
Exchange differences on translating foreign operations	**10,724**	(16,170)
Exchange differences on translating non-controlling interest	**(1,530)**	1,705
Comprehensive income (loss) for the period	**$ 4,224**	$ (16,677)
Attributable to		
Non-controlling interest	**$ (1,889)**	$ 1,222
Equity shareholders of the Company	**6,113**	(17,899)
Comprehensive income (loss) for the period	**$ 4,224**	$ (16,677)

Eastern Platinum Limited

Condensed consolidated interim statements of financial position as at
March 31, 2016 and December 31, 2015
(Expressed in thousands of U.S. dollars - unaudited)

	Note		March 31, 2016		December 31, 2015
Assets					
Current assets					
Cash and cash equivalents	10	**$**	**23,620**	$	8,283
Short-term investments	11		**29,078**		48,051
Trade and other receivables	12		**1,079**		1,159
Inventories	13		**1,900**		1,838
			55,677		59,331
Non-current assets					
Property, plant and equipment	5		**122,559**		116,733
Other assets	14		**8,602**		8,049
		$	**186,838**	$	184,113
Liabilities					
Current liabilities					
Trade and other payables	15	**$**	**1,449**	$	3,615
			1,449		3,615
Non-current liabilities					
Provision for environmental rehabilitation	16		**7,084**		6,590
Deferred tax liabilities			**2,661**		2,488
			11,194		12,693
Equity					
Issued capital	6		**1,230,171**		1,230,171
Treasury shares	6(c)		**(204)**		(204)
Equity-settled employee benefits reserve			**5,305**		5,305
Foreign currency translation reserve			**(297,744)**		(308,468)
Deficit			**(730,285)**		(725,674)
Capital and reserves attributable to equity shareholders of the Company			**207,243**		201,130
Non-controlling interest	8		**(31,599)**		(29,710)
			175,644		171,420
		$	**186,838**	$	184,113

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, 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**
Net loss	-	-	-	-	(17,886)	(17,886)	(3,255)	(21,141)
Currency translation adjustment	-	-	-	(47,866)	-	(47,866)	7,777	(40,089)
Total comprehensive loss	-	-	-	(47,866)	(17,886)	(65,752)	4,522	(61,230)
Balance, December 31, 2015	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (308,468)**	**$ (725,674)**	**$ 201,130**	**$ (29,710)**	**$ 171,420**
Net loss	-	-	-	-	(4,611)	(4,611)	(359)	(4,970)
Currency translation adjustment	-	-	-	10,724	-	10,724	(1,530)	9,194
Total comprehensive income (loss)	-	-	-	10,724	(4,611)	6,113	(1,889)	4,224
Balance, March 31, 2016	**$ 1,230,171**	**$ (204)**	**$ 5,305**	**$ (297,744)**	**$ (730,285)**	**$ 207,243**	**$ (31,599)**	**$ 175,644**

Eastern Platinum Limited

Condensed consolidated interim statements of cash flows

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

	Note	Three months ended March 31, 2016	March 31, 2015
Operating activities			
Loss before income taxes		**$ (5,178)**	$ (2,151)
Adjustments to net loss for non-cash items			
Care and maintenance depreciation	5	**74**	509
Gain on disposal of property, plant and equipment		**(191)**	(98)
Interest income		**(201)**	(382)
Finance costs	7	**155**	192
Foreign exchange (gain) loss		**2,048**	(456)
Net changes in non-cash working capital items			
Trade and other receivables		**22**	(249)
Inventories		**29**	15
Trade and other payables		**(414)**	(466)
Cash used in operations		**(3,656)**	(3,086)
Adjustments to net loss for cash items			
Interest income received		**315**	558
Finance costs paid		**(3)**	-
Taxes paid		**(1,549)**	(65)
Net operating cash flows		**(4,893)**	(2,593)
Investing activities			
Net purchases and redemptions of short-term investments		**19,932**	16,260
Increase in other assets		**(138)**	(417)
Property, plant and equipment expenditures		**(48)**	(10)
Disposal of property, plant and equipment		**200**	393
Net investing cash flows		**19,946**	16,226
Effect of exchange rate changes on cash and cash equivalents		**284**	(1,408)
Increase in cash and cash equivalents		**15,337**	12,225
Cash and cash equivalents, beginning of period		**8,283**	13,966
Cash and cash equivalents, end of period		**$ 23,620**	$ 26,191

1. Nature of operations

Eastern Platinum Limited (the "Company") is a platinum group metal ("PGM") company engaged in the mining, exploration and development of PGM properties located in various provinces in South Africa. Since August 2013, the Company's projects have been either in care and maintenance or on hold.

Eastern Platinum Limited is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the Toronto Stock Exchange and the Johannesburg Stock Exchange. The head office, principal address and records office of the Company are located at 250 – 1075 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3C9. The Company's registered address is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

2. Basis of preparation

(a) *Statement of compliance*

These 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, 2016, the Company does not have any producing operations and does not generate income other than interest and other income which is insufficient to cover the Company's general and administrative, and care and maintenance expenses. However, as at March 31, 2016 and at May 11, 2016, the Company has sufficient funds to satisfy its commitments for more than one year. Additional funding will be required to develop and bring the Eastern Limb projects into commercial production. There can be no assurance that additional funding will be available to the Company when needed or, if available, that this funding will be on acceptable terms.

(c) *Judgments and estimates*

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

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

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(w) and 4(x) of the Company's audited consolidated financial statements for the year ended December 31, 2015.

3. Application of new and revised International Financial Reporting Standards

Effective January 1, 2016, the Company adopted the following new and amended IFRSs that were issued by the IASB:

(i) Amended standard IAS 1, *Presentation of Financial Statements*
The amendments to IAS 1 deal with clarification of materiality in terms of the presentation of financial statements, clarification of the disclosure required in the statement of financial position, statement of loss and statement of other comprehensive income, and addition of possible ways of ordering the notes in order to increase the understandability and comparability of the financial statements. 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 standards IAS 16*, Property, Plant and Equipment* and IAS 38*, Intangibles*
The amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" prohibit the use of revenue-based depreciation for plant and equipment and significantly limit the use of revenue-based amortization for intangible assets. The application of these amendments 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 11*, Joint Arrangements*
The amendments to IFRS 11 deal with the accounting for acquisitions of an interest in a joint operation. The application of this amendment did not have any impact for the current or prior years but may affect the disclosure required in the future.

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, 2015, 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, 2015.

Accounting standards issued but not yet effective:

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

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

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

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

4. Summary of significant accounting policies (continued)

Accounting standards issued but not yet effective (continued)

(v) New standard IFRS 15*, Revenue from Contracts with Customers*
IFRS 15 provides guidance on how and when revenue from contracts with customers is to be recognized, along with new disclosure requirements in order to provide financial statement users with more informative and relevant information. Effective sate January 1, 2018.

(vi) New standard IFRS 16*, Leases*
Effective for annual periods commencing on or after January 1, 2019, this replaces existing lease accounting guidance. All leases will be required to be reported on the statement of financial position unless certain requirements for exclusion are met.

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

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

5. Property, plant and equipment

	Plant and equipment owned	Mineral properties being depleted	Mineral properties not being depleted	Residential properties	Properties and land	TOTAL
Cost						
Balance as at December 31, 2014	**$ 410,764**	**$ 87,920**	**$ 358,029**	**$ 13,682**	**$ 4,206**	**$ 874,601**
Assets acquired	182	-	-	-	-	182
Environmental asset capitalized	(1,364)	-	(74)	-	-	(1,438)
Assets disposed	-	-	-	(196)	(210)	(406)
Foreign exchange movement	(104,084)	(22,295)	(90,784)	(3,425)	(1,016)	(221,604)
Balance as at December 31, 2015	**$ 305,498**	**$ 65,625**	**$ 267,171**	**$ 10,061**	**$ 2,980**	**$ 651,335**
Assets acquired	48	-	-	-	-	48
Assets disposed	(925)	-	-	(15)	-	(940)
Foreign exchange movement	15,288	3,299	13,429	505	150	32,671
Balance as at March 31, 2016	**$ 319,909**	**$ 68,924**	**$ 280,600**	**$ 10,551**	**$ 3,130**	**$ 683,114**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2014	**$ 316,807**	**$ 72,674**	**$ 305,824**	**$ 1,790**	**$ 533**	**$ 697,628**
Depreciation	581	-	-	124	-	705
Depreciation of disposed assets	-	-	-	(39)	-	(39)
Impairment loss	12,072	(581)	3,023	-	-	14,514
Foreign exchange movement	(81,428)	(18,381)	(77,796)	(466)	(135)	(178,206)
Balance as at December 31, 2015	**$ 248,032**	**$ 53,712**	**$ 231,051**	**$ 1,409**	**$ 398**	**$ 534,602**
Depreciation	49	-	-	25	-	74
Depreciation of disposed assets	(923)	-	-	(6)	-	(929)
Foreign exchange movement	12,404	2,699	11,614	71	20	26,808
Balance as at March 31, 2016	**$ 259,562**	**$ 56,411**	**$ 242,665**	**$ 1,499**	**$ 418**	**$ 560,555**
Carrying amounts						
At December 31, 2014	$ 93,957	$ 15,246	$ 52,205	$ 11,892	$ 3,673	$ 176,973
At December 31, 2015	$ 57,466	$ 11,913	$ 36,120	$ 8,652	$ 2,582	$ 116,733
At March 31, 2016	**$ 60,347**	**$ 12,513**	**$ 37,935**	**$ 9,052**	**$ 2,712**	**$ 122,559**

Eastern Platinum Limited

Notes to the consolidated financial statements
(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

5. Property, plant and equipment (continued)

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

	Crocodile River Mine (a)	Kennedy's Vale Project and Concentrator (b)	Spitzkop PGM Project (c)	Mareesburg Project (c)	Other property plant and equipment	TOTAL
Cost						
Balance as at December 31, 2014	**$ 407,990**	**$ 364,765**	**$ 81,631**	**$ 20,089**	**$ 126**	**$ 874,601**
Assets acquired	177	2	-	-	3	182
Environmental asset capitalized	(794)	(570)	(74)	-	-	(1,438)
Assets disposed	(283)	(123)	-	-	-	(406)
Foreign exchange movement	(103,327)	(92,464)	(20,693)	(5,098)	(22)	(221,604)
Balance as at December 31, 2015	**$ 303,763**	**$ 271,610**	**$ 60,864**	**$ 14,991**	**$ 107**	**$ 651,335**
Assets acquired	48	-	-	-	-	48
Assets disposed	(938)	-	-	-	(2)	(940)
Foreign exchange movement	15,200	13,652	3,059	753	7	32,671
Balance as at March 31, 2016	**$ 318,073**	**$ 285,262**	**$ 63,923**	**$ 15,744**	**$ 112**	**$ 683,114**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2014	**$ 345,920**	**$ 282,939**	**$ 54,094**	**$ 14,551**	**$ 124**	**$ 697,628**
Depreciation	401	304	-	-	-	705
Depreciation of disposed assets	(27)	(12)	-	-	-	(39)
Impairment loss	(17,385)	28,876	3,023	-	-	14,514
Foreign exchange movement	(86,369)	(74,163)	(13,964)	(3,689)	(21)	(178,206)
Balance as at December 31, 2015	**$ 242,540**	**$ 237,944**	**$ 43,153**	**$ 10,862**	**$ 103**	**$ 534,602**
Depreciation	30	44	-	-	-	74
Depreciation of disposed assets	(929)	-	-	-	-	(929)
Foreign exchange movement	12,123	11,963	2,169	546	7	26,808
Balance as at March 31, 2016	**$ 253,764**	**$ 249,951**	**$ 45,322**	**$ 11,408**	**$ 110**	**$ 560,555**
Carrying amounts						
At December 31, 2014	$ 62,070	$ 81,826	$ 27,537	$ 5,538	$ 2	$ 176,973
At December 31, 2015	$ 61,223	$ 33,666	$ 17,711	$ 4,129	$ 4	$ 116,733
At March 31, 2016	**$ 64,309**	**$ 35,311**	**$ 18,601**	**$ 4,336**	**$ 2**	**$ 122,559**

5. Property, plant and equipment (continued)

(a) Crocodile River Mine ("CRM")

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

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

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

(c) Spitzkop PGM Project and Mareesburg Project

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project and an 87% interest in the Mareesburg Project. The Company currently acts as the operator of both the Mareesburg Platinum Project and the Spitzkop PGM Project, both located on the eastern limb of the Bushveld Complex. The Spitzkop PGM Project was planned to be developed after the Mareesburg Project went into production. The Mareesburg Project, which was being developed in conjunction with the construction of the concentrator located on the KV property, has been on full care and maintenance since the fourth quarter of 2012.

(d) Impairment of property, plant and equipment

(i) Quarter ended March 31, 2016

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 there were no indicators of impairment as at March 31, 2016.

(ii) Year ended December 31, 2015

As at December 31, 2015, the Company assessed the carrying values of its mineral properties for indication of impairment or reversal of impairment. Although PGM prices, the global economy and the operating environment in South Africa remained stagnant in 2015 and were potential indicators of impairment, the strengthening of the U.S. dollar throughout 2015 was a mitigating factor and an indication of reversal of impairment. The Company's share price declined in the second half of 2015 and as at December 31, 2015, the Company's market capitalization was below its book value and this was an indicator of impairment.

The Company determined the carrying values of its mineral properties at December 31, 2015 based on discounted net present value cash flow ("NPV") models. The Company considered the NPV valuation to be fair value less costs to sell. For the purposes of the valuation, the Company identified CRM as one cash-generating unit and the Spitzkop, Mareesburg and Kennedy's Vale projects (collectively the "Eastern Limb" projects) as one cash-generating unit. There was no change to the composition of CGUs compared to the prior years.

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

5. Property, plant and equipment (continued)

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

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

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

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

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

6. Issued capital

(a) Authorized

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

(b) Issued and outstanding

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

(c) Treasury shares

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

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

6. Issued capital (continued)

(d) Share options

The Company has an incentive plan (the "2014 Plan"), approved by the Company's shareholders at its annual general meeting held on June 12, 2014, under which options to purchase common shares may be granted to its directors, officers, employees and others at the discretion of the Board of Directors. Under the terms of the 2014 Plan:

- 7,515,293 common shares were initially reserved for issuance upon the exercise of options, of which 4,313,393 remain available for issuance at March 31, 2016.
- 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

As at March 31, 2016 and December 31, 2015, the Company had 3,201,900 share options outstanding at a weighted average exercise price of Cdn$2.85. There were no changes in share options during the three months ended March 31, 2016 and the year ended December 31, 2015.

There were no options granted and vested during the three months ended March 31, 2016 resulting in share-based payment expense of $Nil (three months ended March 31, 2015 – $Nil), respectively.

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

There were no share options granted during the three months ended March 31, 2016 or the year ended December 31, 2015.

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

The following table summarizes information concerning outstanding and exercisable options at March 31, 2016:

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn$		
664,400	664,400	6.00	0.95	March 12, 2017
15,000	15,000	23.10	1.52	October 5, 2017
2,522,500	2,522,500	1.90	1.78	January 8, 2018
3,201,900	3,201,900		1.60	

The weighted average exercise price of options exercisable at March 31, 2016 is Cdn$2.85.

7. Finance costs

	Three months ended March 31, 2016	Three months ended March 31, 2015
Interest on provision for environmental rehabilitation	**$ 152**	$ 192
Other interest	**3**	-
	$ 155	$ 192

8. 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 19(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, 2014	$ (35,454)
Non-controlling interests' share of loss in Barplats	(3,738)
Foreign exchange movement	9,482
Balance, December 31, 2015	$ (29,710)
Non-controlling interests' share of loss in Barplats	(359)
Foreign exchange movement	(1,530)
Balance, March 31, 2016	**$ (31,599)**

9. Loss per share

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

	Three months ended March 31, 2016	Three months ended March 31, 2015
	(in thousands)	
Weighted average number of ordinary shares used in the calculation of basic loss per share	**92,599**	92,599
Shares deemed to be issued for no consideration in respect of options	**-**	-
Weighted average number of ordinary used in the calculation of diluted loss per share	**92,599**	92,599

The loss used to calculate basic and diluted loss per share for the three months ended March 31, 2016 was $4,611 (three months ended March 31, 2015 – $1,729), respectively.

The following potential ordinary shares, outstanding at March 31, 2016 and December 31, 2015, are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

9. Loss per share (continued)

	Three months ended	
	March 31, 2016	March 31, 2015
	(in thousands)	
Options	**3,202**	3,202

10. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	March 31, 2016	December 31, 2015
Cash in bank	**$ 18,322**	$ 7,412
Money market instruments	**5,298**	871
	$ 23,620	$ 8,283

11. Short-term investments

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

Balance, December 31, 2014	$ 61,438
Additional investments	64,875
Redemptions	(72,693)
Foreign exchange movement	(5,569)
Balance, December 31, 2015	$ 48,051
Additional investments	25,429
Redemptions	(45,546)
Foreign exchange movement	1,144
Balance, March 31, 2016	**$ 29,078**

12. Trade and other receivables

Trade and other receivables are comprised of the following:

	March 31, 2016	December 31, 2015
Trade receivables	**$ 298**	$ 277
VAT receivable	**722**	663
Other receivables	**608**	725
Allowance for doubtful debts for other receivables	**(549)**	(506)
	$ 1,079	$ 1,159

13. Inventories

At March 31, 2016, inventories consist of consumables of $1,900 ($1,838 at December 31, 2015).

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

14. Other assets

Other assets consists of a money market fund investment that is classified as available-for-sale and serves as security for a guarantee issued to the Department of Mineral Resources of South Africa in respect of the environmental rehabilitation liability (Note 16). Changes to other assets for the three months ended March 31, 2016 and the year ended December 31, 2015 are as follows:

Balance, December 31, 2014	$	9,723
Additional investment		570
Service fees		(169)
Interest income		590
Foreign exchange movement		(2,665)
Balance, December 31, 2015	$	8,049
Additional investment		46
Service fees		(70)
Interest income		162
Foreign exchange movement		415
Balance, March, 2016	**$**	**8,602**

15. Trade and other payables

		2016		2015
Trade payables	**$**	**564**	$	503
Accrued liabilities		**205**		412
Other		**680**		2,700
	$	**1,449**	$	3,615

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

16. Provision for environmental rehabilitation

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

The provision for environmental rehabilitation at March 31, 2016 is ZAR 104,314 ($7,084) (December 31, 2015 – ZAR 101,912 ($6,590)). The provision was determined using an inflation rate of 6.67% (December 31, 2015 – 6.67%) and an estimated life of mine of 16 years for Zandfontein (December 31, 2015 – 16 years), 8 years for Maroelabult (December 31, 2015 – 8 years), 10 years for Crocette (December 31, 2015 – 10 years), 23 years for Kennedy's Vale (December 31, 2015 – 23 years) and 23 years for Spitzkop (December 31, 2015 – 23 years). A discount rate of 9.43% was used (December 31, 2015 – 9.43%). A guarantee of $8,602 (December 31, 2015 - $8,049) has been issued to the Department of Mineral Resources (Note 14). The guarantee will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine. The undiscounted value of this liability is approximately ZAR 538,982 ($36,598) (December 31, 2015 – ZAR 538,982 ($34,872)).

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

16. Provision for environmental rehabilitation (continued)

Changes to the environmental rehabilitation provision are as follows:

Balance, December 31, 2014	$	9,816
Revision in estimates		(1,438)
Interest expense		711
Foreign exchange movement		(2,499)
Balance, December 31, 2015	$	6,590
Interest expense (Note 7)		152
Foreign exchange movement		342
Balance, March 31, 2016	**$**	**7,084**

17. Commitments

The Company has committed to capital expenditures in South Africa of approximately ZAR 596 ($40) as at March 31, 2016 (December 31, 2015 – ZAR 517 ($33)), all of which are expected to be payable by December 31, 2016.

18. Retirement benefit plans

The Barplats Provident Fund is an independent, defined contribution plan administered by Liberty Life Limited in South Africa. The costs associated with the defined contribution plan included in net loss for the three months ended March 31, 2016 were $47 (three months ended March 31, 2015 - $73), respectively. The total number of employees in the plan at March 31, 2016 was 72 (December 31, 2015 – 99).

19. Related party transactions

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

(a) Trading transactions

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

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

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.

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

19. Related party transactions (continued)

	Note	Three months ended March31, 2016	2015
Consulting fees	(i)	**$ 23**	$ 26
General and administrative expenses		**12**	26
Management fees	(ii)	**1,574**	202
		$ 1,609	$ 254

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

(ii) On January 31, 2016, Ian Rozier stepped down as President and Chief Executive Officer ("CEO") of the Company and David Cohen, Chairman of the Company, assumed the role of President and CEO. Mr. Rozier remained as a director of the Company. Mr. Rozier's services were provided pursuant to a management services contract with Buccaneer Management Inc. ("Buccaneer"), a private company controlled by Mr. Rozier. In accordance with the management services contract, Buccaneer was paid a termination amount of Cdn$1,980 ($1,442) on January 31, 2016.

(iii) At March 31, 2016, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of ZAR743,450 ($50,449) (December 31, 2015 – ZAR726,801, $46,972). This loan is secured by Gubevu's interest in Barplats, bears interest at the Johannesburg Interbank Agreed Rate ("JIBAR") + 3% and has been provided for in full. The Company did not record any interest income with regards to this loan or receive cash from, or lend any further cash to, Gubevu in the three months ended March 31, 2016 and 2015. For further details, please refer to Note 8.

Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2016 included $5 (December 31, 2015 - $13) which was due to private companies controlled by officers and directors of the Company. Accounts receivable at March 31, 2016 included $36 (December 31, 2015 - $31) due from Remington Resources Inc. which reimburses the Company for certain general and administrative expenses which the Company incurred on behalf of Remington Resources Inc.

(b) Compensation of key management personnel

Remuneration and directors' fees include consulting and management fees disclosed in Note 19(a). The remuneration of directors and other key members of management personnel for the three months ended March 31, 2016 and 2015 was $1,642 and $273, respectively. As noted above, the total compensation figure for the first quarter of 2016 includes a termination payment of $1,442.

Key management personnel were not paid share-based payments, post-employment benefits or other long-term benefits during the three months ended March 31, 2016 and 2015.

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

20. Segmented Information

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

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

	Three months ended March 31, 2016							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Property, plant and equipment expenditures	$ 48	$ -	$ -	$ -	$ 48	$ -	$ -	$ 48
Cost of property, plant and equipment disposals	938	-	-	-	938	-	2	940
Gain on disposal of property, plant and equipment	191	-	-	-	191	-	-	191
General and administrative expenses	-	-	-	-	-	(8)	(1,899)	(1,907)
Care and maintenance	(1,652)	(187)	(11)	(1)	(1,851)	-	-	(1,851)
Care and maintenance depreciation and amortization	(30)	(44)	-	-	(74)	-	-	(74)
Interest income	108	3	-	-	111	-	90	201
Other income	329	136	-	-	465	-	-	465
Finance costs	(108)	(42)	(5)	-	(155)	-	-	(155)
Foreign exchange loss	(4)	-	-	-	(4)	(2)	(2,042)	(2,048)
Loss before income taxes	(1,166)	(134)	(16)	(1)	(1,317)	(10)	(3,851)	(5,178)
Income tax recovery (expense)	227	-	(9)	-	218	(10)	-	208
Net loss	$ (939)	$ (134)	$ (25)	$ (1)	$ (1,099)	$ (20)	$ (3,851)	$ (4,970)

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

20. Segmented Information (continued)

(b) Geographic segments (continued)

	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)

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

20. Segmented Information (continued)

(b) Geographic segments (continued)

	March 31, 2016							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets	$ 2,911	$ 155	$ 1	$ -	$ 3,067	$ 11	$ 52,599	$ 55,677
Property, plant and equipment	64,309	35,311	18,601	4,336	122,557	-	2	122,559
Other assets	8,602	-	-	-	8,602	-	-	8,602
	$ 75,822	$ 35,466	$ 18,602	$ 4,336	$ 134,226	$ 11	$ 52,601	$ 186,838
Liabilities								
Current liabilities	$ 1,002	$ 56	$ (7)	$ 22	$ 1,073	$ 23	$ 353	$ 1,449
Provision for environmental rehabilitation	4,899	1,933	252	-	7,084	-	-	7,084
Deferred tax liabilities	-	-	780	-	780	1,881	-	2,661
	$ 5,901	$ 1,989	$ 1,025	$ 22	$ 8,937	$ 1,904	$ 353	$ 11,194
Net assets (liabilities)	$ 69,921	$ 33,477	$ 17,577	$ 4,314	$ 125,290	$ (1,893)	$ 52,248	$ 175,644

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

20. Segmented Information (continued)

(b) Geographic segments (continued)

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

(c) Revenue

The Company’s primary product is platinum group metals (“PGM”) and its by-product is chrome. No revenues were recorded in the three months ended March 31, 2016 and 2015.

(All monetary amounts expressed in thousands, and in U.S. currency unless otherwise indicated)

21. Financial instruments

(a) *Management of capital risk*

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

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

The Company is not subject to externally imposed capital requirements.

(b) *Categories of financial instruments*

	March 31, 2016	December 31, 2015
Financial assets		
Loans and receivables		
Cash and cash equivalents	**$ 18,620**	$ 8,283
Trade and other receivables	**1,079**	1,159
Available for sale financial assets		
Short-term investments	**34,078**	48,051
Other assets	**8,602**	8,049
	$ 62,379	$ 65,542
Financial liabilities		
Other financial liabilities		
Trade and other payables	**$ 1,449**	$ 3,615
	$ 1,449	$ 3,615

(c) *Fair value of financial instruments*

(i) *Fair value estimation of financial instruments*

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

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

Trade receivables are settled three to five months following the physical delivery of the PGM's and are adjusted to prices of the metals at the end of the settlement period. At each period end, the Company's trade receivables are marked to market based on the PGM forward prices quoted in the active market. For the three months ended March 31, 2016 and 2015, there were no revenues and no provisional price adjustments recorded. At March 31, 2016, there were no financial assets or liabilities recognized at fair value on a non-recurring basis.

21. Financial instruments (continued)

(c) Fair value of financial instruments (continued)

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

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

The Company's trade receivables, short-term investments, and other assets are measured subsequent to initial recognition at fair value and are Level 2 financial instruments at March 31, 2016 and 2015. The fair value of short-term investments is assessed using estimated discounted cash flows based on forward interest rates derived from observable yield curves at the end of the reporting period. At each period end, the Company's trade receivables are marked to market based on the PGM forward prices quoted in the active market. There were no transfers between levels during the three months ended March 31, 2016 and 2015.