Condensed consolidated interim financial statements of

Eastern Platinum Limited

June 30, 2014
(Unaudited)

Eastern Platinum Limited

June 30, 2014

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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 June 30, 2014	Three months ended June 30, 2013 (Note 2(c))	Six months ended June 30, 2014	Six months ended June 30, 2013 (Note 2(c))
Revenue	21(c)	**$ -**	$ 16,561	**$ -**	$ 29,903
Cost of operations					
Production costs		**-**	25,274	**-**	43,333
Depletion and depreciation	5	**-**	2,369	**-**	4,591
Impairment		**-**	147,787	**-**	147,787
Gain on disposal of property, plant and equipment		**(207)**	(311)	**(350)**	(581)
		(207)	175,119	**(350)**	195,130
Mine operating income (loss)		**207**	(158,558)	**350**	(165,227)
Expenses					
General and administrative		**743**	1,702	**1,472**	3,400
Care and maintenance	5(a)(b)(c)	**2,904**	383	**5,766**	769
Care and maintenance depreciation and amortization	5 & 14	**572**	45	**1,212**	108
Share-based payments	6(e)(f)	**9**	52	**18**	3,142
		4,228	2,182	**8,468**	7,419
Operating loss		**(4,021)**	(160,740)	**(8,118)**	(172,646)
Other income (expense)					
Interest income		**521**	458	**1,048**	1,002
Other income		**555**	803	**974**	1,124
Finance costs	7	**(196)**	(235)	**(383)**	(497)
Foreign exchange (loss) gain		**(28)**	1,425	**(3)**	(393)
Loss before income taxes		**(3,169)**	(158,289)	**(6,482)**	(171,410)
Income tax expense		**(99)**	(252)	**(217)**	(197)
Net loss for the period		**$ (3,268)**	$ (158,541)	**$ (6,699)**	$ (171,607)
Attributable to					
Non-controlling interest	8	**$ (1,379)**	$ (18,831)	**$ (2,814)**	$ (20,931)
Equity shareholders of the Company		**(1,889)**	(139,710)	**(3,885)**	(150,676)
Net loss for the period		**$ (3,268)**	$ (158,541)	**$ (6,699)**	$ (171,607)
Loss per share					
Basic	6(b) & 9	**$ (0.02)**	$ (1.51)	**$ (0.04)**	$ (1.62)
Diluted	6(b) & 9	**$ (0.02)**	$ (1.51)	**$ (0.04)**	$ (1.62)
Weighted average number of common shares outstanding in thousands					
Basic	6(b) & 9	**92,781**	92,781	**92,781**	92,781
Diluted	6(b) & 9	**92,781**	92,781	**92,781**	92,781

Approved and authorized for issue by the Board on August 13, 2014.

"David Cohen" ***"Robert Gayton"***

Eastern Platinum Limited

Condensed consolidated interim statements of comprehensive loss

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Net loss for the period	**$ (3,268)**	$ (158,541)	**$ (6,699)**	$ (171,607)
Other comprehensive (loss)				
Items that may subsequently be reclassified to loss or profit				
Exchange differences on translating foreign operations	**-**	(36,787)	**(4,387)**	(83,157)
Exchange differences on translating non-controlling interest	**281**	1,684	**320**	2,591
Comprehensive loss for the period	**$ (2,987)**	$ (193,644)	**$ (10,766)**	$ (252,173)
Attributable to				
Non-controlling interest	**(1,098)**	(17,147)	**(2,494)**	(18,340)
Equity shareholders of the Company	**(1,889)**	(176,497)	**(8,272)**	(233,833)
Comprehensive loss for the period	**$ (2,987)**	$ (193,644)	**$ (10,766)**	$ (252,173)

Eastern Platinum Limited

Condensed consolidated interim statements of financial position as at
June 30, 2014 and December 31, 2013
(Expressed in thousands of U.S. dollars - unaudited)

	Note		**June 30, 2014**		**December 31, 2013**
Assets					
Current assets					
Cash and cash equivalents	10	**$**	**2,082**	$	14,489
Short-term investments	11		**85,215**		78,471
Trade and other receivables	12		**3,612**		3,608
Inventories	13		**2,731**		2,777
			93,640		99,345
Non-current assets					
Property, plant and equipment	5		**331,020**		336,628
Refining contract	14		**1,551**		2,095
Other assets	15		**9,869**		9,180
		$	**436,080**	$	447,248
Liabilities					
Current liabilities					
Trade and other payables	16	**$**	**5,333**	$	6,086
			5,333		6,086
Non-current liabilities					
Provision for environmental rehabilitation	17		**9,693**		9,414
Deferred tax liabilities			**16,857**		16,803
			31,883		32,303
Equity					
Issued capital	6		**1,230,358**		1,230,358
Treasury shares	6(d)(f)		**(204)**		(204)
Equity-settled employee benefits reserve			**5,287**		5,334
Foreign currency translation reserve			**(212,807)**		(208,420)
Deficit			**(584,923)**		(581,103)
Capital and reserves attributable to equity shareholders of the Company			**437,711**		445,965
Non-controlling interest	8		**(33,514)**		(31,020)
			404,197		414,945
		$	**436,080**	$	447,248

See accompanying notes to the unaudited condensed consolidated interim financial statements

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 (Note 2(c))	Deficit	Capital and reserves attributable to equity shareholders of the Company	Non-controlling interest	Equity
Balance, December 31, 2012	**$ 1,230,358**	**$ (204)**	**$ 8,991**	**$ (102,163)**	**$ (431,114)**	**$ 705,868**	**$ (11,410)**	**$ 694,458**
Net loss	-	-	-	-	(150,676)	(150,676)	(20,931)	(171,607)
Currency translation adjustment	-	-	-	(83,157)	-	(83,157)	2,591	(80,566)
Total comprehensive loss	-	-	-	(83,157)	(150,676)	(233,833)	(18,340)	(252,173)
Share-based payments	-	-	3,142	-	-	3,142	-	3,142
Transfer	-	-	(237)	-	237	-	-	-
Balance, June 30, 2013	**$ 1,230,358**	**$ (204)**	**$ 11,896**	**$ (185,320)**	**$ (581,553)**	**$ 475,177**	**$ (29,750)**	**$ 445,427**
Net loss	-	-	-	-	(6,176)	(6,176)	(3,148)	(9,324)
Currency translation adjustment	-	-	-	(23,100)	-	(23,100)	1,878	(21,222)
Total comprehensive loss	-	-	-	(23,100)	(6,176)	(29,276)	(1,270)	(30,546)
Share-based payments	-	-	64	-	-	64	-	64
Transfer	-	-	(6,626)	-	6,626	-	-	-
Balance, December 31, 2013	**$ 1,230,358**	**$ (204)**	**$ 5,334**	**$ (208,420)**	**$ (581,103)**	**$ 445,965**	**$ (31,020)**	**$ 414,945**
Net loss	-	-	-	-	(3,885)	(3,885)	(2,814)	(6,699)
Currency translation adjustment	-	-	-	(4,387)	-	(4,387)	320	(4,067)
Total comprehensive loss	-	-	-	(4,387)	(3,885)	(8,272)	(2,494)	(10,766)
Share-based payments	-	-	18	-	-	18	-	18
Transfer	-	-	(65)	-	65	-	-	-
Balance, June 30, 2014	**$ 1,230,358**	**$ (204)**	**$ 5,287**	**$ (212,807)**	**$ (584,923)**	**$ 437,711**	**$ (33,514)**	**$ 404,197**

Eastern Platinum Limited

Condensed consolidated interim statements of cash flows

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

	Note	Three months ended June 30, 2014	Three months ended June 30, 2013	Six months ended June 30, 2014	Six months ended June 30, 2013
Operating activities					
Loss before income taxes		**$ (3,169)**	$ (158,289)	**$ (6,482)**	$ (171,410)
Adjustments to net loss for non-cash items					
Depletion and depreciation	5	**310**	2,414	**696**	4,699
Impairment		**-**	147,787	**-**	147,787
Gain on disposal of property, plant and equipment		**(207)**	(311)	**(350)**	(581)
Refining contract amortization	14	**262**	291	**516**	600
Share-based payments	6(e)(f)	**9**	52	**18**	3,142
Interest income		**(521)**	(458)	**(1,048)**	(1,002)
Finance costs	7	**196**	235	**383**	497
Foreign exchange loss (gain)		**28**	(1,425)	**3**	393
Net changes in non-cash working capital items					
Trade and other receivables		**107**	(61)	**268**	306
Inventories		**13**	1,128	**16**	1,076
Trade and other payables		**(328)**	3,072	**(402)**	3,020
Cash used in operations		**(3,300)**	(5,565)	**(6,382)**	(11,473)
Adjustments to net loss for cash items					
Interest income received		**352**	612	**735**	989
Finance costs paid		**-**	(50)	**-**	(94)
Taxes received		**27**	427	**48**	892
Net operating cash flows		**(2,921)**	(4,576)	**(5,599)**	(9,686)
Investing activities					
Net purchase of short-term investments		**(1,642)**	(10,747)	**(6,782)**	(892)
Increase in other assets		**(345)**	(467)	**(783)**	(1,004)
Property, plant and equipment expenditures		**(50)**	(3,917)	**(122)**	(8,921)
Disposal of property, plant and equipment		**573**	543	**1,356**	1,068
Net investing cash flows		**(1,464)**	(14,588)	**(6,331)**	(9,749)
Effect of exchange rate changes on cash and cash equivalents		**53**	(487)	**(477)**	(4,483)
Decrease in cash and cash equivalents		**(4,332)**	(19,651)	**(12,407)**	(23,918)
Cash and cash equivalents, beginning of period		**6,414**	66,432	**14,489**	70,699
Cash and cash equivalents, end of period		**$ 2,082**	$ 46,781	**$ 2,082**	$ 46,781

1. Nature of operations

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

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

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

2. Basis of preparation

(a) Statement of compliance

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

(b) Going Concern

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As at August 13, 2014, the Company has sufficient funds to satisfy its commitments for at least one year.

On August 1, 2013, the Company ceased production and as at August 13, 2014, the Company does not have any producing operations (Note 5(a)). Additional funding will be required to bring the Eastern Limb projects into production. There can be no assurance that additional funding will be available to the Company when needed or, if available, that this funding will be on acceptable terms. If adequate funds are not available, including funds generated from producing operations, the Company may be required to delay or reduce the scope of these development projects or current mining operations.

(c) Comparative periods

(i) Change in presentation

During the year ended December 31, 2013, the Company changed the presentation of its financial statements in order to provide financial statement users with more relevant information. Prior period comparative figures have been amended to conform to the current period's presentation. Previously, the Company's general and administrative expenses included care and maintenance costs and other income was netted against production costs and general and administrative expenses. Care and maintenance costs, including depreciation, and other income have now been disclosed separately.

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

2. Basis of preparation (continued)

(c) Comparative periods (continued)

(i) Change in presentation (continued)

	Three months ended June 30, 2013		
	Prior to change in presentation	Effect of change	Subsequent to change in presentation
Production costs	24,677	597	25,274
General and administrative	1,541	161	1,702
Care and maintenance depreciation	-	45	45
Other income	-	803	803

	Six months ended June 30, 2013		
	Prior to change in presentation	Effect of change	Subsequent to change in presentation
Production costs	42,630	703	43,333
General and administrative	3,087	313	3,400
Care and maintenance depreciation	-	108	108
Other income	-	1,124	1,124

(d) Judgments and estimates

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

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

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 4(x) and 4(y) of the Company's audited consolidated financial statements for the year ended December 31, 2013.

3. Application of new and revised International Financial Reporting Standards

Effective January 1, 2014, the Company adopted the following new and revised International Financial Reporting Standards ("IFRSs") that were issued by the International Accounting Standards Board ("IASB").

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

(a) Amendment to IAS 32 Financial Instruments: Presentation

The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities. The application of this IAS did not have any material impact on the amounts reported for the current or prior years but may affect the presentation of future transactions or arrangements.

(b) Amended standard IAS 36 Impairment of Assets

The amendments to IAS 36 outline the additional disclosures that will be required with regards to the recoverable amount of impaired assets. The application of this IAS did not have any material impact on the disclosures for the current or prior years but may affect the disclosures of future transactions or arrangements.

(c) New interpretation IFRIC 21 Levies

This interpretation clarifies the accounting treatment for a liability to pay a levy, where a levy is an outflow of economic benefits imposed by governments on entities in accordance with legislation. The application of this IFRIC did not have any 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, 2013, 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, 2013.

The following are the accounting standards issued but not yet effective, as of June 30, 2014.

(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 provide 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 provides 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.

4. Summary of significant accounting policies (continued)

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

(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.

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

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

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

(c) Effective for annual periods beginning on or after January 1, 2017

(i) 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.

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

(i) New standard *IFRS 9 Financial Instruments*

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

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

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

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, 2012	**$ 552,958**	**$ 119,549**	**$ 487,215**	**$ 20,779**	**$ 6,090**	**$ 1,186,591**
Assets acquired	9,829	-	-	132	-	9,961
Environmental asset capitalized	(646)	-	-	-	-	(646)
Assets disposed	(2,021)	-	-	(1,045)	(146)	(3,212)
Foreign exchange movement	(106,916)	(22,892)	(93,283)	(3,894)	(1,160)	(228,145)
Balance as at December 31, 2013	**$ 453,204**	**$ 96,657**	**$ 393,932**	**$ 15,972**	**$ 4,784**	**$ 964,549**
Assets acquired	122	-	-	-	-	122
Assets disposed	(1,388)	-	-	(398)	(74)	(1,860)
Foreign exchange movement	(5,034)	(1,067)	(4,658)	(181)	(52)	(10,992)
Balance as at June 30, 2014	**$ 446,904**	**$ 95,590**	**$ 389,274**	**$ 15,393**	**$ 4,658**	**$ 951,819**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2012	**$ 213,136**	**$ 41,693**	**$ 351,460**	**$ 2,545**	**$ 726**	**$ 609,560**
Depreciation	5,022	904	-	192	-	6,118
Depreciation of disposed assets	(842)	-	-	(279)	-	(1,121)
Impairment loss	109,628	35,132	-	-	-	144,760
Foreign exchange movement	(51,986)	(11,504)	(67,281)	(486)	(139)	(131,396)
Balance as at December 31, 2013	**$ 274,958**	**$ 66,225**	**$ 284,179**	**$ 1,972**	**$ 587**	**$ 627,921**
Depreciation	616	-	-	80	-	696
Depreciation of disposed assets	(763)	-	-	(91)	-	(854)
Foreign exchange movement	(3,051)	(735)	(3,168)	(2)	(8)	(6,964)
Balance as at June 30, 2014	**$ 271,760**	**$ 65,490**	**$ 281,011**	**$ 1,959**	**$ 579**	**$ 620,799**
Carrying amounts						
At December 31, 2012	$ 339,822	$ 77,856	$ 135,755	$ 18,234	$ 5,364	$ 577,031
At December 31, 2013	$ 178,246	$ 30,432	$ 109,753	$ 14,000	$ 4,197	$ 336,628
At June 30, 2014	**$ 175,144**	**$ 30,100**	**$ 108,263**	**$ 13,434**	**$ 4,079**	**$ 331,020**

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

5. 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, 2012	**$ 552,255**	**$ 495,513**	**$ 111,441**	**$ 27,240**	**$ 142**	**$ 1,186,591**
Assets acquired	8,424	1,537	-	-	-	9,961
Environmental asset capitalized	(646)	-	-	-	-	(646)
Assets disposed	(1,995)	(1,217)	-	-	-	(3,212)
Transfer	(1,651)	1,651	-	-	-	
Foreign exchange movement	(106,283)	(95,303)	(21,394)	(5,156)	(9)	(228,145)
Balance as at December 31, 2013	**$ 450,104**	**$ 402,181**	**$ 90,047**	**$ 22,084**	**$ 133**	**$ 964,549**
Assets acquired	114	6	-	-	2	122
Assets disposed	(1,224)	(636)	-	-	-	(1,860)
Foreign exchange movement	(4,978)	(4,488)	(1,284)	(243)	1	(10,992)
Balance as at June 30, 2014	**$ 444,016**	**$ 397,063**	**$ 88,763**	**$ 21,841**	**$ 136**	**$ 951,819**
Accumulated depreciation and impairment losses						
Balance as at December 31, 2012	**$ 225,336**	**$ 345,032**	**$ 31,376**	**$ 7,681**	**$ 135**	**$ 609,560**
Depreciation	5,953	162	-	-	3	6,118
Depreciation of disposed assets	(989)	(132)	-	-	-	(1,121)
Impairment loss	144,760	-	-	-	-	144,760
Transfer	50	(50)	-	-	-	-
Foreign exchange movement	(57,827)	(66,089)	(6,013)	(1,462)	(5)	(131,396)
Balance as at December 31, 2013	**$ 317,283**	**$ 278,923**	**$ 25,363**	**$ 6,219**	**$ 133**	**$ 627,921**
Depreciation	643	53	-	-	-	696
Depreciation of disposed assets	(842)	(12)	-	-	-	(854)
Foreign exchange movement	(3,510)	(3,103)	(282)	(69)	-	(6,964)
Balance as at June 30, 2014	**$ 313,574**	**$ 275,861**	**$ 25,081**	**$ 6,150**	**$ 133**	**$ 620,799**
Carrying amounts						
At December 31, 2012	$ 326,919	$ 150,481	$ 80,065	$ 19,559	$ 7	$ 577,031
At December 31, 2013	$ 132,821	$ 123,258	$ 64,684	$ 15,865	$ -	$ 336,628
At June 30, 2014	**$ 130,442**	**$ 121,202**	**$ 63,682**	**$ 15,691**	**$ 3**	**$ 331,020**

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 April 19, 2013, the Company announced its decision to suspend funding to the CRM development plan. On April 22, 2013, Barplats Mines Limited issued notices to employees in terms of Section 189 of the Labour Relations Act 66 of 1995 with respect to a care and maintenance and restructuring proposal for CRM. The consultation process with the unions and other representatives ended upon the expiry of the 60-day period on June 21, 2013. On August 1, 2013, CRM was placed on care and maintenance. 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 expected to be completed in the first quarter of 2013. Due to the negative outlook in the global economic environment and the operating environment in South Africa, the Company decided to suspend funding for the construction of the concentrator in mid-2012. The concentrator project has been on full care and maintenance since the fourth quarter of 2012.

(c) Spitzkop PGM Project and Mareesburg Project

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project and an 87% interest in the Mareesburg Project. The Company currently acts as the operator of both the Mareesburg Platinum Project and the Spitzkop PGM Project, both located on the eastern limb of the Bushveld Complex. The Spitzkop PGM Project was planned to be developed after the Mareesburg Project 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) Six months ended June 30, 2014

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 June 30, 2014, there was no impairment or reversal of impairment to be recorded.

(ii) Year ended December 31, 2013

As at June 30, 2013, the Company believed that certain factors, such as the sustained weakness in PGM pricing, rising cost pressures, decreasing productivities, the stagnant European and global economy and the operating environment in South Africa contributed to the Company's decision to suspend funding of the CRM development plan as announced on April 19, 2013. These factors also caused a further decrease in the Company's share price. The Company recorded an impairment charge in the quarter ended June 30, 2013 as described below. The Company concluded that, as at December 31, 2013, there was no further impairment or reversal of impairment to be recorded.

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

5. Property, plant and equipment (continued)

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

(ii) Year ended December 31, 2013 (continued)

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

At June 30, 2013, the expected net present value of CRM's future cash flows was categorized as Level 3 within the fair value hierarchy and was calculated using a weighted average cost of capital of 8.80%, and the following forecasted foreign exchange rates and prices.

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

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) 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 $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 $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 92,638,992 common shares issued and outstanding.

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

6. Issued capital (continued)

(b) Stock consolidation and split (continued)

All information relating to basic and diluted loss per share (Note 9), issued and outstanding common shares (Note 6(c)), treasury shares (Note 6(d)), and stock options (Note 6(e)) have been adjusted retroactively to reflect the impact of the Effective Consolidation in these financial statements.

(c) Issued and outstanding

Changes to the number of common shares issued and outstanding, retroactively adjusted for the Effective Consolidation (Note 6(b)), are as follows:

	June 30, 2014	December 31, 2013
	Number of shares	Number of shares
Balance outstanding, beginning and end of period	**92,818,781**	92,818,781

As a result of the Effective Consolidation, 179,789 common shares were cancelled on July 15, 2014.

(d) Treasury shares

Changes to the number of treasury shares, retroactively adjusted for the Effective Consolidation (Note 6(b)), are as follows:

	June 30, 2014	December 31, 2013
	Number of treasury shares	Number of treasury shares
Balance outstanding, beginning and end of period	**12,056**	12,056

(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 6(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 June 30, 2014.

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

- The option exercise price is set at the date of the grant and cannot be less than the market price, being the weighted average trading price of the Company's shares on the TSX, for the five trading days preceding the day of the grant of the option.

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

6. Issued capital (continued)

(e) Share options (continued)

- The 2014 Plan includes share appreciation rights providing for an optionee to elect to exercise options and to receive an amount in common shares equal to the difference between fair market value at the time of exercise and the exercise price for the options exercised.

(i) Movements in share options during the period

The changes in share options during the six months ended June 30, 2014 and year ended December 31, 2013, retroactively adjusted for the Effective Consolidation (Note 6(b)), were as follows:

	June 30, 2014		December 31, 2013	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
		Cdn$		Cdn$
Balance outstanding, beginning of period	**3,237,900**	**2.88**	2,660,567	8.43
Options granted	**-**	**-**	2,897,500	1.90
Options forfeited	**(36,000)**	**5.43**	(1,050,500)	13.86
Options expired	**-**	**-**	(1,269,667)	3.20
Balance outstanding, end of period	**3,201,900**	**2.85**	3,237,900	2.88

Options granted and vested during the three and six months ended June 30, 2014 resulted in share-based payment expense of $9 and $18 (three and six months ended June 30, 2013 – expense of $52 and $3,142), respectively.

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

The following information was retroactively adjusted for the Effective Consolidation (Note 6(b)).

On January 8, 2013, the Company granted 2,897,500 options of which 2,202,500 vested immediately and 695,000 vested one-third as at January 8, 2013, one-third upon the first anniversary of the grant, and the remaining third upon the second anniversary of the grant. All options have an exercise price of Cdn$1.90 and expire on January 8, 2018.

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

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

6. Issued capital (continued)

(e) Share options (continued)

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

	2013	
	January 8	**January 8**
Number of options	**2,202,500**	**695,000**
Exercise price	**Cdn$1.90**	**Cdn$1.90**
Closing market price on day preceding date of grant	**Cdn$1.90**	**Cdn$1.90**
Grant date share price	**Cdn$2.10**	**Cdn$2.10**
Risk-free interest rate	**1.45%**	**1.17%**
Expected life	**5**	**2**
Annualized volatility	**77%**	**61%**
Dividend rate	**0%**	**0%**
Grant date fair value	**Cdn$1.30**	**Cdn$0.80**

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

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

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

The following table summarizes information concerning outstanding and exercisable options at June 30, 2014, retroactively adjusted for the Effective Consolidation (Note 6(b)):

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn$		
664,400	664,400	6.00	2.70	March 12, 2017
15,000	15,000	23.10	3.27	October 5, 2017
2,522,500	2,414,167	1.90	3.53	January 8, 2018
3,201,900	3,093,567		3.36	

The weighted average exercise price of options exercisable at June 30, 2014 is Cdn$2.88.

(f) Key skills retention plan

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

6. Issued capital (continued)

(f) Key skills retention plan (continued)

During the three and six months ended June 30, 2014 and 2013, there was no share-based payment expense resulting from the key skills retention place. As at June 30, 2014 and 2013, the share-based payment liability was $Nil.

7. Finance costs

	Three months ended, June 30,		Six months ended, June 30,	
	2014	2013	**2014**	2013
Interest on revenue advances	**$ -**	$ 45	**$ -**	$ 99
Interest on provision for environmental rehabilitation	**196**	190	**383**	398
	$ 196	$ 235	**$ 383**	$ 497

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 20(a)) and holds a 25.01% interest in Barplats Investments Limited ("Barplats"). The proportion of equity and total comprehensive income 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, 2012	$ (11,410)
Non-controlling interests' share of loss in Barplats	(24,079)
Foreign exchange movement	4,469
Balance, December 31, 2013	$ (31,020)
Non-controlling interests' share of loss in Barplats	(2,814)
Foreign exchange movement	320
Balance, June 30, 2014	**$ (33,514)**

9. Loss per share

The following information was retroactively adjusted for the Effective Consolidation (Note 6(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:

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
	(in thousands)		(in thousands)	
Weighted average number of ordinary shares used in the calculation of basic loss per share	**92,781**	92,781	**92,781**	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	**92,781**	92,781	**92,781**	92,781

9. Loss per share (continued)

The loss used to calculate basic and diluted loss per share for the three and six months ended June 30, 2014 was $1,889 and $3,885 (three and six months ended June 30, 2013 – $139,710 and $150,676), respectively.

The following potential ordinary shares, outstanding at June 30, 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 June 30,		**Six months ended June 30,**	
	2014	2013	**2014**	2013
	(in thousands)		(in thousands)	
Options	**3,202**	5,045	**3,202**	5,045

10. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	June 30, 2014	December 31, 2013
Cash in bank	**$ 1,109**	$ 13,110
Money market instruments	**973**	1,379
	$ 2,082	$ 14,489

11. Short-term investments

Changes to short-term investments for the six months ended June 30, 2014 and the year ended December 31, 2013 are as follows:

Balance, December 31, 2012	$ 60,226
Additional investments	80,911
Redemptions	(58,050)
Foreign exchange movement	(4,616)
Balance, December 31, 2013	$ 78,471
Additional investments	48,936
Redemptions	(42,154)
Foreign exchange movement	(38)
Balance, June 30, 2014	**$ 85,215**

12. Trade and other receivables

Trade and other receivables are comprised of the following:

	June 30, 2014	December 31, 2013
Trade receivables	**$ 257**	$ 371
VAT receivable	**2,282**	2,257
Other receivables	**1,511**	1,457
Allowance for doubtful debts for other receivables	**(438)**	(477)
	$ 3,612	$ 3,608

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

13. Inventories

At June 30, 2014, inventories consist of consumables of $2,731 ($2,777 at December 31, 2013). Production costs for the three and six months ended June 30, 2014 were $Nil and $Nil (three and six months ended June 30, 2013 - $25,274 and $43,333), respectively. Production costs represent the cost of inventories sold during the period. For the three and six months ended June 30, 2014 and 2013, production costs included a write-down of consumables to net realizable value of $Nil and $Nil (three and six months ended June 30, 2013 - $571 and $571), respectively. For the three and six months ended June 30, 2014 and 2013, production costs did not include any amounts with regards to the reversal of write-downs.

14. Refining contract

During the year ended June 30, 2006, the Company acquired a 69% interest in Barplats and assigned a portion of the purchase price to the off-take contract governing the sales of Barplats' PGM concentrate production. The initial value of the contract was $17,939. During the year ended June 30, 2007, the Company acquired an additional 5% interest in Barplats resulting in an additional allocation to the contract of $4,802 for a total aggregate value of $22,741. During the year ended December 31, 2008, the Company acquired an additional 2.47% interest in Barplats. The acquisition did not affect the aggregate value of the contract. The value of the contract is amortized over the remaining term of the contract which is 5 years as at June 30, 2014.

Cost		
Balance as at December 31, 2012	$	18,443
Foreign exchange movement		(3,531)
Balance as at December 31, 2013	$	14,912
Foreign exchange movement		(166)
Balance as at June 30, 2014	**$**	**14,746**
Accumulated amortization and impairment		
Balance as at December 31, 2012	$	11,173
Amortization		1,149
Impairment		3,027
Foreign exchange movement		(2,532)
Balance as at December 31, 2013	$	12,817
Amortization		516
Foreign exchange movement		(138)
Balance as at June 30, 2014	**$**	**13,195**
Carrying amounts		
At December 31, 2012	$	7,270
At December 31, 2013	$	2,095
At June 30, 2014	**$**	**1,551**

During the year ended December 31, 2013, the Company determined that the carrying value of CRM exceeded the expected net present value of its future cash flows. This resulted in an impairment charge of $3,027 being recorded against the refining contract.

15. 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 17). Changes to other assets for the six months ended June 30, 2014 and the year ended December 31, 2013 are as follows:

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

15. Other assets (continued)

Balance, December 31, 2012	$	9,062
Additional investment		1,531
Service fees		(53)
Interest income		541
Foreign exchange movement		(1,901)
Balance, December 31, 2013	$	9,180
Additional investment		559
Service fees		(67)
Interest income		290
Foreign exchange movement		(93)
Balance, June 30, 2014	**$**	**9,869**

16. Trade and other payables

		June 30, 2014		December 31, 2013
Trade payables	**$**	**487**	$	187
Accrued liabilities		**324**		1,433
Other		**4,522**		4,466
	$	**5,333**	$	6,086

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.

17. Provision for environmental rehabilitation

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

The provision for environmental rehabilitation at June 30, 2014 is ZAR 103 million ($9,693) (December 31, 2013 – ZAR 99 million, ($9,414)). The provision was determined using an inflation rate of 5.93% (December 31, 2013 – 5.93%) and an estimated life of mine of 16 years for Zandfontein (December 31, 2013 – 16 years), 8 years for Maroelabult (December 31, 2013 – 8 years), 10 years for Crocette (December 31, 2013 – 10 years), 23 years for Kennedy's Vale (December 31, 2013 – 23 years) and 23 years for Spitzkop (December 31, 2013 – 23 years). A discount rate of 8.23% was used (December 31, 2013 – 8.23%). A guarantee of $9,869 (December 31, 2013 - $9,180) has been issued to the Department of Mineral Resources (Note 15). 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 424 million ($39,977) (December 31, 2013 – ZAR 424 million, ($40,424)).

Changes to the environmental rehabilitation provision are as follows:

Balance, December 31, 2012	$	12,066
Revision in estimates		(1,086)
Interest expense (Note 7)		768
Foreign exchange movement		(2,334)
Balance, December 31, 2013	$	9,414
Interest expense (Note 7)		383
Foreign exchange movement		(104)
Balance, June 30, 2014	**$**	**9,693**

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

18. Commitments

The Company has committed to capital expenditures in South Africa of approximately ZAR 894,000 ($84) as at June 30, 2014 (December 31, 2013 – ZAR 676,000, ($64)).

19. Retirement benefit plans

The Barplats Provident Fund is an independent, defined contribution plan administered by Liberty Life Limited in South Africa. The costs associated with the defined contribution plan included in net loss for the three and six months ended June 30, 2014 were $80 and $154 (three and six months ended June 30, 2013 - $649 and $1,329), respectively. The total number of employees in the plan at June 30, 2014 was 133 (December 31, 2013 – 123).

20. 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 companies owned by executive officers and directors and the Company's black economic empowerment partner as follows:

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

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.

	Note	**Three months ended June 30, 2014**	Three months ended June 30, 2013	**Six months ended June 30, 2014**	Six months ended June 30, 2013
Consulting fees	(i)	**$ 38**	$ 172	**$ 95**	$ 333
General and administrative expenses		**27**	74	**52**	117
Management fees		**230**	339	**458**	683
Mine contractor fees	(ii)	**(6)**	1,772	**48**	4,044
		$ 289	$ 2,357	**$ 653**	$ 5,177

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

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

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

20. Related party transactions (continued)

(a) Trading transactions (continued)

(iii) At June 30, 2014, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R641 million ($60,328) (December 31, 2013 – R613 million, $58,375). 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 and six months ended June 30, 2014 and 2013. 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 June 30, 2014, included $15 (December 31, 2013 - $2) which was due to private companies controlled by officers and directors of the Company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2014 and 2013 were as follows:

		Three months ended June 30,		Six months ended June 30,	
	Note	**2014**	2013	**2014**	2013
Remuneration and directors' fees	(i)	**$ 318**	$ 581	**$ 651**	$ 1,157
Share-based payments	(ii)	**-**	-	**-**	2,640
		$ 318	$ 581	**$ 651**	$ 3,797

(i) Remuneration and directors' fees include consulting, management fees and termination payments disclosed in Note 20(a).

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

(iii) Key management personnel were not paid post-employment benefits or other long-term benefits during the three and six months ended June 30, 2014 and 2013.

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

21. Segmented Information

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

(b) Geographic segments - The Company's revenues and expenses by geographic areas for the three and six months ended June 30, 2014 and 2013, and assets by geographic areas as at June 30, 2014 and December 31, 2013, are as follows:

	Three months ended June 30, 2014							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Property, plant and equipment expenditures	$ 46	$ 2	$ -	$ -	$ 48	$ -	$ 2	$ 50
Property, plant and equipment disposals	232	306	-	-	538	-	-	538
Gain on disposal of property, plant and equipment	172	35	-	-	207	-	-	207
General and administrative expenses	-	-	-	-	-	(32)	(711)	(743)
Care and maintenance	(2,545)	(347)	(3)	(9)	(2,904)	-	-	(2,904)
Care and maintenance depreciation	(545)	(27)	-	-	(572)	-	-	(572)
Share-based payments	(9)	-	-	-	(9)	-	-	(9)
Interest income	151	4	3	-	158	-	363	521
Other income	370	185	-	-	555	-	-	555
Finance costs	(135)	(54)	(7)	-	(196)	-	-	(196)
Foreign exchange loss	(16)	-	-	-	(16)	(9)	(3)	(28)
Loss before income taxes	(2,557)	(204)	(7)	(9)	(2,777)	(41)	(351)	(3,169)
Income tax (expense) recovery	-	-	(1)	3	2	(101)	-	(99)
Net loss	$ (2,557)	$ (204)	$ (8)	$ (6)	$ (2,775)	$ (142)	$ (351)	$ (3,268)

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

21. Segmented Information (continued)

(b) Geographic segments (continued)

	Six months ended June 30, 2014							
	Crocodile River Mine	**Kennedy's Vale**	**Spitzkop**	**Mareesburg**	**Total South Africa**	**Barbados and BVI**	**Canada**	**TOTAL**
Property, plant and equipment expenditures	$ 114	$ 6	$ -	$ -	$ 120	$ -	$ 2	$ 122
Property, plant and equipment disposals	1,224	636	-	-	1,860	-	-	1,860
Gain (loss) on disposal of property, plant and equipment	507	(157)	-	-	350	-	-	350
General and administrative expenses	-	-	-	-	-	(39)	(1,433)	(1,472)
Care and maintenance	(5,080)	(671)	(15)	-	(5,766)	-	-	(5,766)
Care and maintenance depreciation	(1,159)	(53)	-	-	(1,212)	-	-	(1,212)
Share-based payments	(18)	-	-	-	(18)	-	-	(18)
Interest income	311	5	6	1	323	-	725	1,048
Other income	608	366	-	-	974	-	-	974
Finance costs	(262)	(107)	(14)	-	(383)	-	-	(383)
Foreign exchange (loss) gain	(3)	-	-	-	(3)	(1)	1	(3)
Loss before income taxes	(5,096)	(617)	(23)	1	(5,735)	(40)	(707)	(6,482)
Income tax expense	-	-	(15)	(8)	(23)	(194)	-	(217)
Net loss	$ (5,096)	$ (617)	$ (38)	$ (7)	$ (5,758)	$ (234)	$ (707)	$ (6,699)

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

21. Segmented Information (continued)

(b) Geographic segments (continued)

Three months ended June 30, 2013

	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 3,667	$ 250	$ -	$ -	$ 3,917	$ -	$ -	$ 3,917
Property, plant and equipment disposals	149	239	-	-	388	-	-	388
Revenue	$ 16,561	$ -	$ -	$ -	$ 16,561	$ -	$ -	$ 16,561
Production costs (Note 2(c)(i))	(25,274)	-	-	-	(25,274)	-	-	(25,274)
Depletion and depreciation	(2,369)	-	-	-	(2,369)	-	-	(2,369)
Impairment	(147,787)	-	-	-	(147,787)			(147,787)
Gain on disposal of property, plant and equipment	267	44	-	-	311	-	-	311
General and administrative expenses (Note 2(c)(i))	(694)	-	-	(1)	(695)	(29)	(978)	(1,702)
Care and maintenance	-	(396)	6	7	(383)	-	-	(383)
Care and maintenance depreciation (Note 2(c)(i))	-	(45)	-	-	(45)	-	-	(45)
Share-based payment	(235)	-	-	-	(235)	-	183	(52)
Interest income	196	7	2	1	206	-	252	458
Other income (Note 2(c)(i))	596	207	-	-	803	-	-	803
Finance costs	(182)	(53)	-	-	(235)	-	-	(235)
Foreign exchange (loss) gain	(85)	-	-	-	(85)	(10)	1,520	1,425
(Loss) earnings before income taxes	(159,006)	(236)	8	7	(159,227)	(39)	977	(158,289)
Income tax (expense)	-	-	(155)	-	(155)	(97)	-	(252)
Net (loss) earnings	$ (159,006)	$ (236)	$ (147)	$ 7	$ (159,382)	$ (136)	$ 977	$ (158,541)

Eastern Platinum Limited

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

21. Segmented Information (continued)

(b) Geographic segments (continued)

Six months ended June 30, 2013	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Property, plant and equipment expenditures	$ 7,991	$ 930	$ -	$ -	$ 8,921	$ -	$ -	$ 8,921
Property, plant and equipment disposals	344	354	-	-	698	-	-	698
Revenue	$ 29,903	$ -	$ -	$ -	$ 29,903	$ -	$ -	$ 29,903
Production costs (Note 2(c)(i))	(43,333)	-	-	-	(43,333)	-	-	(43,333)
Depletion and depreciation	(4,591)	-	-	-	(4,591)	-	-	(4,591)
Impairment	(147,787)	-	-	-	(147,787)			(147,787)
Gain on disposal of property, plant and equipment	558	23	-	-	581	-	-	581
General and administrative expenses (Note 2(c)(i))	(1,396)	-	-	(1)	(1,397)	(37)	(1,966)	(3,400)
Care and maintenance	-	(765)	(1)	(3)	(769)	-	-	(769)
Care and maintenance depreciation (Note 2(c)(i))	-	(108)	-	-	(108)	-	-	(108)
Share-based payment	(474)	-	-	-	(474)	-	(2,668)	(3,142)
Interest income	428	38	4	2	472	-	530	1,002
Other income (Note 2(c)(i))	702	422	-	-	1,124	-	-	1,124
Finance costs	(388)	(109)	-	-	(497)	-	-	(497)
Foreign exchange (loss) gain	152	-	-	-	152	(25)	(520)	(393)
(Loss) earnings before income taxes	(166,226)	(499)	3	(2)	(166,724)	(62)	(4,624)	(171,410)
Income tax (expense)	-	-	(4)	3	(1)	(196)	-	(197)
Net (loss) earnings	$ (166,226)	$ (499)	$ (1)	$ 1	$ (166,725)	$ (258)	$ (4,624)	$ (171,607)

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

21. Segmented Information (continued)

(b) Geographic segments (continued)

June 30, 2014	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets	$ 5,673	$ 856	$ 221	$ 53	$ 6,803	$ 23	$ 86,814	$ 93,640
Property, plant and equipment	130,442	121,202	63,682	15,691	331,017	-	3	331,020
Refining contract	1,551	-	-	-	1,551	-	-	1,551
Other assets	9,869	-	-	-	9,869	-	-	9,869
	$ 147,535	$ 122,058	$ 63,903	$ 15,744	$ 349,240	$ 23	$ 86,817	$ 436,080
Liabilities								
Current liabilities	$ 4,680	$ 323	$ (5)	$ 37	$ 5,035	$ 6	$ 292	$ 5,333
Provision for environmental rehabilitation	6,582	2,750	361	-	9,693	-	-	9,693
Deferred tax liabilities	-	-	11,701	2,476	14,177	2,680	-	16,857
	$ 11,262	$ 3,073	$ 12,057	$ 2,513	$ 28,905	$ 2,686	$ 292	$ 31,883

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

21. Segmented Information (continued)

(b) Geographic segments (continued)

	December 31, 2013							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Total South Africa	Barbados and BVI	Canada	TOTAL
Assets								
Current assets	$ 6,533	$ 598	$ 252	$ 67	$ 7,450	$ 4	$ 91,891	$ 99,345
Property, plant and equipment	132,821	123,258	64,684	15,865	336,628	-	-	336,628
Refining contract	2,095	-	-	-	2,095	-	-	2,095
Other assets	9,180	-	-	-	9,180	-	-	9,180
	$ 150,629	$ 123,856	$ 64,936	$ 15,932	$ 355,353	$ 4	$ 91,891	$ 447,248
Liabilities								
Current liabilities	$ 5,150	$ 347	$ 307	$ 52	$ 5,856	$ 14	$ 216	$ 6,086
Provision for environmental rehabilitation	6,393	2,670	351	-	9,414	-	-	9,414
Deferred tax liabilities	-	-	11,818	2,496	14,314	2,489	-	16,803
	$ 11,543	$ 3,017	$ 12,476	$ 2,548	$ 29,584	$ 2,503	$ 216	$ 32,303

(c) Revenue

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

	Three months ended June 30,		**Six months ended June 30,**	
	2014	2013	**2014**	2013
Platinum group metals	**$ -**	$ 10,848	**$ -**	$ 20,839
Chrome	**-**	5,713	**-**	9,064
	$ -	$ 16,561	**$ -**	$ 29,903

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

22. Financial instruments

(a) Categories of financial instruments

	June 30, 2014	December 31, 2013
Financial assets		
Cash and cash equivalents	**$ 2,082**	$ 14,489
FVTPL financial assets		
Trade receivables	**257**	371
Loans and receivables		
Other receivables	**3,355**	3,237
Available for sale financial assets		
Short-term investments	**85,215**	78,471
Other assets	**9,869**	9,180
	$ 100,778	$ 105,748
Financial liabilities		
Other financial liabilities		
Trade and other payables	**$ 5,333**	$ 6,086
	$ 5,333	$ 6,086

(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. The provisional price adjustments recorded during the three and six months ended June 30, 2014 and 2013 are shown in the table below.

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Revenue before provisional price adjustments	**$ -**	$ 17,431	**$ -**	$ 29,843
Provisional price adjustments				
Adjustments to revenue upon settlement of prior periods' sales	**-**	(378)	**-**	552
Mark-to-market adjustment on sales not yet settled at end of period	**-**	(492)	**-**	(492)
Revenue	**$ -**	$ 16,561	**$ -**	$ 29,903

22. Financial instruments (continued)

(b) Fair value of financial instruments (continued)

(i) Fair value estimation of financial instruments (continued)

At June 30, 2014, 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.

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 June 30, 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 six months ended June 30, 2014 and 2013.

(c) Reclassification of financial assets

There was no reclassification of financial assets during the six months ended June 30, 2014 and 2013.

23. Contingency

In June 2011, the Company became aware that the law firm of Siskinds LLP of London, Ontario, had filed a "Notice of Application" under the Class Action Proceedings Act, 1992, in the Ontario Superior Court of Justice against the Company and three of its then directors and officers. The Notice of Application seeks permission of the Court to grant leave or permission to commence a lawsuit under the Securities Act of Ontario and other provinces in respect to certain alleged breaches of disclosure obligations. In July 2011, the Company and its officers and directors were served with court documents. On June 18, 2012, the Company was served with the Plaintiff's Application Record and Amended Notice of Application. The Amended Notice of Application was no longer being brought on behalf of a class, and instead, was being brought by Brian Bradley in his individual capacity. The affidavits filed in support of the application state that should the applicant be successful in obtaining leave to file the statement of claim, the plaintiff would move for the certification of the action as a class proceeding. The Company filed materials in response to the Application Record and Amended Notice of Application in March 2013. A hearing of the application has not been scheduled. 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.

24. Events after the reporting period

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 $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 $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 92,638,992 common shares issued and outstanding.

EASTERN PLATINUM LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")
OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("Eastplats" or the "Company") as at June 30, 2014 and for the three and six months then ended in comparison to the same period in 2013.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2014 and supporting notes. These unaudited condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").

All monetary amounts are in U.S. dollars unless otherwise specified. The effective date of this MD&A is August 13, 2014. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Contents of the MD&A

1. Overview

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

The Company's primary assets are:

(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 production at CRM scaled down with effect from June 22, 2013 and ceased by the end of July 2013. CRM was placed on care and maintenance commencing August 1, 2013.

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2. Summary of results

In this MD&A, all 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 6(b) of the unaudited condensed consolidated interim financial statements.

2.1 Summary of results for the three months ended June 30, 2014

- At June 30, 2014, the Company had a cash position (including cash, cash equivalents and short term investments) of $87,297,000 (December 31, 2013 – $92,960,000).

- Eastplats recorded a loss attributable to equity shareholders of the Company of $1,889,000 ($0.02 per share) in the three months ended June 30, 2014 ("Q2 2014") compared to a loss of $139,710,000 ($1.51 loss per share) in the three months ended June 30, 2013 ("Q2 2013"). The loss in Q2 2013 included an impairment of CRM's assets.

- General and administrative costs decreased 56% from $1,702,000 in Q2 2013 compared to $743,000 in Q2 2014.

- Eastplats incurred care and maintenance costs of $2,904,000 at CRM and at its Eastern Limb project in Q2 2014.

2.2 Summary of results for the six months ended June 30, 2014

- Eastplats recorded a loss attributable to equity shareholders of the Company of $3,885,000 ($0.04 per share) in the six months ended June 30, 2014 ("6M 2014") compared to a loss of $150,676,000 ($1.62 loss per share) in the six months ended June 30, 2013 ("6M 2013"). The loss in 6M 2013 included an impairment of CRM's assets recorded at June 30, 2013.

- General and administrative costs decreased 57% from $3,400,000 in 6M 2013 compared to $1,472,000 in 6M 2014.

- Eastplats incurred care and maintenance costs of $5,766,000 at CRM and at its Eastern Limb project in 6M 2014.

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

Table 1

Selected quarterly data	2014		2013				2012	
	June 30	Mar 31	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30
Revenues (1)	$ -	$ -	$ 539	$ 1,341	$ 16,561	$ 13,342	$ 17,296	$ 23,329
Cost of operations (1)	207	143	394	(2,759)	(175,119)	(20,011)	(21,534)	(29,344)
Mine operating earnings (loss)	207	143	933	(1,418)	(158,558)	(6,669)	(4,238)	(6,015)
Expenses (G&A, C&M and other)	(4,228)	(4,240)	(4,579)	(5,548)	(2,183)	(5,237)	(2,868)	(2,151)
Operating loss	(4,021)	(4,097)	(3,646)	(6,966)	(160,741)	(11,906)	(7,106)	(8,166)
Net loss attributable to equity shareholders of the Company (1)	$ (1,889)	$ (1,996)	$ (1,559)	$ (4,617)	$ (139,710)	$ (10,966)	$ (1,963)	$ (5,698)
Loss per share - basic and diluted	$ (0.02)	$ -	$ (0.00)	$ (0.00)	$ (0.15)	$ (0.01)	$ (0.00)	$ (0.01)
Average foreign exchange rates								
South African Rand per US dollar	10.54	10.86	10.15	9.99	9.47	8.95	8.69	8.26
US dollar per Canadian dollar	0.9173	0.9059	0.9527	0.9631	0.9770	0.9916	1.0087	1.0054
Period end foreign exchange rates								
South African Rand per US dollar	10.62	10.53	10.50	10.06	9.88	9.18	8.49	8.29
US dollar per Canadian dollar	0.9372	0.9046	0.9402	0.9706	0.9508	0.9843	1.0051	1.0171

(1) Prior periods' revenues, cost of operations and net loss attributable to equity shareholders of the Company are retrospectively adjusted numbers as described in Note 2(c) of the unaudited condensed consolidated interim financial statements.

3. Results of operations for the three and six months ended June 30, 2014

The following table sets forth selected consolidated financial information for the three and six months ended June 30, 2014 and 2013:

Table 2

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

	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Revenue (1)	**$ -**	$ 16,561	**$ -**	$ 29,903
Cost of operations				
Production costs (1)	**-**	25,274	**-**	43,333
Depletion and depreciation	**-**	2,369	**-**	4,591
Impairment	**-**	147,787	**-**	147,787
Gain on disposal of property, plant and equipment	**(207)**	(311)	**(350)**	(581)
Mine operating earnings (loss)	**207**	(158,558)	**350**	(165,227)
Expenses				
General and administrative	**743**	1,702	**1,472**	3,400
Care and maintenance	**2,904**	383	**5,766**	769
Care and maintenance depreciation and amortization	**572**	45	**1,212**	108
Share-based payments	**9**	52	**18**	3,142
Operating loss	**(4,021)**	(160,740)	**(8,118)**	(172,646)
Other income (expense)				
Interest income	**521**	458	**1,048**	1,002
Other income	**555**	803	**974**	1,124
Finance costs	**(196)**	(235)	**(383)**	(497)
Foreign exchange (loss) gain	**(28)**	1,425	**(3)**	(393)
Loss before income taxes	**(3,169)**	(158,289)	**(6,482)**	(171,410)
Income tax expense	**(99)**	(252)	**(217)**	(197)
Net loss for the period	**$ (3,268)**	$ (158,541)	**$ (6,699)**	$ (171,607)
Attributable to				
Non-controlling interest (2)	**(1,379)**	(18,831)	**(2,814)**	(20,931)
Equity shareholders of the Company	**(1,889)**	(139,710)	**(3,885)**	(150,676)
Net loss for the period	**$ (3,268)**	$ (158,541)	**$ (6,699)**	$ (171,607)
Loss per share				
Basic and diluted	**$ (0.02)**	$ (1.51)	**$ (0.04)**	$ (1.62)
Weighted average number of common shares outstanding				
Basic and diluted	**92,781**	92,781	**92,781**	92,781

Condensed consolidated interim statements of financial position	**June 30, 2014**	December 31, 2013
Total assets	**$ 436,080**	$ 447,248
Total long-term liabilities	**$ 26,550**	$ 26,217

(1) *Prior periods' revenues and cost of operations are retrospectively adjusted numbers as described in Note 2(c) of the unaudited condensed consolidated interim financial statements.*

(2) *Prior periods' net loss attributable to non-controlling interest and to equity shareholders of the Company are retrospectively adjusted numbers as described in Note 2(c) of the unaudited condensed consolidated interim financial statements.*

3.1 Crocodile River Mine ("CRM")

In April 2013, the Company suspended funding for CRM due to the uncertain outlook in the global economic environment, stagnant PGM prices and the challenging operating environment in South Africa. Barplats Mines Limited issued notices to employees in terms of Section 189 of the Labour Relations Act 66 of 1995 with respect to a care and maintenance and restructuring proposal for CRM. The consultation process with the unions and other representatives ended upon the expiry of the 60-day period on June 21, 2013 and production at CRM ceased by the end of July 2013. Production will not resume until it is clear that the factors leading to the care and maintenance decision have changed. 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.

As a result of the suspension of production at the end of July 2013, the Company believes that it is not meaningful to compare the financial results of the three and six months ended June 30, 2014 against the operations of the three and six months ended June 30, 2013 in this MD&A. However, certain historical production figures have been provided below.

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

Table 3

Crocodile River Mine operations	Three months ended							
	2014		2013				2012	
Key financial statistics	June 30	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30
(dollar amounts stated in U.S. dollars)								
Sales - PGM ounces	-	-	-	654	15,474	11,224	14,066	21,273
Average delivered price per ounce (2)	-	-	-	$857	$890	$960	$936	$896
Average basket price	-	-	-	$1,014	$1,054	$1,136	$1,109	$1,062
Rand average delivered price per ounce	-	-	-	R 8,561	R 8,428	R 8,595	R 8,134	R 7,401
Rand average basket price	-	-	-	R 10,130	R 9,981	R 10,171	R 9,637	R 8,772
Cash costs per ounce of PGM (1)	-	-	-	$5,587	$1,380	$1,400	$1,200	$1,069
Cash costs per ounce of PGM, net of chrome by-product credits (1)	-	-	-	$5,101	$1,226	$1,301	$958	$992
Rand cash costs per ounce of PGM (1)	-	-	-	R 55,814	R 13,069	R 12,535	R 10,428	R 8,830
Rand cash costs per ounce of PGM, net of chrome by-product credits (1)	-	-	-	R 50,957	R 11,611	R 11,644	R 8,326	R 8,197
Key production statistics								
LTIFR	-	-	-	0.00	3.44	2.91	5.68	0.63
Run-of-mine ("ROM") ore tonnes processed	-	-	-	15,667	149,720	101,981	123,222	203,279
ROM ore tonnes hoisted	-	-	-	3,095	152,903	102,539	127,654	206,176
Development meters	-	-	-	26	1,992	1,243	1,365	2,066
On-reef development meters	-	-	-	-	1,107	484	350	966
Stoping units (square meters)	-	-	-	-	20,421	16,011	16,468	28,943
Concentrator recovery from ROM ore	-	-	-	34%	76%	74%	77%	76%
Chrome sold (tonnes)	-	-	3,733	6,086	45,293	26,586	47,802	41,903
Metal in concentrate sold (ounces)								
Platinum (Pt)	-	-	-	331	7,818	5,713	7,135	10,715
Palladium (Pd)	-	-	-	141	3,385	2,348	2,983	4,672
Rhodium (Rh)	-	-	-	56	1,336	943	1,195	1,825
Gold (Au)	-	-	-	3	63	48	58	77
Iridium (Ir)	-	-	-	23	548	409	520	764
Ruthenium (Ru)	-	-	-	100	2,324	1,763	2,175	3,220
Total PGM ounces	-	-	-	654	15,474	11,224	14,066	21,273

(1) These are non-IFRS measures as described in Section 3.2 of the Company's MD&A for the year ended December 31, 2013.

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

In Q2 2014, the Company sold certain of its property, plant and equipment assets at CRM for proceeds of $573,000 and a net gain of $207,000. These assets were not required during the care and maintenance phase. In 6M 2014, the proceeds from sale were $1,356,000 and the net gain was $350,000.

During the three and six months ended June 30, 2014, the Company increased its environmental guarantee issued to the Department of Mineral Resources of South Africa by $204,000 and $559,000 respectively. 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.

3.2 Corporate and other expenses

As the Company's operations moved to care and maintenance in Q3 2013, the Company believes that for better disclosure, corporate and other expenses should be separated into general and administrative expenses, care and maintenance expenses, care and maintenance depreciation, and other income. Prior to Q3 2013, these items were included within production costs or within general and administrative costs.

General and administrative

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

G&A decreased 56% from $1,702,000 in Q2 2013 to $743,000 in Q2 2014 and decreased 57% from $3,400,000 in 6M 2013 to $1,472,000 in 6M 2014 due to cost cutting measures undertaken by the Company during the second half of 2013 following the suspension of the Company's mining operations. The primary expenses that were reduced included travel and related costs, directors' fees, executive management fees as a result of the termination of a senior officer of the Company in Q3 2013, and consulting fees as the Company's activities were reduced. In addition, G&A costs in South Africa decreased as a result of the closure in July 2013 of the South African administrative office near Johannesburg. G&A in Q2 2014 ($743,000) was comparable to G&A in Q1 2014 ($729,000).

Care and maintenance costs

Care and maintenance costs are incurred when the Company suspends production for a project and reduces its expenditures to the minimum required to maintain the assets in good condition. Such costs consist of maintenance, pumping to prevent flooding of the workings, underground inspections to ensure that the integrity of critical excavations is preserved, general and administrative expenses and other costs necessary to safeguard the assets of the project. The Company's Mareesburg and Kennedy's Vale concentrator project was placed on care and maintenance in Q4 2012 and CRM was placed on care and maintenance in Q3 2013. As a result, care and maintenance costs increased from $383,000 in Q2 2013 to $2,904,000 in Q2 2014 and from $769,000 in 6M 2013 to $5,766,000 in 6M 2014. Quarterly costs have remained consistent since Q4 2013, the first full quarter of care and maintenance.

Care and maintenance depreciation

Care and maintenance depreciation consists of the depreciation expense related to assets belonging to a project that is currently on care and maintenance. Care and maintenance depreciation increased from $45,000 in Q2 2013 to $572,000 in Q2 2014 and from $108,000 in 6M 2013 to $1,212,000 in 6M 2014. Quarterly amounts have remained consistent since Q4 2013, the first full quarter of care and maintenance.

Interest income

Interest income recorded during the three months ended June 30, 2014 was $521,000 compared to $458,000 during the same period in 2013. For the six months ended June 30, 2014, interest income was $1,048,000 compared to $1,002,000 during the same period in 2013. The increase in interest income was mainly due to the conversion of the Company's non-interest bearing holdings of GBP 27 million to Cdn.$41 million late in Q2 2014 and during the third quarter of 2014 as well as slightly higher interest rates in 2014, offset by a decrease in the Company's cash balances as a result of negative cash flows from the CRM operations in 2013 and as a result of cash expenditures for the transition to care and maintenance.

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 $555,000 in Q2 2014 compared to $803,000 in Q2 2013. The decrease was due to the recording of a R4.2 million ($443,000) gain on sale of a crusher in other income in Q2 2013. Other income for six months ended June 30, 2014 was lower compared to the same period in 2013 for the same reason.

Finance costs

Finance costs include interest charged on the receipt of PGM sales prior to their three to five month settlement date, interest accretion on the provision for environmental rehabilitation, and other miscellaneous interest charges. Finance costs recorded in Q2 2014 decreased to $196,000 compared with $235,000 in Q2 2013 and finance costs in 6M 2014 decreased to $383,000 compared with $497,000 in 6M 2013 as there were no PGM sales since July 31, 2013.

Income tax

During the three and six months ended June 30, 2014, the Company recorded a net income tax expense of $99,000 and $217,000 respectively consisting of deferred income tax expense arising from changes in the Company's net assets. The unaudited condensed consolidated interim statement of financial position reflects total deferred tax liabilities of $16,857,000 which arose primarily as a result of the step-up to fair value of the net assets acquired on the Spitzkop and Mareesburg business acquisitions in prior years.

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4. Liquidity and capital resources

At June 30, 2014, the Company had working capital of $88,307,000 (December 31, 2013 – $93,259,000) and cash and cash equivalents and short-term investments of $87,297,000 (December 31, 2013 – $92,960,000) in highly liquid, fully guaranteed, bank sponsored instruments.

Working capital, cash and cash equivalents and short-term investments decreased during the six months ended June 30, 2014 as the Company incurred approximately $1.5 million in G&A and spent approximately $5.8 million in the care and maintenance of CRM and the Eastern limb project, offset by interest and other income of $2.0 million. 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 $0.5 million in the decrease in working capital, cash and cash equivalents and short-term investments (most of which were held in Canadian dollars), as the Canadian dollar weakened by 0.3% during the six months compared to the U.S dollar, from Cdn.$1.00:US$0.9402 at December 31, 2013 to Cdn.$1.00:US$0.9372 at June 30, 2014. The South African Rand also weakened by 1.1% compared to the U.S. dollar since December 31, 2013.

The Company had no long-term debt outstanding at June 30, 2014, other than a provision for environmental rehabilitation relating to CRM, Kennedy's Vale and Spitzkop.

4.1 Outlook

The Company believes that, given the stagnation of the European car market, which consumes approximately 50% of South Africa's platinum production, together with a continuing resistance to any significant meaningful production cuts from the larger PGM producers, the industry will have to contend with 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.

In order to preserve its cash resources and mineral reserves in the current operating environment, the Company took significant action at its South African projects over the last two years. In mid-2012, the Company suspended funding for the construction and development of its Mareesburg open pit mine and Kennedy's Vale concentrator project (the "Mareesburg Project" or the "Project"). On August 1, 2013, the Company suspended production at CRM as the impact of stagnant commodity markets, rising costs of mining and decreasing productivity made it increasingly difficult to justify the continued level of funding required for operations and for the CRM development plan implemented in mid-2012. As a result, CRM has been on care and maintenance since August 1, 2013.

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

Subject to adequate funding being available, funding and development of the Mareesburg Project can also be restarted once market and operating conditions support such recommencement. The Company does not have sufficient funds in the form of cash and short-term investments to complete the development and construction of the open-pit mine and concentrator when the Project is restarted. The Company had successfully negotiated a definitive facilities agreement dated December 30, 2011 with UniCredit Bank AG, London Branch and Standard Finance (Isle of Man) Limited (a subsidiary of Standard Bank Group Limited) for 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 have agreed to investigate the restructuring of the financing package when the Project is restarted. There is no assurance that a restructuring of the financing package will be available to the Company or, if available, that this funding will be on acceptable terms.

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

4.2 Impairment

The Company assesses the carrying values of its mineral properties for indication of impairment at the end of each quarter. Based on its assessment, the Company concluded that, as at June 30, 2014, there was no impairment or reversal of impairment to be recorded.

In 2013, certain factors such as stagnant PGM prices, rising cost pressures, decreasing productivities, the sluggish European and global economy and the challenging operating environment in South Africa contributed to the Company's decision to suspend funding of CRM's operations and development plan. These factors also caused a continued decrease in the Company's share price. As a result, the Company recorded an impairment charge in the quarter ended June 30, 2013 as described below.

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

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 $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 $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 92,638,992 common shares issued and outstanding.

All 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 Effective Consolidation in this MD&A.

During the three and six months ended June 30, 2014, the Company did not grant any stock options and there were also no option exercises and forfeitures. During the three months ended June 30, 2014, 36,000 options expired at a weighted average exercise price of $5.43 per share. Share-based payment expense recorded with regards to stock options vested amounted to $9,000 for the three months ended June 30, 2014 and $18,000 for the six months ended June 30, 2014.

As at August 13, 2014, the Company had:

- 92,638,992 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 2017 and 2018.

4.4 Contractual obligations, commitments and contingencies

The Company's major contractual obligations and commitments at June 30, 2014 were as follows:

Table 4

(in thousands of U.S. dollars)	Total	Less than 1 year	More than 5 years
Provision for environmental rehabilitation	$ 9,693	$ -	$ 9,693
Capital expenditure and purchase commitments contracted at June 30, 2014 but not recognized on the consolidated statement of financial position	84	84	-
	$ 9,777	$ 84	$ 9,693

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

On June 18, 2012, the Company was served with the Plaintiff's Application Record and Amended Notice of Application. The Amended Notice of Application is no longer being brought on behalf of a class, and instead, is being brought by Brian Bradley in his individual capacity. The affidavits filed in support of the application state that should the applicant be successful in obtaining leave to file the statement of claim, the plaintiff would move for the certification of the action as a class proceeding. The Company filed materials in response to the Application Record and Amended Notice of Application in March 2013. A hearing of the application has not been scheduled. 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 5

(Expressed in thousands of U.S. dollars)	Three months ended June 30,		Six months ended June 30,	
	2014	2013	**2014**	2013
Trading transactions				
Management and consulting fees	**$ 268**	$ 511	**$ 553**	$ 1,016
General and administrative expenses	**27**	74	**52**	117
Mine contractor fees	**(6)**	1,772	**48**	4,044
Total trading transactions	**$ 289**	$ 2,357	**$ 653**	$ 5,177
Compensation of key management personnel				
Remuneration and directors' fees (1)	**$ 318**	$ 581	**$ 651**	$ 1,157
Share-based payments	**-**	-	**-**	2,640
Total compensation of key management personnel	**$ 318**	$ 581	**$ 651**	$ 3,797

(1) Remuneration and directors' fees include management and consulting fees disclosed under "Trading transactions".

Management and consulting fees decreased from $511,000 in Q2 2013 to $268,000 in Q2 2014 (and from $1,016,000 in 6M 2013 to $553,000 in 6M 2014) mainly as a result of the termination of a senior officer of the Company on September 30, 2013, and the reduced services of a consultant of the Company after the Company's operations and activities were curtailed in August 2013.

In the three and six months ended June 30, 2013, $1,772,000 and $4,044,000 was paid, respectively, to a mine contractor company which undertook specific design, procurement and construction projects at CRM. The Company's South African executive officer is a principal of the mine contractor company. That work was terminated in 2013 following the suspension of CRM's mining operations in Q3 2013.

Remuneration and directors' fees decreased from $581,000 in Q2 2013 to $318,000 in Q2 2014 (and from $1,157,000 in 6M 2013 to $651,000 in 6M 2014) mainly as a result of an agreed-upon reduction of directors' fees effective October 1, 2013 and the termination of a senior officer of the Company on September 30, 2013.

Share-based payments decreased from $2,640,000 in 6M 2013 to $nil in 6M 2014 as no options were granted in 2014.

At June 30, 2014, the Company held a loan receivable from Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu") in the amount of R641 million ($60,328,000) (December 31, 2013 – R613 million, $58,375,000), which has been provided for in full. The Company did not record any interest income with regards to this loan or receive cash from, or lend any further cash to, Gubevu in the three months ended June 30, 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, 2014, 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) *Amended standard IAS 32 Financial Instruments: Presentation*

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

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

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

(c) *New interpretation IFRIC 21 Levies*

This interpretation clarifies the accounting treatment for a liability to pay a levy, where a levy is an outflow of economic benefits imposed by governments on entities in accordance with legislation.

6.2 Accounting standards issued but not yet effective

(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.

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

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

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

(c) Effective for annual periods beginning on or after January 1, 2017

(i) *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.

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

(ii) New standard *IFRS 9 Financial Instruments*

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

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

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7. Internal control over financial reporting

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company, together with the Company's management, are responsible for the information disclosed in this MD&A and in the Company's other external disclosure documents. For the three months ended June 30, 2014 and 2013, 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 June 30, 2014 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting ("ICFR") within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). Since 2009, the Company has used the services of an international accounting firm to act as the Company's internal auditors for its South African operations. Under the supervision, and with the participation, of the CEO and the CFO, management conducted an evaluation of the effectiveness of the Company's ICFR based on the framework in the *Internal Control – Integrated Framework* developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, the CEO and the CFO concluded that the design and operation of the Company's ICFR were effective as at June 30, 2014.

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 June 30, 2014 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

8. Cautionary statement on forward-looking information

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

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

August 13, 2014

Ian Rozier