

Consolidated financial statements of

Eastern Platinum Limited

September 30, 2006
(Unaudited)

Eastern Platinum Limited

September 30, 2006

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Eastern Platinum Limited

Consolidated statements of operations and deficit three month periods ended September 30,

(Expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

	2006	2005
	\$	\$
Revenue	25,450	-
Cost of operations		
Production costs	(17,103)	-
Depletion and depreciation	(2,972)	-
	(20,075)	-
Income before undernoted items	5,375	-
Expenses		
General and administrative	3,752	754
Stock-based compensation	56	19
	3,808	773
Operating income (loss)	1,567	(773)
Other income (expense)		
Interest income	1,899	347
Interest expense	(1,448)	-
Foreign exchange (loss) gain	(4,190)	4
Loss before income taxes and other item	(2,172)	(422)
Recovery of future income taxes	403	-
Non-controlling interests (Note 8)	(710)	-
Net loss for the period	(2,479)	(422)
Deficit, beginning of period	(43,955)	(29,531)
Deficit, end of period	(46,434)	(29,953)
Basic and diluted loss per share	(0.00)	(0.01)
Weighted average number of common shares outstanding	514,337,681	84,793,863

Eastern Platinum Limited

Consolidated balance sheets

(Expressed in thousands of Canadian dollars)

(Unaudited)

	September 30, 2006	June 30, 2006
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	21,792	50,798
Short-term investments	69,857	83,386
Receivables (Note 3)	19,584	14,446
Inventories (Note 4)	10,889	1,871
	122,122	150,501
Loan receivable (Note 5)	9,691	-
Property, plant and equipment (Note 6)	588,021	600,739
Refining contract	15,298	16,718
Other assets	1,002	458
	736,134	768,416
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	30,313	16,128
Short-term debt	12,386	28,761
	42,699	44,889
Asset retirement obligation	3,542	3,665
Future income taxes	133,069	140,006
	179,310	188,560
Non-controlling interests (Note 8)	15,848	15,120
Shareholders' equity		
Share capital (Note 7)	672,143	668,453
Contributed surplus (Note 7)	8,130	8,095
Currency translation adjustment (Note 9)	(92,863)	(67,857)
Deficit	(46,434)	(43,955)
	540,976	564,736
	736,134	768,416

Approved by the Board

(Signed) David Cohen

David Cohen, Director

(Signed) Ian Rozier

Ian Rozier, Director

Eastern Platinum Limited

Consolidated statements of cash flows

three month periods ended September 30,

(Expressed in thousands of Canadian dollars)
(Unaudited)

	2006	2005
	\$	\$
Operating activities		
Net loss for the period	(2,479)	(422)
Items not involving cash		
Accretion	122	-
Depletion and depreciation	2,972	7
Stock-based compensation	56	19
Foreign exchange gain	2,549	-
Future income tax recovery	(403)	-
Non-controlling interests	710	-
	3,527	(396)
Net changes in non-cash working capital items		
Receivables	(5,802)	(208)
Inventories	(9,960)	-
Accounts payable and accrued liabilities	14,199	247
	1,964	(357)
Financing activity		
Repayment of short-term debt financing	(16,661)	-
Investing activities		
Issuance of debt (Note 5)	(9,691)	-
Acquisition of interest in Afriminerals (Pty) Ltd. (Note 6 (c))	(6,165)	-
Short-term investments	12,905	600
Property, plant and equipment expenditures, net of related accounts payable	(11,343)	-
Deferred acquisition costs and intangible assets incurred	-	(405)
	(14,294)	195
Effect of exchange rate changes on cash and cash equivalents	(15)	-
Decrease in cash and cash equivalents	(29,006)	(162)
Cash and cash equivalents, beginning of period	50,798	1,572
Cash and cash equivalents, end of period	21,792	1,410
Cash and cash equivalents are comprised of		
Cash in bank	9,365	1,410
Short-term money market instruments	12,427	-
	21,792	1,410
Supplementary cash flow information		
Interest paid	313	-
Income taxes paid	-	-

During the three months ended September 30, 2006, the Company issued 3,000,000 common shares with a value of \$3.7 million for the acquisition of the interest in Afriminerals (Pty) Ltd. (Note 6 (c)).

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

1. Nature of operations

Eastern Platinum Limited (the "Company") is focused on the exploration, development and exploitation of platinum group metal ("PGM") properties. Properties may be subject to undisclosed prior agreements or transfers and title may be affected by undetected defects.

2. Basis of presentation

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of results for the interim periods. Operating results for the three month period ended September 30, 2006 are not necessarily indicative of the results that may be expected for the year ending June 30, 2007. These interim consolidated financial statements follow the same accounting policies as the audited consolidated financial statements of the Company for the year ended June 30, 2006. Accordingly, these interim consolidated financial statements should be read in conjunction with the Company's 2006 annual audited consolidated financial statements and notes thereto.

3. Receivables

	September 30, 2006	June 30, 2006
	\$	\$
Trade receivables, net of advances	18,179	12,888
Other receivables	1,135	1,179
Refundable taxes	169	112
Prepaid expenses	101	267
	19,584	14,446

4. Inventories

	September 30, 2006	June 30, 2006
	\$	\$
Consumables	1,185	777
Ore and concentrate	9,704	1,094
	10,889	1,871

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

5. Loan receivable

During the current quarter, the Company (through a wholly-owned subsidiary) purchased a loan held by Nedbank Capital in favour of Gubevu Consortium Investment Holdings (Pty) Ltd. ("Gubevu"), Barplats' minority shareholder and Black Economic Empowerment partner, under the same commercial terms and conditions as the Nedbank Capital loan. The debt was purchased for \$9.5 million and is a demand note with interest accruing at the floating South African prime rate (September 30, 2006 - 11.5%).

6. Property, plant and equipment

			September 30, 2006	June 30, 2006
	Cost	Accumulated depreciation/ depletion	Net book value	Net book value
	\$	\$	\$	\$
Mining plant and equipment	86,363	2,883	83,480	80,634
Mineral properties				
Crocodile River Mine (a)	109,112	1,820	107,292	115,608
Kennedy's Vale Project (b)	284,106	-	284,106	303,571
Spitzkop PGM Project (c)	85,776	-	85,776	73,640
Mareesburg JV (d)	27,284	-	27,284	27,209
Other property, plant and equipment	114	31	83	77
	592,755	4,734	588,021	600,739

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

CRM is located on the eastern portion of the western limb of Bushveld Igneous Complex ("BIC"). The Maroelabult and Zandfontein sections are currently in production with the Crocette deposit and other potential near-surface opportunities being in the development stages.

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

KV is located on the eastern limb of the BIC, near Steelpoort in the Province of Mpumalanga. It comprises PGM mineral rights on five farms in the Steelpoort Valley.

(c) *Spitzkop PGM Project*

The Company holds a 50% direct joint venture interest in the Spitzkop PGM Project ("Spitzkop Project") along with a 37% indirect interest in Spitzkop and on August 22, 2006 it acquired a 49% interest in South African, Black Economic Empowerment ("BEE") company, Afriminerals (Pty) Ltd ("Afriminerals"). Afriminerals' net assets consist wholly of a 26% shareholding in Spitzkop Platinum (Pty) Ltd. ("Spitzplats"), and is the Company's joint venture partner on the Spitzkop Project. The balance of the shares in Afriminerals are owned by a consortium that includes companies and organizations representing Historically Disadvantaged South Africans ("HDSA's"). Total consideration paid to acquire the 49% shareholding in Afriminerals was US\$5.5 million and 3,000,000 shares of the Company.

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Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

6. Property, plant and equipment (continued)

(c) *Spitzkop PGM Project (continued)*

As part of the overall transaction the Company has an obligation to either finance, or organize, project financing for Afriminerals for its share of capital costs for the development of the mine at Spitzkop. Such financing will be repaid from the proceeds of initial production attributable to Afriminerals.

(d) *Mareesburg JV*

The Company entered into an agreement dated January 27, 2004 to participate in a 50:50 joint venture with Lion's Head Platinum (Pty) Ltd. ("LHP") to purchase the mineral rights on the farm Mareesburg 8JT from Samancor Limited. The Company then entered into two agreements dated April 26, 2004 to acquire a 100% interest in Royal Anthem ("RA").

RA holds a 51% ownership interest in LHP. Following the amalgamation, the Company holds indirectly a 75.5% interest in the Mareesburg project.

7. Share capital

(a) *Authorized*

Unlimited number of preferred redeemable, voting, non-participating shares without nominal or par value

Unlimited number of common shares with no par value

(b) *Issued*

	Number of common shares	Amount \$	Contributed surplus \$
Balance, June 30, 2006	513,228,985	668,453	8,095
Issued for acquisition of Afriminerals (Pty) Ltd.	3,000,000	3,690	-
Stock option expense of subsidiary, net of non-controlling interest portion of \$21,000	-	-	35
Balance, September 30, 2006	516,228,985	672,143	8,130

(c) *Stock options*

During the three month period ended September 30, 2006, the Company cancelled 92,500 stock options. In addition, during the same period no stock options were granted or exercised.

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

7. Share capital (continued)

(c) Stock options (continued)

The following table summarizes information concerning outstanding and exercisable options at September 30, 2006:

Options outstanding	Options exercisable	Exercise price	Expiry date
		\$	
2,775,000	2,775,000	1.70	May 25, 2007
175,000	175,000	1.70	January 14, 2008
625,000	625,000	0.56	November 5, 2008
312,500	312,500	1.00	August 26, 2009
37,500	37,500	1.12	September 17, 2009
13,125,000	12,191,667	1.70	May 24, 2011
17,050,000	16,116,667		

(d) Share purchase warrants

During the three months ended September 30, 2006, no share purchase warrants were issued, exercised or cancelled.

The following table summarizes information concerning outstanding warrants at September 30, 2006:

Number of warrants	Exercise price	Expiry date
	\$	
3,900,000	1.50	March 18, 2007
11,373,500	2.40	May 11, 2007
1,364,820	1.80	May 11, 2007
11,361,054	2.00	April 22, 2008
59,999,996	1.80	March 28, 2009
87,999,370		

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

8. Non-controlling interests

The Company holds an indirect interest in Barplats of 69.0% (June 2006 - 69.0%).

The non-controlling interests are comprised of the following:

	September 30, 2006	June 30, 2006
	\$	\$
Balance, beginning of period	15,120	-
Non-controlling interests' share of net assets at acquisition date (Note 3)	-	11,738
Non-controlling interests' share of income in Barplats	710	48
Non-controlling interests' share of contributed surplus arising from stock options and cumulative translation adjustment for the period	18	-
Increase in non-controlling interest arising from share issuances in Barplats	-	3,334
	15,848	15,120

9. Currency translation adjustment

	\$
Balance, June 30, 2006	(67,857)
Translation adjustments for the period	(25,006)
Balance, September 30, 2006	(92,863)

The Company operates in two functional currencies: Canadian dollar and South African Rand. Translation gains or losses on the consolidation of the financial statements of self-sustaining operations are accumulated in the currency translation adjustment account on the consolidated balance sheet. Translation adjustments arise as a result of fluctuations in foreign currency exchange rates. The currency translation adjustment for the three month period ending September 30, 2006 resulted from the 6% weakening of the South African Rand against the Canadian dollar.

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

10. Related party transactions

- (a) The Company incurred the following expenses, on a cost recovery basis, with companies and individuals related by way of directors and/or officers in common:

	Three months ended September 30,	
	2006	2005
	\$	\$
Consulting fees	100	60
Directors' fees	58	30
Management fees	587	30
Rent	18	18

- (b) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2006 included \$441,664 (June 30, 2006 - \$5,000) which were severance costs due to a director of \$400,000 and directors' fees and expenses of \$41,664.

11. Commitments

The Company has committed to capital expenditures through its indirect investment in Barplats of approximately \$29.3 million (R202.8 million) as at September 30, 2006.

12. Contingency

The current mineral rights permit for the Mareesburg property expired on April 29, 2005. While an application from old order rights to new order rights has been submitted, a renewed permit has not yet been issued. The Company believes that it has complied with all of the requirements of the South African Department of Minerals and Energy ("DME") and that the DME will renew this permit.

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

13. Segmented information

- (a) Operating segment - The Company's operations are primarily directed towards the acquisition, exploration and production of PGMs in South Africa.
- (b) Geographic segments - The Company's assets as at September 30, 2006 and June 30, 2006, and revenues and expenses by geographic areas for the three month periods ended September 30, 2006 and 2005 are as follows:

	September 30, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Property, plant and equipment	587,996	25	588,021
Total assets	665,263	70,871	736,134
Property, plant and equipment expenditures	11,343	-	11,343

	June 30, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Property, plant and equipment	600,725	14	600,739
Total assets	640,617	127,799	768,416
Property, plant and equipment expenditures	6,444	-	6,444

	Three months ended September 30, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	25,450	-	25,450
Production costs	(17,103)	-	(17,103)
Depletion and depreciation	(2,972)	-	(2,972)
Expenses	(2,707)	(1,101)	(3,808)
Interest income	935	964	1,899
Interest expense	(1,448)	-	(1,448)
Foreign exchange loss	(4,029)	(161)	(4,190)
Loss before income taxes and other item	(1,874)	(298)	(2,172)

Eastern Platinum Limited

Notes to the consolidated financial statements

September 30, 2006

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
(Unaudited)

13. Segmented information (continued)

(b) (continued)

	Three months ended September 30, 2005		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	-	-	-
Production costs	-	-	-
Depletion and depreciation	-	-	-
Expenses	(41)	(732)	(773)
Interest income	-	347	347
Foreign exchange gain	1	3	4
Loss before income taxes and other item	(40)	(382)	(422)

For the three months ended September 30, 2006, 100% of revenue was to one customer and as at September 30, 2006, 97% of trade receivables was from one customer.

EASTERN PLATINUM LIMITED

Management's Discussion and Analysis

Three Months ended September 30, 2006

This portion of the Quarterly Report provides Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations to enable the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("ELR", "Eastplats" or "the Company") as at, and for the three months ended, September 30, 2006 in comparison to the previous quarter and corresponding previous year comparative quarter. Management believes that a comparison to the previous (two month) quarter from an operating perspective is more meaningful to the reader, as the Company did not have operational/production results in the quarter ended September 30, 2005. This MD&A, which has been prepared as of November 10, 2006, is intended to supplement and complement the unaudited interim consolidated financial statements and supporting notes prepared in accordance with Canadian Generally Accepted Accounting Principals ("Canadian GAAP") for interim financial statements for the three months ended September 30, 2006 (collectively the "Financial Statements") which are included in this Quarterly Report.

The reader is encouraged to review the Financial Statements in conjunction with reviewing this MD&A. This MD&A should be read in conjunction with the June 30, 2006 annual audited consolidated financial statements, the related MD&A, the Annual Information Form/51-102-F2 on file with the provincial securities regulatory authorities (as filed on SEDAR on September 18, 2006) and the Company's 2006 Annual Report. This MD&A contains forward looking statements that are subject to risk factors set out in the cautionary note contained herein. All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise specified.

EXECUTIVE OVERVIEW

The Company is a platinum group metal (“PGM”) producer engaged in the acquisition, exploration, development and mining of PGM properties located in various provinces in South Africa. All of the Company’s properties are situated on the western and eastern limbs of the Bushveld Igneous Complex (“BIC”) the geological environment that supports over 70% of the world’s PGM supply.

The Company’s strategy is to provide it’s stakeholders with superior returns from quality assets being developed and exploited within the PGM mining sector. The Company has a strong balance sheet and has not hedged or sold forward any of its future PGM production. The Company continues its process of maximizing the development rate while optimizing stakeholder value through traditional cost effective mining methods that will continue to place a premium on a safe work environment witnessed by its fatality free record.

	Three Months ended September 30	
	2006	2005
Production 6 PGE oz¹	22,666	-
Realized Basket Price per oz ²	\$1,082	\$ -
Canadian \$ ‘000’s		
Total revenue	\$25,450	\$ -
Total Cash Costs ³	\$17,104	\$ -
Amortization/ Depreciation ⁴	\$2,976	\$ -
Total Production Costs	\$18,482	\$ -
EBITDA⁵	\$4,548	\$(766)
Net Loss for the period	\$(2,479)	\$(422)

1 6PGE represent Platinum, Palladium, Rhodium, Ruthenium, Iridium and Gold

2 Realized Basket Price is the price received under the off-take agreement.

3 Total Cash Costs is a non-GAAP measure and is used in this MD&A and represents all costs associated with production and development and excludes amortization, depreciation and inventory accounting adjustments.

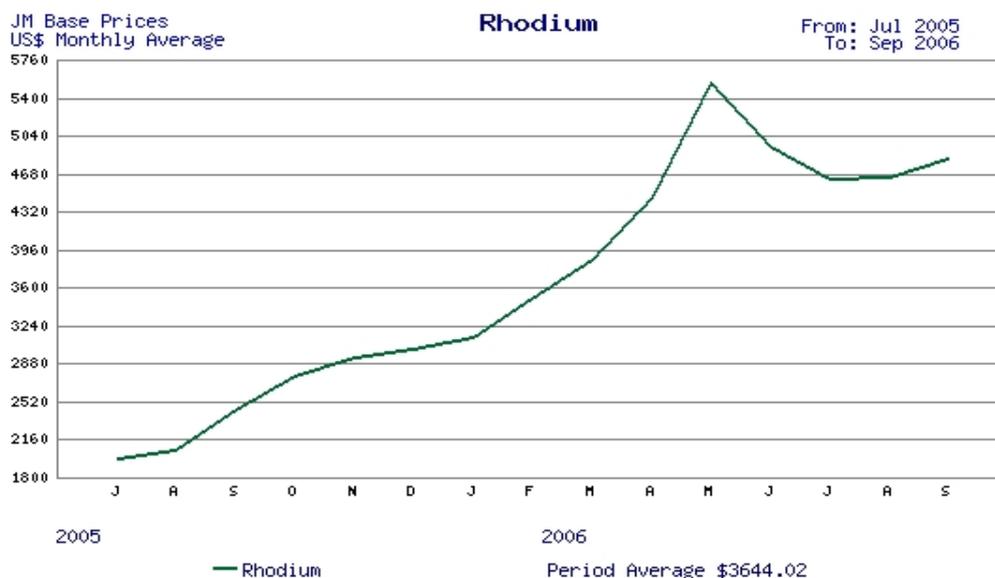
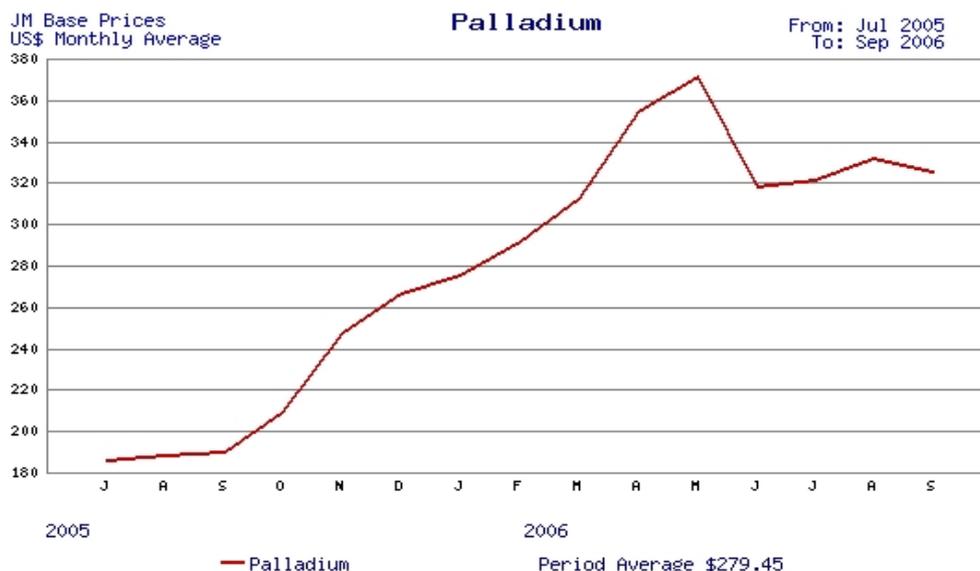
4 Amortization/Depreciation includes adjustments for environmental remediation; equipment and asset depreciation (based upon the purchase price as documented within the Barplats Allocation Report)

5 EBITDA – Earnings Before Interest (income and expense, including foreign exchange gains and losses) Taxes (income and capital), Depreciation and Amortization (including depletion) is a non-GAAP measure. The Company uses EBITDA to evaluate projects and performance and believes that certain readers when making investment decisions will use this non-GAAP measure as a cross company, cross industry comparative.

The Company’s assets are comprised of direct and indirect investments and interests in Barplats Investments Limited (“Barplats”), Mareesburg Platinum JV (“Mareesburg”) and Spitzkop PGM Project (“Spitzkop”).

The Company is listed on the TSX Exchange in Toronto (TSX symbol ELR) and on the Alternative Investment Market in London (AIM symbol ELR). (Barplats Investments Limited is listed on the Johannesburg Stock Exchange (JSE symbol BPL).)

Eastern Platinum Limited
 MD&A as at September 30, 2006

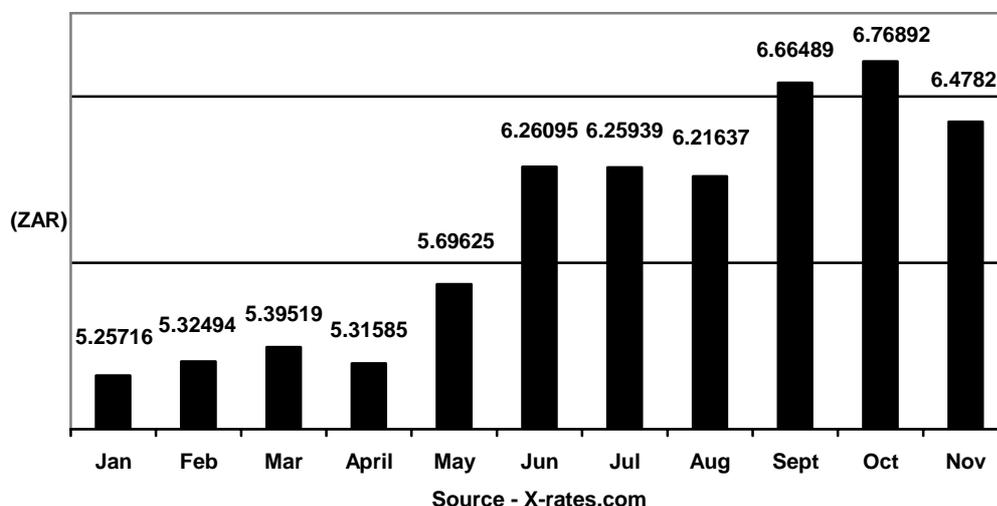


Currency Exchange Rates

Approximately 90% of the Company's production and development costs are denominated in South African Rand ("ZAR") and therefore the Company is exposed to fluctuations in both Canadian and US exchange rates. With 100% of our production revenue being US dollar based (on a Canadian dollar, Canadian GAAP reporting basis), the Company is exposed to exchange rate fluctuations. As the Company does not hedge any transactions, it is inherently exposed to the devaluation of both the US dollar and the ZAR over the reporting quarter (and remains exposed to future fluctuations in currency exchange rates to the ZAR).

Foreign currency denominated monetary assets and liabilities are translated at the period-end exchange rate. Gains and losses arising from foreign currency translation are recognized in the statement of operations and deficit. The Company operates in two functional currencies, the Canadian dollar and ZAR. Translation gains or losses on the consolidation of the financial statements of self-sustaining operations are accumulated in the currency translation account (“CTA”) on the consolidated balance sheet. Translation adjustments arise as a result of fluctuations in foreign currency exchange rates. The currency translation adjustment for this quarter resulting from the 6% weakening of the ZAR to the Canadian dollar, resulted in an adjustment of \$25 million to be recorded in the CTA as a result of translating the Barplats financial statements.

Canadian Dollars - ZAR Exchange Rates (2006)



Acquisition of a 69% indirect interest in Barplats Investments

In April 2006, the Company acquired 100% of the shareholdings of three private companies whose aggregate and sole assets are shares in Barplats. The consideration paid by the Company was the issuance of 288,585,122 common shares in the Company, (at a value of \$1.33 per share), a cash payment of \$27,708,597 and the commitment to purchase or retire existing Barplats debt.

This business combination has been accounted for as a purchase transaction under Canadian GAAP, with the Company identified as the acquirer. The results of operations of the acquired assets are included in the Company’s consolidated financial statements from April 28, 2006 (the acquisition date).

SAFETY RESULTS

Over the first quarter, the CRM property continued to operate fatality free with one lost time injury reported in the first quarter (previous quarter 3 lost time injuries) resulting in a Lost Time Injury Frequency Rate (“LTIFR”) of 0.93 (previous quarter 1.33). This compares against other platinum producers in South Africa whose average LTIFR was above 8.00 according to information compiled by the Bushveld Safety Forum.

OPERATING RESULTS

The Company’s Financial Statements present a measure of historical information that differentiates between operating and development costs. In compliance with Canadian GAAP the Company includes all costs associated with production mining as a period expense in the period incurred. The Company’s operating results are affected by the fact that the Company is exposed to exchange rate fluctuations to the ZAR and the US Dollar and these exchange fluctuations are reflected in the financial results

At CRM there are currently two sections in production: Maroelabult and Zandfontein. Production is currently being ramped up to a steady-state rate of 120,000 tonnes per month and this is expected to be achieved during fiscal 2009.

The average total mining rate during the first quarter of fiscal 2007 was 64,800 tonnes per month (last quarter fiscal 2006 rate of 58,000 tonnes per month) at an average PGM grade of 4.02 g/t (4PGE). Ore transport from underground is being transformed from truck haulage with the commissioning of an underground conveyor system at Zandfontein. There will be an increase in ore production as a result of this, with a corresponding reduction of overhead support costs. Underground development doubled to 2,351 metres during the quarter which is a significant step in generating additional mineable reserves which in turn allows for a production build up. The Company stockpiled 200,584 tonnes of Merensky ore at the quarter end (compared to NIL in the previous quarter) as it managed the processing cycles for various grades of ore.

The Company is compiling a feasibility study on its Mareesburg project following the completion of the drilling program. There was no revenue generated on this property during the quarter.

During the quarter the Company signed a Letter of Intent (“LOI”) with Sylvania Resources Ltd. (“Sylvania”) on the Company’s Mareesburg property and Sylvania’s Everest North project respectively (“the properties”) that comprise a contiguous PGM deposit on the eastern limb of the BIC.

The Company and Sylvania are currently reviewing each others data.

DEVELOPMENT ACTIVITY

Management continues to evaluate development priorities and in the first quarter continued with its development of approved activities.

CRM

A total of 637 metres (8 holes) of shallow confirmatory drilling was completed during the quarter on Crocette (northwest of Zandfontein) and an underground mining section is being designed.

Management has committed to an estimated \$1.5 million drilling program on the previously drilled Kareespruit section (east of Zandfontein and west of Maroelabult) and this work has been placed out for tender.

Kennedy's Vale

Drilling on the De Goedeverwachting farm commenced in August 2006 and through the end of the quarter 3,904 metres (which represents approximately 36% of the planned drilling program) have been drilled in twelve holes yielding 16 reef intersections. Samples have been submitted for assay and results are awaited. The seismic data which exists over portions of Kennedy's Vale and Spitzkop is being re-processed.

Mareesburg

There was no additional exploration work at Mareesburg during the period under review.

Spitzkop

During the quarter 10,997 meters were drilled in 37 holes, with 129 reef intersections.

Eastern Platinum Limited Summary of Mineral Resources

Mineral Resource - UG2			
Crocodile River Mine	Tonnes (‘000)	3PGE+Au (g/t)	3PGE+Au (000oz)
Measured	6,894	4.19	928
Indicated	30,324	4.41	4,303
Inferred	52,482	4.41	7,449
Total	89,700	4.40	12,680
Kennedy's Vale	Tonnes (‘000)	5PGE+Au (g/t)	5PGE+Au (000oz)
Indicated	152,100	5.41	26,475
Inferred	70,000	6.17	13,880
Total	222,100	5.65	40,355
Spitzkop Project	Tonnes (‘000)	5PGE+Au (g/t)	5PGE+Au (000oz)
Measured	37,460	7.70	9,270
Total	37,460	7.70	9,270
Mareesburg Project	Tonnes (‘000)	5PGE+Au (g/t)	5PGE+Au (000oz)
Measured	8,940	5.26	1,510
Indicated	6,950	2.19	490
Total	15,890	3.92	2,000

Mineral Resource - Merensky			
Kennedy's Vale	Tonnes (‘000)	5PGE+Au (g/t)	5PGE+Au (000oz)
Indicated	96,500	3.88	12,038
Inferred	67,300	3.44	7,443
Total	163,800	3.70	19,481
Spitzkop Project	Tonnes (‘000)	5PGE+Au (g/t)	5PGE+Au (000oz)
Indicated	47,380	2.43	3,710
Total	47,380	2.43	3,710

INVESTING ACTIVITY

Subsequent to the Barplats acquisition, the Company retired the Nedbank Capital loan of \$16,660,000 on August 1, 2006

On August 1, 2006, the Company also purchased \$9,500,000 of Gubevu Consortium Holdings (Pty) Limited (“Gubevu”) debt from Nedbank Capital. (Gubevu is the Barplats BEE partner.)

OTHER COSTS & EXPENSES

Amortization

The significant increase in depreciation and amortization is due to the Barplats transaction whereby the Company has acquired operating plant and equipment. Current period expense of \$2,972,000 (previous corresponding quarter \$NIL and previous quarter \$2,328,000) based upon the fair value allocation to these assets.

Non-Controlling Interest

Non-controlling during the quarter has increased to \$710,000 over the previous corresponding quarter (\$NIL) due to the Barplats transaction.

Corporate Administration

The significant increase in general and administrative expenses over the previous year arises from the Company’s consolidation of Barplats operations for the full quarter of \$3,752,000 (previous corresponding quarter \$NIL and previous quarter \$4,662,000). Included within these balances are costs associated with managing the South African operations.

Interest Income

Interest income recorded during the current quarter totaled \$1,899,000 (previous corresponding quarter \$347,000 and previous quarter \$1,336,000). Interest continued to accrue on bank and short-term investment balances while Barplats’ interest income increased during the current quarter as a result of \$242,000 in call interest earned on short term funds (previous quarter \$NIL).

Interest Expenses

Interest expense arises through the Company’s investment in Barplats. During the quarter the Company paid and accrued interest on debt to third party lenders. This debt was outstanding at the acquisition date and portions of this debt continue to be outstanding at the end of the quarter.

SUMMARY OF QUARTERLY RESULTS

The table below presents selected financial data for the Company's eight most recently completed quarters:

	Sept 30, 2006	June 30, 2006	Mar 31, 2006	Dec 31, 2005	Sept 30, 2005	June 30, 2005	Mar 31, 2005	Dec 31, 2004
In '000's	\$	\$	\$	\$	\$	\$	\$	\$
Financial results								
Revenue	25,450	14,082	-	-	-	-	-	-
Net income (loss) for period	(2,479)	(3,184)	(1,083)	30	(422)	(1,160)	(174)	(712)
Basic (loss) income per Share	(0.00)	(0.02)	(0.01)	0.01	(0.01)	(0.06)	(0.01)	(0.03)
Expenditures on mineral properties	6,083	6,444	352	241	405	386	-	-
Balance sheet data								
Cash and short term deposits	91,649	134,184	24,808	24,590	22,837	23,599	1,565	1,692
Deferred acquisition costs	-	-	53	-	36,113	36,113	-	-
Property, plant and equipment	588,021	600,739	100,540	100,188	26,554	34,840	382	382

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2006, the Company's working capital position was \$79,423,000 as compared with \$105,612,000 as at June 30, 2006 and its cash and cash equivalents and short-term investments totalled \$91,649,000 (June 30, 2006 - \$134,184,000). The decrease in the cash balances from previous quarter is due in part to the following financing and operating activities:

- i) Incurring exploration expenditures including associated property, plant and equipment totalling \$11,343,000
- ii) Incurring operating expenditures (adjusted for non-cash items) totalling \$3,527,000
- iii) Retiring loans owned by Barplats (\$16,660,000) and the purchase of the Gubevu loan (\$9,500,000) from Nedbank Capital on August 1, 2006.

STOCK-BASED COMPENSATION

In the first quarter associated with the Barplats operations, the Company expensed \$56,000. (In the previous corresponding quarter the Company recorded \$18,799 and in the previous quarter \$5,207,000 relating to Eastplats). The value of the options has been calculated using the Black-Scholes option-pricing model.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

During the first quarter the Company incurred capital obligations for capital projects as follows:

Barplats Operating Capital	\$ 7,280,000
Barplats Development Capital	\$ 2,480,000

The Company has commitments in the current fiscal year for capital expenditures as follows:

Barplats Operating Capital	\$19,500,000
Barplats Development Capital	\$ 9,750,000

HEDGING

The Company does not currently have any commodity or foreign exchange hedging or other derivative instruments and there are currently no plans to enter into any such contracts. The Company has not forward sold any of its production. The Company has not factored any of its trade receivable balances.

EBITDA

Earnings (Loss) before interest (income and expense, foreign exchange gains and losses), taxes (income and capital), depreciation and amortization (including depletion) ("EBITDA") is a non-GAAP measure, was \$4,548,000 during the first quarter (\$766,000) previous year and \$(4,500,000) previous quarter).

OPERATIONAL RISKS

Management is aware that the government has proposed a 3% royalty based upon gross mining revenues. This proposal is currently under industry review with comments due back to government early in calendar 2007. Management is working with other mining companies active in South Africa to draft an objection to the proposed royalty.

MINERAL TENURE - DEPARTMENT OF MINERALS AND ENERGY

An additional prospecting right, over the three farms Kennedy's Vale, Belvedere and Tweefontein comprising a total of 3,972 hectares has been approved and an additional one granted at CRM during the quarter. This brings the total number of prospecting rights issued to 11 (out of 18 applications filed) at CRM and 2 (out of 3 applications filed) at KV. The Company has been notified that our mining rights conversion application for CRM has been successful and we will be issued the new order rights before the end of the second quarter.

The old order prospecting permit for the Maresburg property was approved for conversion into a new order prospecting right on November 9, 2006.

At CRM the application for the conversion of the mining right over portions 157, 159 and 160 of De Kroon has been made to the DME and continues to impact on mining of the eastern portion of Maroelabult. Barplats has been verbally informed that Barplats Social and Labour Plan has been approved and management believes that the right will be granted during the second quarter

PROPERTY, PLANT AND EQUIPMENT

The Company evaluates all costs associated with its acquisition, exploration and development activities and determines the appropriateness for capitalization to the mineral property. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off to operations. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The amounts shown within these Financial Statements for mineral properties do not necessarily represent present or future values. The recoverability of these minerals are dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing; to complete planned development; the profitable production; and receipts from product sales.

ASSET RETIREMENT OBLIGATIONS AND REMEDIATION

The Company recognizes liabilities for statutory, contractual or legal obligations associated with the retirement of property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, the fair value of the liability for an asset retirement obligation is recognized in the period incurred. The net present value is added to the carrying amount of the associated asset and amortized over the asset's useful life. On an annual basis the liability is evaluated for reasonableness and the properties and assets are evaluated as to remediation costs.

The Company's estimates of reclamation and remediation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. A change in estimated discount rates is reviewed annually or as new information becomes available. Expenditures relating to ongoing environmental programs are charged against operations as incurred or capitalized and amortized depending on their relationship to future earnings. Funding of the obligation is managed through insurance coverages and cash contributions to a remediation fund.

RELATED PARTY TRANSACTIONS

- (a) The Company incurred the following expenses, on a cost recovery basis, with companies and individuals related by way of directors and/or officers in common:

	Three Months ended September 30	
	2006	2005
Consulting fees	\$100,000	\$60,000
Director's fees	58,000	30,000
Management fees	187,000	30,000
Severance	400,000	-
Rent	18,000	18,000

- (b) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2006 included \$41,664 (June 30, 2006 - \$5,000) which were due to directors and \$400,000 due to an ex-officer and director of the Company. .

CRITICAL ACCOUNTING POLICIES AND PROCEDURES

Management has discussed and disclosed the development and selection of the Company's critical accounting estimates with the Audit Committee of the Board of Directors and the Audit committee with the guidance of our external and internal auditors (through Barplats) has reviewed the disclosure relating to these Financial Statements and this MD&A. The accounting policies and methods the Company utilizes determine how we report the Company's financial condition and results of operations, and they may require management to make estimates about matters that are inherently uncertain. In this MD&A management has provided an update for any changes in accounting policies and critical accounting estimates from our 2006 Annual MD&A and 2006 Annual Report.

ACCOUNTING POLICY CHANGES

The Company has made no changes in its accounting policies or processes since those disclosed within the 2006 Financial Statements, 2006 Annual Report and accompanying 2006 MD&A. The reader is encouraged to reference these to determine the impact to comparative previous period. Management does not believe that there are any material effects from the changes reflected through previous reports.

INTERNAL CONTROL

Management continues to evaluate the effectiveness of our disclosure controls and procedures. Management has concluded, that based upon our evaluation that the Company's control environment is sufficiently effective to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

OUTSTANDING SHARE DATA

As at November 10, 2006 there were 516,228,985 common shares issued and outstanding. There were also 17,050,000 stock options outstanding to directors and consultants with exercise prices ranging between \$0.56 and \$1.70 per share. 16,116,667 of the outstanding options have vested. There were also 87,999,370 warrants outstanding which expire between March 18, 2007 and March 28, 2009 with exercise prices ranging between \$1.50 and \$2.40 per share. Refer to Note 7 of the September 30, 2006 interim consolidated financial statements for more details on these outstanding securities.

CAUTIONARY STATEMENT ON FORWARD LOOKING INFORMATION

Management references certain information contained or incorporated by reference in this First Quarter Report 2007, including any information as to our future financial or operating performance constitute “forward looking statements”. 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. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, 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: fluctuations in the currency markets (such as Canadian dollar, ZAR and US dollar); fluctuations in the PGM basket prices or certain commodities (such as copper, diesel fuel and electricity); to changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, South Africa, Russia or Barbados or other countries in which we do or may carry on business in the future and/or whose participation in the PGM sector may affect the industry’s supply volumes; business opportunities that may be presented to or pursued by us; our ability to successfully integrate acquisitions, including our recent investment in Barplats Investments Limited; operating or technical difficulties in connection with mining or development activities; employee relations; the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits; diminishing quantities or grades of reserves; adverse changes in our credit rating; and contest over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of PGM exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding, staff and equipment availability. Many of these uncertainties and contingencies can affect our 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 us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this First Quarter Report 2007 are qualified by these cautionary statements. Specific reference is made to the Company’s most recent Form 40-F/Annual Information Form on file with Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements.

We disclaim 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.