

Unaudited interim consolidated financial statements of

**Eastern Platinum Limited**

September 30, 2007

# Eastern Platinum Limited

September 30, 2007

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# Eastern Platinum Limited

## Consolidated statements of operations three month periods ended September 30,

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

	2007	2006
	\$	\$
<b>Revenue</b>	<b>31,452</b>	22,699
Cost of operations		
Production costs	20,416	15,254
Depletion and depreciation	3,972	2,651
	<b>24,388</b>	17,905
Income before undernoted items	<b>7,064</b>	4,794
Expenses		
General and administrative	3,480	3,346
Stock-based compensation	54	50
	<b>3,534</b>	3,396
Operating income	<b>3,530</b>	1,398
Other income (expense)		
Interest income	2,188	1,694
Interest expense	(779)	(1,291)
Foreign exchange loss	(5,344)	(3,737)
Loss before income taxes and non-controlling interests	<b>(405)</b>	(1,936)
Future income tax (expense) recovery	<b>(376)</b>	359
Non-controlling interests	<b>(609)</b>	(633)
<b>Net loss for the period</b>	<b>(1,390)</b>	(2,210)
Basic and diluted loss per share	<b>(0.00)</b>	(0.00)
Weighted average number of common shares outstanding - basic and diluted	<b>667,834,880</b>	514,337,681

# Eastern Platinum Limited

## Consolidated statement of shareholders' equity

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

(Unaudited)

	Common shares		Contributed surplus	Deficit	Accumulated other comprehensive income ("AOCI")	Total deficit and AOCI	Total
	Shares	Amount					
		\$	\$	\$	\$	\$	\$
<b>Balance, June 30, 2005</b>	84,793,863	89,166	3,061	(24,094)	-	(24,094)	68,133
Released from trust pursuant to completion of Eastern Platinum Holdings Ltd. acquisition	18,750,000	21,422	-	-	-	-	21,422
Exercise of warrants	1,100,000	1,205	-	-	-	-	1,205
Shares issued for cash	120,000,000	133,890	-	-	-	-	133,890
Shares issued for acquisition of indirect interest in Barplats	288,585,122	342,596	-	-	-	-	342,596
Stock option compensation	-	-	4,587	-	-	-	4,587
Dilution loss on issuance of shares by a subsidiary	-	-	(849)	-	-	-	(849)
Share issue costs	-	-	-	(8,403)	-	(8,403)	(8,403)
Comprehensive income (loss):							
Net loss for the period				(3,879)		(3,879)	(3,879)
Effect of exchange rate variation on translation of assets of self-sustaining foreign operations and translation to reporting currencies				-	(52,754)	(52,754)	(52,754)
<b>Comprehensive income (loss) for the period</b>	-	-	-	(3,879)	(52,754)	(56,633)	(56,633)
Balance, June 30, 2006	513,228,985	588,279	6,799	(36,376)	(52,754)	(89,130)	505,948
Shares issued for acquisition of interest in Afriminerals	3,000,000	3,548	-	-	-	-	3,548
Shares issued for acquisition of 1% NSR in Spitzkop	12,000,000	21,062	-	-	-	-	21,062
Shares issued for cash	105,921,095	188,894	-	-	-	-	188,894
Shares issued for acquisition of additional 5% in Barplats	17,272,594	29,020	-	-	-	-	29,020
Exercise of warrants	13,318,184	26,032	-	-	-	-	26,032
Exercise of options	3,037,500	8,268	(3,318)	-	-	-	4,950
Stock-based compensation	-	-	14,416	-	-	-	14,416
Share issue costs	-	-	-	(9,280)	-	(9,280)	(9,280)
Comprehensive income (loss):							
Net loss for the period				(10,272)		(10,272)	(10,272)
Effect of exchange rate variation on translation of assets of self-sustaining foreign operations and translation to reporting currencies				-	29,730	29,730	29,730
<b>Comprehensive income (loss) for the period</b>	-	-	-	(10,272)	29,730	19,458	19,458
Balance, June 30, 2007	667,778,358	865,103	17,897	(55,928)	(23,024)	(78,952)	804,048
Exercise of warrants	100,000	181	-	-	-	-	181
Stock-based compensation	-	-	54	-	-	-	54
Share issue costs	-	-	-	(4)	-	(4)	(4)
Comprehensive income (loss):							
Net loss for the period				(1,390)		(1,390)	(1,390)
Effect of exchange rate variation on translation of assets of self-sustaining foreign operations and translation to reporting currencies					42,290	42,290	42,290
<b>Comprehensive income (loss) for the period</b>	-	-	-	(1,390)	42,290	40,900	40,900
<b>Balance, September 30, 2007</b>	<b>667,878,358</b>	<b>865,284</b>	<b>17,951</b>	<b>(57,322)</b>	<b>19,266</b>	<b>(38,056)</b>	<b>845,179</b>

# Eastern Platinum Limited

## Consolidated balance sheets

(Expressed in thousands of U.S. dollars)

(Unaudited)

	September 30, 2007	June 30, 2007
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	16,337	6,192
Short-term investments	189,097	198,306
Receivables (Note 3)	25,873	22,403
Inventories (Note 4)	6,207	4,651
	<b>237,514</b>	231,552
Property, plant and equipment (Note 5)	798,291	757,293
Refining contract	18,768	18,828
Other assets	1,223	1,007
	<b>1,055,796</b>	1,008,680
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	22,084	21,026
Future income taxes	9,102	11,573
	<b>31,186</b>	32,599
Asset retirement obligation	2,868	2,701
Capital leases and other long-term liabilities	12,524	11,920
Future income taxes	140,219	132,910
	<b>186,797</b>	180,130
Non-controlling interests	23,820	24,502
<b>Shareholders' equity</b>		
Share capital (Note 6)	865,284	865,103
Contributed surplus	17,951	17,897
Accumulated other comprehensive income (loss) (Note 7)	19,266	(23,024)
Deficit	(57,322)	(55,928)
	<b>845,179</b>	804,048
	<b>1,055,796</b>	1,008,680

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 U.S. dollars)  
(Unaudited)

	2007	2006
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(1,390)	(2,211)
Items not involving cash		
Accretion	87	109
Depletion and depreciation	3,972	2,651
Stock-based compensation	54	50
Foreign exchange loss	5,344	2,273
Future income tax	376	(359)
Non-controlling interests	609	633
	<b>9,052</b>	<b>3,146</b>
Net changes in non-cash working capital items		
Receivables	(3,470)	(5,175)
Inventories	(1,556)	(8,883)
Accounts payable and accrued liabilities	1,058	12,664
	<b>5,084</b>	<b>1,752</b>
<b>Financing activities</b>		
Common shares issued for cash, net	181	-
Repayment of short-term debt	-	(14,860)
	<b>181</b>	<b>(14,860)</b>
<b>Investing activities</b>		
Short-term investments	18,379	11,510
Acquisition of interest in Afriminerals	-	(5,500)
Issuance of debt	-	(8,643)
Property, plant and equipment expenditures, net of related accounts payable	(12,417)	(10,152)
	<b>5,962</b>	<b>(12,785)</b>
Effect of exchange rate changes on cash and cash equivalent	(1,082)	(13)
Increase (decrease) in cash and cash equivalents	10,145	(25,906)
Cash and cash equivalents, beginning of period	6,192	45,510
<b>Cash and cash equivalents, end of period</b>	<b>16,337</b>	<b>19,604</b>
Cash and cash equivalents are comprised of		
Cash in bank	15,399	8,425
Short-term money market instruments	938	11,179
	<b>16,337</b>	<b>19,604</b>
Supplementary cash flow information		
Interest paid	504	279
Income taxes paid	-	-

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 1. Nature of operations

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

Effective July 1, 2007 the Company has changed its fiscal year end from June 30 to December 31 to better align with financial reporting year ends that are predominant in the mining industry.

### 2. Summary of significant accounting policies

#### (a) Basis of presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information and follow the same accounting policies and methods as the most recent annual financial statements. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in Canada for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three-month period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the six months ending December 31, 2007.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report for the year ended June 30, 2007.

#### (b) Change in accounting policy

On July 1, 2007, the Company retrospectively adopted, without restatement of prior periods, the recommendations included in the following Sections of the Canadian Institute of Chartered Accountants Handbook: Section 1530, *Comprehensive Income*, Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3865, *Hedges*, Section 3861, *Financial Instruments – Disclosure and Presentation*, and Section 3251, *Equity*.

Section 1530, *Comprehensive Income*, requires the presentation of comprehensive income and its components in a new financial statement. Comprehensive income is the change in the net assets of a company arising from transactions, events and circumstances not related to shareholders. Section 3251, *Equity*, establishes standards for the presentation of equity and changes in equity during the reporting period.

Section 3855, *Financial Instruments – Recognition and Measurement*, and Section 3861, *Financial Instruments – Disclosure and Presentation*, establish standards for classification, recognition, measurement, presentation and disclosure of financial instruments (including derivatives) and non-financial derivatives in the financial statements. This standard prescribes when to recognize a financial instrument in the balance sheet and at what amount. Depending on their balance sheet classification, fair value or cost-based measures are used. This standard also prescribes the basis of presentation for gains and losses on financial instruments. Based on financial instrument classification gains and losses on financial instruments are recognized in net income or other comprehensive income.

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 2. Summary of significant accounting policies (continued)

(b) *Change in accounting policy (continued)*

Section 3865, *Hedges*, sets out standards specifying when and how an entity can use hedge accounting. The adoption of this new standard is optional. It offers entities the possibility of applying different reporting options than those set out in Section 3855, *Financial Instruments – Recognition and Measurement*, to qualifying transactions that they elect to designate as hedges for accounting purposes. The Company does not have any derivatives that qualify as hedging instruments.

In accordance with the provisions of these new standards, amounts previously recorded in "Cumulative translation adjustment" have been reclassified to "Accumulated other comprehensive income." The adoption of these new standards had no impact on the Company's consolidated statements of operations and shareholders' equity.

### 3. Receivables

	September 30, 2007	June 30, 2007
	\$	\$
Trade receivables, net of advances	24,881	21,609
Other receivables	665	56
Refundable taxes	153	605
Prepaid expenses	174	133
	<b>25,873</b>	<b>22,403</b>

### 4. Inventories

	September 30, 2007	June 30, 2007
	\$	\$
Consumables	4,607	2,801
Ore and concentrate	1,600	1,850
	<b>6,207</b>	<b>4,651</b>

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 5. Property, plant and equipment

	September 30, 2007		
	Cost	Accumulated depreciation/ depletion	Net book value
	\$	\$	\$
Mining plant and equipment	151,476	8,666	142,810
Mineral properties			
Crocodile River Mine (a)	137,357	6,266	131,091
Kennedy's Vale Project (b)	376,623	-	376,623
Spitzkop PGM Project (c)	119,827	-	119,827
Mareesburg JV (d)	27,759	-	27,759
Other property, plant and equipment	216	35	181
	<b>813,258</b>	<b>14,967</b>	<b>798,291</b>

	June 30, 2007		
	Cost	Accumulated depreciation/ depletion	Net book value
	\$	\$	\$
Mining plant and equipment	135,202	6,766	128,436
Mineral properties			
Crocodile River Mine (a)	133,616	4,438	129,178
Kennedy's Vale Project (b)	362,510	-	362,510
Spitzkop PGM Project (c)	111,112	-	111,112
Mareesburg JV (d)	25,886	-	25,886
Other property, plant and equipment	205	34	171
	<b>768,531</b>	<b>11,238</b>	<b>757,293</b>

### 6. 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

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 6. Share capital (continued)

#### (b) Stock options

The Company has an incentive plan ("Plan") 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 Plan, the aggregate number of common shares, which may be reserved for issuance under the Plan, shall not exceed 10% of the outstanding shares.

Each option granted shall be for a term not exceeding ten years from the date of being granted unless otherwise approved by the Board of Directors and is exercisable, in whole or in part, at any time during the term of the relevant option. The option exercise price is set at the date of the grant and cannot be less than the closing sale price of the Company's common share on the Toronto Stock Exchange on the day immediately preceding the day of the grant of the option.

The following table summarizes information concerning outstanding and exercisable options at September 30, 2007:

Options outstanding	Options exercisable	Exercise price	Expiry date
		Cdn\$	
75,000	75,000	1.70	January 14, 2008
625,000	625,000	0.56	November 5, 2008
187,500	187,500	1.00	August 26, 2009
8,075,000	7,575,000	1.70	May 24, 2011
350,000	350,000	1.70	November 27, 2011
23,137,500	23,137,500	1.82	March 7, 2012
32,450,000	31,950,000		

During the quarter ended September 30, 2007, no options were granted, exercised, expired or cancelled. Subsequent to September 30, 2007, the Company issued 15 million employee stock options to directors, employees and consultants of the Company at an exercise price of \$2.31, that expire in ten years.

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 6. Share capital (continued)

#### (c) Share purchase warrants

The changes in warrants were as follows:

	September 30, 2007		June 30, 2007	
	Number of warrants	Weighted average exercise price Cdn\$	Number of warrants	Weighted average exercise price Cdn\$
Balance outstanding, beginning of period	71,211,568	1.83	87,999,370	1.89
Warrants issued	-	-	-	-
Warrants exercised	(100,000)	1.80	(13,318,184)	2.08
Warrants expired	-	-	(3,469,618)	2.35
Balance outstanding, end of period	71,111,568	1.83	71,211,568	1.83

The following table summarizes information concerning outstanding warrants at September 30, 2007:

Number of warrants	Exercise price Cdn\$	Expiry date
11,356,054	2.00	April 22, 2008
59,755,514	1.80	March 28, 2009
71,111,568		

### 7. Accumulated other comprehensive income (loss)

	September 30, 2007	June 30, 2007
	\$	\$
Balance, beginning of period	(23,024)	(52,754)
Effect of exchange rate variation on translation	42,290	29,730
Balance, end of period	19,266	(23,024)

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 8. Related party transactions

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

	Periods ended September 30,	
	2007	2006
	\$	\$
Consulting fees	96	90
Management fees	115	526
Rent	-	16

Prior year management fees include Cdn\$400 (\$358) in severance paid to a former director and officer of the Company.

- (b) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2007 included \$16 (2006 - \$37) which were due to companies related by way of directors in common.

### 9. Commitments

The Company has committed to capital expenditures on projects of approximately R197.0 million (\$28.6 million) as at September 30, 2007.

### 10. 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 revenues and expenses by geographic areas for the three month periods ended September 30, 2007 and 2006 are as follows:

#### *Revenues and expenses*

	Three months September 30, 2007		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	31,452	-	31,452
Production costs	(20,416)	-	(20,416)
Depletion and depreciation	(3,972)	-	(3,972)
Expenses	(2,443)	(1,091)	(3,534)
Interest income	-	2,188	2,188
Interest expense	(779)	-	(779)
Foreign exchange loss	(939)	(4,405)	(5,344)
Income (loss) before income taxes and other item	2,903	(3,308)	(405)

# Eastern Platinum Limited

## Notes to the consolidated financial statements

September 30, 2007

(Tabular amounts expressed in thousands of U.S. dollars, except as noted and share and per share amounts)

(Unaudited)

### 10. Segmented information (continued)

(b) (continued)

	Three months September 30, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	22,699	-	22,699
Production costs	(15,254)	-	(15,254)
Depletion and depreciation	(2,651)	-	(2,651)
Expenses	(2,414)	(982)	(3,396)
Interest income	834	860	1,694
Interest expense	(1,291)	-	(1,291)
Foreign exchange loss	(534)	(3,203)	(3,737)
Income (loss) before income taxes and other item	1,389	(3,325)	(1,936)

Virtually all of the Company's assets are located in South Africa.

For the three months ended September 30, 2007, 100% of revenue was from two customers and as at September 30, 2007, 90% of trade receivables were from two customers.

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

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## Three months ended September 30, 2007

This portion of the Quarterly Report provides Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations 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, and for the quarter ended, September 30, 2007 in comparison to the prior year same quarter. This MD&A should be read in conjunction with the unaudited consolidated financial statements for the quarter ended September 30, 2007 and supporting notes that have been prepared in accordance with Canadian Generally Accepted Accounting Principles (Canadian GAAP) and the June 30, 2007 annual audited consolidated financial statements and the related notes thereto. Effective July 1, 2006, the Company changed its reporting currency to the U.S. dollar. The change in reporting currency is to better reflect the Company's business activities and to improve investors' ability to compare the Company's financial results with other publicly traded businesses in the mining industry.

The unaudited financial statements have been translated into the reporting currency using the current rate method. Under this method, the statement of operations and cash flow items for each period are translated into the reporting currency using the average rate in effect for the period, and assets and liabilities are translated using the exchange rate at the period end. All resulting exchange differences are reported as a separate component of shareholders' equity titled Accumulated Other Comprehensive Income ("AOCI").

All monetary amounts are in US dollars unless otherwise specified.

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). This MD&A contains forward looking statements that are subject to risk factors set out in the cautionary note contained herein.

Effective July 1, 2007, the Company has changed its fiscal year end from June 30 to December 31 to better align itself with industry reporting and to allow for improved presentation of production results. This change results with the Company reporting a six-month year ending December 31, 2007.

This MD&A has been prepared as of November 14, 2007.

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### 1. Overview

Eastplats is an expanding platinum group metals ("PGM") producer engaged in the acquisition, development and mining of PGM's with 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 Complex ("BC") the geological environment that supports over 70% of the world's PGM supply.

The Company's strategy is to provide its stakeholders with superior returns from assets being developed and mined within the PGM mining sector. The Company has neither hedged nor sold forward any of its PGM production. The Company continues its process of optimizing orebody development through traditional cost effective mining methods that place a premium on a safe work environment.

The Company's assets comprise of a direct and indirect 85% interest in Barplats Investments Limited ("Barplats") whose main assets are the PGM producing Crocodile River Mine ("CRM") located on the western limb of the BC and the non-producing Kennedy's Vale Project located on the eastern limb of the BC. The Company also has a 75.5% direct and indirect interest in Mareesburg Platinum JV ("Mareesburg") and a direct and indirect 93.4% interest in Spitzkop PGM Project ("Spitzkop") both located on the eastern limb of the BC.

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## **2. Safety**

During the quarter ended September 30, 2007, CRM reported three lost time injuries (previous quarter six lost time injuries) resulting in a Lost Time Injury Frequency Rate ("LTIFR") of 1.49 (previous quarter 3.68). The Company's twelve month rolling LTIFR of 3.19 to September 30, 2007 compares well against most of the other platinum producers in South Africa, whose average LTIFR was above 8.00 according to information compiled by the Bushveld Safety Forum.

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## **3. First Quarter Review**

Eastplats recorded revenue of \$31.5 million for the quarter ended September 30, 2007. Results for the quarter included:

- Revenues of \$31.5 million, a 39% increase over previous year same quarter of \$22.7 million.
  - Sales of 29,417 ounces of PGM, a 30% increase over previous year same quarter of 22,666 ounces.
  - Operating cash costs of \$637 per ounce, a decrease over the previous year same quarter of \$645 per ounce.
  - The Company increased its development rate by 107% to 4,868 metres during the quarter (previous year same quarter 2,351 metres) as it continues to make substantial progress in the development of the ore reserve at CRM. Additionally, working cost development increased to 2,952 meters (from previous year same quarter development of 1,536 meters); this is integral in generating additional mineable reserves to support the continued production build up at CRM.
  - The average monthly mining rate during the quarter ended September 30, 2007 increased 67% to 107,900 tonnes per month from 64,800 tonnes per month in previous year same quarter.
  - At September 30, 2007, the Company had a cash position (including cash and cash equivalents and short term investments) of \$205.4 million which is invested in highly liquid, fully guaranteed, bank sponsored instruments. Prior year same period the Company had a cash position of \$82.4 million. The Company is not exposed to financial instruments involving the US residential property markets or mortgages.
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## **4. Summary of Quarterly Results**

The table below presents selected financial data for the Company's eight most recently completed quarters. This table is reflective of the Company's adoption of US dollars as the reporting currency. This table indicates the translation based upon the quarterly average on a per quarter basis.

(US\$'000's)	Sept. 30, 2007	June 30, 2007	Mar.31, 2007	Dec.31, 2006	Sept.30, 2006	June 30, 2006	Mar. 31, 2006	Dec 31, 2005
<b>Balance Sheet Data</b>								
Cash and short term investments	205,434	204,498	51,171	60,662	82,447	120,216	21,433	21,179
Property, Plant and Equipment	798,291	757,293	608,698	580,244	537,627	538,202	86,993	86,359
Total Assets	1,055,796	1,008,680	719,475	702,196	662,226	688,424	111,580	110,283
<b>Financial Results</b>								
Revenue	21,452	23,146	30,443	24,917	22,699	12,605	15	36
Net Income (loss)	(1,390)	(4,751)	(9,887)	(6,576)	(2,210)	(6,619)	(713)	1,032
Basic Earnings (loss) per Share	-	(0.01)	(0.02)	0.02	-	(0.02)	(0.01)	0.01
Expenditure on Mineral Properties	12,417	11,609	32,096	13,867	5,425	5,704	305	205

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

	Sept 30, 2007	June 30, 2007	Mar 31, 2007	Dec 31, 2006	Sept 30, 2006	June 30, 2006
<b>Production</b>						
Ounces Produced	29,417	25,111	26,807	25,873	22,666	12,553
Run of Mine Tons	323,777	244,275	211,830	209,978	194,405	134,018
Total Tons Processed	399,022	369,453	415,112	351,045	287,601	178,859
Stoping Units (m <sup>2</sup> )	35,262	35,315	26,441	27,771	30,054	15,530
Development Meters	4,868	4,807	3,687	2,438	2,351	741

## 5. Results of Operations for the three month period ended September 30, 2007

### Selected Quarterly Information

	Three Months ended September 30,		
	2007	2006	2005
<b>Production 5 PGE + Au oz<sup>1</sup></b>	29,417	22,666	-
Basket Price	1,293	1,183	-
Realized Basket Price per oz <sup>2</sup>	1,088	1,005	-
Operating Cash Costs per oz <sup>3</sup>	637	645	
<b>US\$ '000's</b>			
Total Revenue	31,452	22,699	-
Operating Cash Costs <sup>3</sup>	18,739	14,620	-
Depreciation and Depletion	3,972	2,651	-
Total Production Costs	20,416	15,254	-
<b>EBITDA(Loss)<sup>4</sup></b>	7,556	4,099	(622)
<b>Net Income (Loss) for the period</b>	(1,390)	(2,211)	(351)
<b>Basic and diluted loss per share</b>	-	-	(0.01)
<b>Cash dividends declared per share</b>	-	-	-
<b>Total assets</b>	1,055,796	659,382	74,529
<b>Total long-term financial liabilities</b>	153,140	122,485	2,953

1 5 PGE + Au represent Platinum, Palladium, Rhodium, Ruthenium, Iridium and Gold

2 Realized Basket Price is the price received, net of associated smelter costs, under the off-take agreement.

- 3 Operating Cash Costs is a non-GAAP measure and represents all costs associated with production and operating development, excluding amortization, depreciation, depletion and inventory accounting adjustments
- 4 EBITDA(Loss) – is a non-GAAP measure defined by the Company as Net Income before interest (income and expense including foreign exchange gains/losses), accounting for stock based compensation and non-controlling interests, taxes (income and capital), depreciation and amortization (including depletion). See EBITDA (Loss) note in section 17 for more details.

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## 6. Review of Financial Results

The Company produced record quarterly results in revenue and PGM ounces sold at the lowest per unit cash cost.

For the three months ended September 30, 2007, PGM sales were 29,417 ounces compared with 22,666 ounces for the quarter ended September 30, 2006. The 30% increase over the previous year same quarter is attributable to the improvement in mining operations at CRM including conveyor belts to surface, and a significant investment in on-reef and off-reef development that has allowed for increased stoping units, production and improved efficiencies.

For the quarter ended September 30, 2007, EBITDA was \$7.6 million compared to \$4.1 million for the quarter ended September 30, 2006.

During the quarter ended September 30, 2007, the Company continued with the development of its Mareesburg, Spitzkop and Rhodium Reefs properties.

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## 7. Currency Exchange Exposure

As approximately 90% of the Company's production and development costs are denominated in South African Rand ("R" or "Rand") and 100% of the production revenue is US dollar based, the Company is exposed to fluctuations in the exchange rates for the Rand, the Canadian and US Dollars. The Company does not hedge any transactions and is exposed to the fluctuations of the Rand and the Canadian and US dollars over the reporting period (and will remain exposed to future fluctuations in currency exchange rates).

Rand and Canadian dollar 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. Translation gains or losses on the consolidation of the financial statements of self-sustaining operations are accumulated in the AOCI on the consolidated balance sheet. Translation adjustments arise as a result of fluctuations in foreign currency exchange rates. The change in the AOCI for the quarter ending September 30, 2007 was \$42.3 million, as a result of fluctuations in the exchange rates between the Rand and the Canadian dollar and the fluctuations in the exchange rates between the Canadian to US dollars.

The Company has advanced funds to its South African subsidiary entities, which have been designated as Rand-based debt at the subsidiary level. As the Company expects that these funds will be repaid and the lending source is non-Rand, the Company is exposed to exchange rate fluctuations between the lending currency and the Rand. In the current period ending September 30, 2007, this exposure has resulted in the Company booking a foreign exchange loss of \$4.4 million.

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## 8. Operating Results

During the quarter ended September 30, 2007, the Company experienced an increase in the realized revenue per ounce (net of smelting costs) to \$1,088 per ounce from \$1,005 per ounce for previous year same quarter due to an increase in PGM commodity prices.

Operating cash costs have decreased in the quarter to approximately \$637 per ounce from the previous year same quarter \$645 per ounce and \$702 per ounce for the quarter ending June 30,

2007. Significant focus during the previous quarters on mine development has allowed the Company to increase underground production which has resulted in a reduction in per unit costs. The Company continues its focus upon on-reef development which increased to 2,570 meters in the quarter ended September 30, 2007 from 1,664 meters in the previous year same quarter and to take a conservative approach of expensing this development. The Company continues to focus on the grade of the concentrate produced rather than the metallurgical recovery rate in order to minimize the level of chrome in concentrate and the associated chrome penalties under one of its off-take agreements. The Company is constructing a chrome recovery plant which will reduce the chrome content in the UG2 concentrate being sold under the Company's off-take agreements.

The Company continues to make substantial progress with underground development at CRM to generate an 18 to 24 month reserve base required to support the production build up towards the target production rate of 200,000 tonnes per month. Underground development increased to 4,868 metres during the quarter ended September 30, 2007 compared with 2,351 meters of development in the previous year same quarter.

The average monthly mining rate during the quarter ending September 30, 2007 increased to 107,900 tonnes per month (from an average 64,800 tonnes per month in the previous year same quarter) and maintained an average and consistent PGM grade of 4.02 g/t (5PGE+Au). During the quarter ended September 30, 2007 there was no revenue generated from Mareesburg, Spitzkop or Kennedy's Vale properties.

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## **9. Other Costs**

### **Amortization**

The depreciation and amortization due to Barplats' activities for the quarter ending September 30, 2007 of \$4.0 million increased over the \$2.7 million for the quarter ended September 30, 2006. The increase is attributable to the increase in property plant and equipment (Note 5) through both capital project spending and the accounting for the purchase price of acquisition activity (Note 3) in South Africa.

### **Non-Controlling Interest**

Non-controlling interest during the quarter ending September 30, 2007 was \$0.6 million due to Barplats' non-controlling shareholders as a result of the additional investment in Barplats and the initial investment in Gubevu.

### **Corporate Administration**

The general and administrative expenses in the quarter ending September 30, 2007 was \$3.5 million compared to the previous year same quarter of \$3.3 million and include costs associated with managing the South African operations and severance paid to a past director and officer of the Company in the quarter ending September 30, 2006.

### **Stock-Based Compensation**

In the quarter ending September 30, 2007 the Company expensed \$.05 million associated with stock options awarded to employees of the Company in the quarter ended March 31, 2007. These options vest over a three year period ending May 24, 2008 and have been valued using the Black-Scholes option-pricing model.

### **Interest Income**

Interest income recorded during the quarter ending September 30, 2007 was \$2.2 million compared to previous year same quarter of \$1.7 million, due to the exercise of warrants and a

Cdn\$201 million (\$180.7 million) equity fund raise during the quarter ended June 30, 2007.

### **Interest Expense**

During the quarter ending September 30, 2007 the Company incurred interest expense on equipment financing in South Africa of R1.2 million (\$0.2 million) and interest expense on settlement of its concentrate sales under its off-take agreements of R3.3 million (\$0.5 million).

### **Income taxes**

During the quarter ended September 30, 2007 the Company recorded a future income tax expense of \$0.4 million which is comprised of a \$1.2 million tax expense due to the generation of taxable income at Barplats during the quarter ended September 30, 2007 and \$0.8 million reduction of future income tax liabilities related to the amortization of acquired assets. In prior periods, a recovery against potential future taxes payable, was booked mainly on the recognition of the effect of adjustments to tax filings in South Africa. The consolidated balance sheet reflects a total deferred income tax liability of \$149.3 million, primarily the result of future income tax liabilities recorded on the step-up to fair value of the net assets acquired on business acquisitions. The Company's combined Canadian federal and provincial statutory tax rate was 34.12% for the years ended June 30, 2007 and 2006. There are a number of factors that will affect the Company's effective tax rate including the non-recognition of tax assets and non-deductible items such as stock-based compensation expense. As a result, the Company's effective tax rate may fluctuate from period to period.

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## **10. Development Activity**

Management continued to evaluate development priorities during the quarter ended September 30, 2007.

### **CRM**

The Crocette deposit at CRM is scheduled to be the next section of the mine to be developed. Ongoing interaction with the Department of Minerals and Energy ("DME") has indicated that the new order mining right should be processed before the end of 2007. Infrastructure development has been initiated on this project.

At Kareespruit a total of over 17,000 metres have been drilled in the 26 holes completed to date. A scoping study is scheduled for completion in mid-2008.

### **Spitzkop/Kennedy's Vale**

New Mineral Reserve estimates based upon a 39,000 meter infill drill program conducted in 2006/2007 are expected to be completed by the end of 2007.

The first draft of a pre-feasibility study is being reviewed and trial mining is planned to commence early in 2008 as part of the feasibility study. The delivery of long lead items (mills and mining equipment) is expected before the end of 2007.

### **Mareesburg**

A delay in the availability of final assay data and resource estimates from the Vygenhoek portion of the Mareesburg/Vygenhoek PGM deposit resulted in a delay in the evaluation of a potential Joint Venture/Pool and Share arrangement with Sylvania Resources and a delay in the submission of the application for a new order mining right for Mareesburg; this is now scheduled for submission by the end of 2007.

Reserve and Resource estimates for the Mareesburg portion of the deposit are being prepared on the basis of the potential underground and open pit mineable resources; these are expected to be available by the end of 2007.

### Mineral Reserve and Resource Estimates

The Mineral Reserve and Resource estimates have been determined in accordance with the standards issued by the Canadian Securities Administrators for disclosure of Mineral Reserves and Resources (National Instrument 43-101). These standards include a requirement that a "Qualified Person" (as defined under the NI 43-101) supervise the preparation of the technical reports documenting reserves and resources. The Company's Resource and Reserve estimates at CRM were prepared by Mr. Ken Lomborg of RSG Global Consulting (Pty) Ltd. of Johannesburg, South Africa ("RSG"). The Reserve and Resource estimates at Spitzkop and Kennedy's Vale were prepared by Mr. Mike Hall of MSA Geoservices (Pty) Ltd of Johannesburg, South Africa and reviewed by Mr. Ken Lomborg of RSG and by Mr. Al Maynard of Maynard and Associates of Perth Australia. All of the above experts are "Qualified Persons" for the purposes of NI 43-101 reporting requirements. The "Qualified Person" responsible for the content of news releases and filings reporting the results of resource and reserve estimates on behalf of the Company is Mr. Ian Rozier, M.Sc., P.Eng.

As at September 30, 2007 the Company had the following mineral resources:

<b>Eastern Platinum Limited Summary of Mineral Resources</b>			
<b><u>Mineral Resource - UG2</u></b>			
	<b>Tonnes ('000)</b>	<b>3PGE+Au (g/t)</b>	<b>3PGE+Au (000oz)</b>
<b>Crocodile River Mine</b>			
Measured <sup>1</sup>	6,894	4.19	928
Indicated	30,324	4.41	4,303
Inferred	52,482	4.41	7,449
<b>Kennedy's Vale</b>	<b>Tonnes ('000)</b>	<b>5PGE+Au (g/t)</b>	<b>5PGE+Au (000oz)</b>
Indicated	152,100	5.41	26,475
Inferred	70,000	6.17	13,880
<b>Spitzkop Project</b>	<b>Tonnes ('000)</b>	<b>5PGE+Au (g/t)</b>	<b>5PGE+Au (000oz)</b>
Measured	37,460	7.70	9,270
<b>Mareesburg Project</b>	<b>Tonnes ('000)</b>	<b>3PGE+Au (g/t)</b>	<b>3PGE+Au (000oz)</b>
Measured	8,757	5.38	1,515
Indicated	6,737	2.31	501

<b><u>Mineral Resource - Merensky</u></b>			
	<b>Tonnes ('000)</b>	<b>5PGE+Au (g/t)</b>	<b>5PGE+Au (000oz)</b>
<b>Spitzkop Project</b>			
Indicated	47,380	2.43	3,710

1. Increase in Measured Resource in period ended June 30, 2006 is reported in NI 43-101 Technical Report, dated November 2006 and refiled on SEDAR in April 2007.

## 11. Investing Activity

For the quarter ended September 30, 2007 the Company has invested \$12.7 million in new capital in South Africa (\$12.4 million in new capital at Barplats).

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## 12. Liquidity and Capital Resources

As at September 30, 2007, the Company's working capital position was \$203.8 million (previous quarter \$199.0 million) and its cash, cash equivalents and short-term investments totalled \$205.4 million (previous quarter \$204.5 million).

The Company has \$205.4 million in cash and liquid short term investments which are invested in highly liquid, fully guaranteed, bank sponsored instruments. The Company is not exposed to financial instruments involving the US residential property markets or mortgages.

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## 13. Contractual Obligations and Commitments

At September 30, 2007, the Company had capital obligations for projects in South Africa as follows:

Operating Capital	\$ 3.4 million
Development Capital	\$ 25.2 million

During the quarter ended September 30, 2007, the Company incurred capital expenditures as follows:

Operating Capital	\$ 3.2 million
Development Capital	\$ 9.2 million

In the quarter ended June 30, 2007, pursuant to the Company's investment in Gubevu, the Company entered into a four year put and call option with the remaining Gubevu shareholders. This option contemplates the purchase of the remaining outstanding shares of Gubevu, in two equal tranches of R50 million (\$6.9 million) each, with a number of conditions that must be met to maintain BEE compliance prior to the puts or calls being exercised.

As part of the Gubevu transaction the Company has entered into an agreement to pay an unrelated third party an amount that existed in the underlying Gubevu agreements as an obligation of Gubevu. In June 2007, the Company paid R37 million (\$5.2 million) and issued a promissory note for R54.4 million (\$7.9 million) which have been included in the total purchase price of Gubevu.

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## 14. Hedging

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

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## 15. Critical Accounting Estimates

In preparing financial statements in accordance with Canadian GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period end. Critical accounting estimates represent estimates that are uncertain. Changes in those estimates could materially impact on the Company's financial statements.

Management reviews its estimates and assumptions on an ongoing basis using the most current information available. The following accounting estimates are critical:

### **Closure and reclamation costs**

Closure and reclamation costs are accrued at their fair value and are estimated based on the Company's interpretation of current regulatory requirements.

### **Depletion and impairment of mineral properties**

Mining interests are the most significant assets of the Company and represent capitalized expenditures related to the development of mining properties and related plant and equipment and the value assigned to exploration potential on acquisition. Capitalized costs are depreciated and depleted using either the unit-of-production method over the estimated economic life of the mine which they relate to, or using the straight-line method over their estimated useful lives.

The costs associated with mining properties are separately allocated to exploration potential, reserves and resources and include acquired interests in production, development and exploration-stage properties representing the fair value at the time acquired. The values of such mineral properties are primarily based upon the nature and amount of material interests believed to be contained or potentially contained, in those properties.

The Company reviews and evaluates its mining interests for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. An impairment is considered to exist if the total estimated future undiscounted cash flows are less than the carrying amount of the assets. An impairment loss is measured and recorded based on discounted estimates of future cash flows. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

There are numerous uncertainties inherent in estimating mineral reserves and mineral resources. Differences between management's assumptions and market conditions could have a material effect on the Company's financial position and results of operation.

### **Reserve estimates**

The figures for reserves and resources are determined in accordance with the "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators (National Instrument 43-101). There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions and the judgments made in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect on the Company's financial position and results of operation.

### **Income taxes**

Future income tax assets and liabilities are determined based on the temporary differences between financial reporting and tax bases of assets and liabilities, as well as for the benefit of losses available to be carried forward to future years.

Future income tax assets and liabilities are measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. Future income tax assets are recorded on the financial statements if realization is considered more likely than not.

There were no changes in the Company's existing accounting policies during the quarter while the Company adopted the following policies as required by the Canadian Institute of Chartered Accountants ("CICA"):

- Handbook Section 1506 "Changes in Accounting Policies and Estimates and Errors"
- Handbook Section 1530 "Comprehensive Income"
- Handbook Section 1535 "Capital Disclosure"
- Handbook Section 3251 "Equity"

## 16. Changes in Accounting Policies

The Company adopted the provisions of CICA Sections 1530, Comprehensive Income; 3855, Financial Instruments – Recognition and Measurement; 3862, Financial Instruments – Disclosure; and 3863 Financial Instruments - Presentation on July 1, 2007 which address the classification, recognition and measurement of financial instruments in the financial statements, the inclusion of other comprehensive income (“OCI”). As a result of adopting these new standards, there has not been a material impact on its financial results of the Company nor on the method of reporting. The Company now reports the impact through the Cumulative Translation Adjustment account as part of AOCI.

In addition, the Company adopted the policies of CICA Sections 1506, Changes in Accounting Policies and Estimates and Errors; 1535, Capital Disclosure and 3251 Equity and the adoption of these policies did not have a material effect on the financial position and results of operations.

In January 2006, The CICA Accounting Standards Board adopted a strategic plan for the direction of accounting standards in Canada. As part of that plan, accounting standards in Canada in public companies are expected to converge with International Financial Reporting Standards (“IFRS”) by the end of 2010. The Company continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS.

## 17. EBITDA and Operating Cash Costs

Earnings before interest, taxes, depreciation and amortization (a non-GAAP measure) is defined by management as Net Income before interest (income and expense, foreign exchange gains/losses), stock based compensation and non-controlling interests, taxes (income and capital), depreciation and amortization (including depletion). EBITDA for the quarter ending September 30, 2007 was \$7.6 million which represents an increase over EBITDA in previous year same quarter of \$4.1 million predominately as a result of increased production at CRM. The Company uses this non-GAAP measure to evaluate the financial productivity of operations, allowing management to evaluate similar operations taking into consideration the various financing mechanisms and exchange exposures within which these operations exist.

	EBITDA for the Three months ended September 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
US\$ ('000's)	\$	\$	\$
Net Loss for the period	(1,390)	(2,210)	(351)
Adjustments:			
Depletion and Depreciation	3,972	2,651	6
Interest Expense	779	1,291	-
Interest Income	(2,188)	(1,693)	(289)
Future Income Tax Recovery	376	(359)	-
Non Controlling Interest	609	633	-
Foreign Exchange Adjustments	5,344	3,737	(3)
Stock Based Compensation	54	50	16
<b>EBITDA</b>	<b>7,556</b>	<b>4,100</b>	<b>(622)</b>

The Company defines operating cash costs, a non-GAAP measure, as steady state operating costs including development costs included within working costs. The Company excludes shared service costs that are associated with non-operating activities including housing costs, staff working on exploration projects and other support functions not associated with production activities.

US\$ ('000's)	Operating cash costs for the three months ended September 30,			
	2007		2006	
	Total	Per Oz	Total	Per Oz
Total production costs	20,416	694	15,254	673
Non-operating overheads	(1,675)	(57)	(634)	(28)
Operating cash costs	18,741	637	14,620	645

## 18. Operational Risks

The South African government has proposed a 3% royalty based upon gross mining revenues with a projected effective date of January 1, 2009. This proposal is currently under industry review. Management continues to work with other mining companies active in South Africa to draft a response to the proposed royalty.

## 19. Mineral Tenure - Department of Minerals and Energy

Property	Mining			Prospecting		
	Applied	Granted	Pending	Applied	Granted	Pending
CRM	3	2	1	18	13	5
Kennedy's Vale				3	2	1
Mareesburg				1	1	0
Spitzkop				1	1	0
Totals	3	2	1	23	17	6

The Company has an approved Social and Labour Plan for the CRM operations.

## 20. 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 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.

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## 21. 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 the assumptions regarding the amount and timing of the future expenditures.

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 coverage and cash contributions to a remediation fund.

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## 22. Related Party Transactions

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

	Three months ended September 30, (000's)		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Consulting Fees	96	89	50
Management Fees	115	526	25
Rent	0	16	15
	211—	631	90

Prior year management fees include Cdn \$400 (\$358) in severance paid to a former director and officer of the Company.

- (b) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2007 included \$16 (September 30, 2006 - \$37) of directors fees and expenses.

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## 23. Internal Control

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Management is also responsible for the design and maintenance of effective internal control over financial reporting to provide reasonable assurance regarding the integrity and reliability of the Company's financial information and the preparation of its financial statements in accordance with the Canadian generally accepted accounting principles. Management maintains appropriate information systems, procedures and controls to ensure integrity of the financial statements and maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete and reliable.

As required by Multilateral Instrument 52-109, the Company is required to evaluate the effectiveness of its disclosure controls and procedures as of the end of the quarter ended September 30, 2007 under the supervision and with the participation of the President and the Chief Financial Officer. Based upon, and as of the date of this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective. Management believes that the financial statements included in this report fairly present in all material respects the Company's financial condition, results of operations and cash flows for the periods presented.

Management of the Company, including the Chief Executive Officer and Chief Financial Officer, do not expect that the Company's disclosure controls and procedures of internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide reasonable but 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 the associated costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Eastplats have been detected.

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#### **24. Off Balance Sheet Arrangements and Proposed Transactions**

The Company has not entered into any off-balance sheet arrangements or any significant transactions subsequent to quarter end.

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#### **25. Subsequent Events**

Subsequent to September 30, 2007, the Company issued 15 million employee stock options to directors, employees and consultants of the Company at an exercise price of \$2.31, that expire in ten years

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#### **26. Outstanding Share Data**

As at November 14, 2007 there were 668,378,194 common shares issued and outstanding. There were also 47,040,000 stock options outstanding to directors, employees and consultants with exercise prices ranging between Canadian \$0.56 and Canadian \$2.31 per share. (44,969,998 of the total 47,040,000 outstanding options have vested). There were also 71,248,050 share purchase warrants outstanding which expire between April 25, 2008 and March 28, 2009 with exercise prices ranging between Canadian \$1.80 and Canadian \$2.00 per share. Refer to Note 6 of the September 30, 2007 unaudited consolidated financial statements for more details on these outstanding securities.

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#### **27. Cautionary Statement On Forward Looking Information**

Management references certain information contained or incorporated by reference in this Quarterly Report for the quarter ended September, 30, 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 report for the quarter ending September 30, 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.