

Condensed consolidated interim financial
statements of

Eastern Platinum Limited

September 30, 2010
(Unaudited)

Eastern Platinum Limited

September 30, 2010

Table of contents

Condensed consolidated interim income statements	3
Condensed consolidated interim statements of comprehensive income.....	4
Condensed consolidated interim statements of financial position	5
Condensed consolidated interim statements of changes in equity	6
Condensed consolidated interim statements of cash flows.....	7
Notes to the condensed consolidated interim financial statements	8-26

Eastern Platinum Limited

Condensed consolidated interim income statements

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2010	2009	2010	2009
Revenue		\$ 38,073	\$ 27,365	\$ 109,384	\$ 77,106
Cost of operations					
Production costs		26,953	22,394	79,511	58,588
Depletion and depreciation	7	5,782	4,308	16,625	12,111
		32,735	26,702	96,136	70,699
Mine operating earnings		5,338	663	13,248	6,407
Expenses					
General and administrative		2,186	2,336	7,419	7,143
Share-based payments	14	16	109	1,768	444
		2,202	2,445	9,187	7,587
Operating profit (loss)		3,136	(1,782)	4,061	(1,180)
Other income (expense)					
Interest income		459	448	1,252	1,437
Finance costs	16	(392)	(332)	(1,355)	(1,159)
Foreign exchange (loss) gain		(576)	652	(344)	(795)
Profit (loss) before income taxes		2,627	(1,014)	3,614	(1,697)
Deferred income tax recovery		561	1,645	1,657	3,934
Net profit for the period		\$ 3,188	\$ 631	\$ 5,271	\$ 2,237
Attributable to					
Non-controlling interest	15	\$ (851)	\$ (1,208)	\$ (3,040)	\$ (3,083)
Equity shareholders of the Company		4,039	1,839	8,311	5,320
Net profit for the period		\$ 3,188	\$ 631	\$ 5,271	\$ 2,237
Earnings per share					
Basic	17	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01
Diluted	17	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01
Weighted average number of common shares outstanding in thousands					
Basic	17	683,038	680,558	682,350	680,541
Diluted	17	693,409	687,018	693,754	686,112

Eastern Platinum Limited

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

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Net profit for the period	\$ 3,188	\$ 631	\$ 5,271	\$ 2,237
Other comprehensive income				
Exchange differences on translating foreign operations	49,620	24,012	32,101	106,054
Exchange differences on translating non-controlling interest	625	349	358	2,304
Comprehensive income	\$ 53,433	\$ 24,992	\$ 37,730	\$ 110,595
Attributable to				
Non-controlling interest	\$ (226)	\$ (859)	\$ (2,682)	\$ (779)
Equity shareholders of the Company	\$ 53,659	\$ 25,851	\$ 40,412	\$ 111,374

Eastern Platinum Limited

Condensed consolidated interim statements of financial position
as at September 30, 2010 and December 31, 2009
(Expressed in thousands of U.S. dollars - unaudited)

	Note	September 30, 2010	December 31, 2009
Assets			
Current assets			
Cash and cash equivalents	4	\$ 7,718	\$ 7,249
Short-term investments		12,287	14,409
Trade and other receivables	5	31,856	29,138
Inventories	6	8,288	4,825
		60,149	55,621
Non-current assets			
Property, plant and equipment	7	671,220	634,778
Refining contract	8	13,827	14,169
Other assets	9	3,296	2,282
		\$ 748,492	\$ 706,850
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	\$ 23,060	\$ 22,919
Current portion of finance leases	11	1,048	926
		24,108	23,845
Non-current liabilities			
Provision for environmental rehabilitation	12	9,180	8,152
Finance leases	11	2,542	2,850
Deferred tax liabilities		43,255	42,491
		79,085	77,338
Equity			
Issued capital	14	890,906	890,150
Equity-settled employee benefits reserve		33,745	32,336
Currency translation adjustment		(20,798)	(52,899)
Deficit		(241,805)	(250,116)
Capital and reserves attributable to equity shareholders of the Company		662,048	619,471
Non-controlling interest	15	7,359	10,041
		669,407	629,512
		\$ 748,492	\$ 706,850

Approved and authorized for issue by the Board on November 9, 2010.

"David Cohen"

David Cohen, Director

"Robert Gayton"

Robert Gayton, Director

Eastern Platinum Limited

Condensed consolidated interim statements of changes in equity
(Expressed in thousands of U.S. dollars, except number of shares - unaudited)

	Issued capital Common Shares	Amount	Equity- settled employee benefits reserve	Currency translation adjustment	Deficit	Capital and reserves attributable to equity shareholders of the Company	Non-controlling interest	Equity
Balance, December 31, 2008	680,526,454	\$ 890,049	\$ 31,827	\$ (169,577)	\$ (255,766)	\$ 496,533	\$ 12,002	\$ 508,535
Stock options exercised	35,659	13	(6)	-	-	7	-	7
Share-based payments	-	-	444	-	-	444	-	444
Net profit	-	-	-	-	5,320	5,320	(3,083)	2,237
Currency translation adjustment	-	-	-	106,054	-	106,054	2,304	108,358
Balance, September 30, 2009	680,562,113	\$ 890,062	\$ 32,265	\$ (63,523)	\$ (250,446)	\$ 608,358	\$ 11,223	\$ 619,581
Stock options exercised	331,212	88	(67)	-	-	21	-	21
Share-based payments	-	-	138	-	-	138	-	138
Net profit	-	-	-	-	330	330	(1,345)	(1,015)
Currency translation adjustment	-	-	-	10,624	-	10,624	163	10,787
Balance, December 31, 2009	680,893,325	\$ 890,150	\$ 32,336	\$ (52,899)	\$ (250,116)	\$ 619,471	\$ 10,041	\$ 629,512
Stock options exercised	2,192,481	756	(359)	-	-	397	-	397
Share-based payments	-	-	1,768	-	-	1,768	-	1,768
Net profit	-	-	-	-	8,311	8,311	(3,040)	5,271
Currency translation adjustment	-	-	-	32,101	-	32,101	358	32,459
Balance, September 30, 2010	683,085,806	\$ 890,906	\$ 33,745	\$ (20,798)	\$ (241,805)	\$ 662,048	\$ 7,359	\$ 669,407

Eastern Platinum Limited

Condensed consolidated interim statements of cash flows

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2010	2009	2010	2009
Operating activities					
Profit (loss) before income taxes		\$ 2,627	\$ (1,014)	\$ 3,614	\$ (1,697)
Adjustments to net profit (loss) for non-cash items					
Depletion and depreciation	7	5,782	4,308	16,625	12,111
Refining contract amortization	8	378	354	1,113	964
Share-based payments	14	16	109	1,768	444
Interest income		(459)	(448)	(1,252)	(1,437)
Finance costs	16	392	332	1,355	1,159
Foreign exchange loss (gain)		576	(652)	344	795
Net changes in non-cash working capital items					
Trade receivables		315	(1,492)	(1,340)	(9,435)
Inventories		(2,042)	1,348	(3,011)	708
Accounts payable and accrued liabilities		1,268	333	(1,149)	(17,020)
Cash generated from (utilized in) operations		8,853	3,178	18,067	(13,408)
Adjustments to net profit (loss) for cash items					
Interest income received		523	491	1,260	1,290
Finance costs paid		(4)	-	(251)	(11)
Acquisition related dividend taxes paid		-	-	-	(2,422)
Net operating cash flows		9,372	3,669	19,076	(14,551)
Investing activities					
Maturity of short-term investments		1,443	2,552	2,404	22,647
Purchase of other assets		(285)	(256)	(826)	(665)
Property, plant and equipment expenditures		(9,724)	(3,930)	(20,435)	(22,929)
Sale of property, plant and equipment		-	-	-	1,552
Net investing cash flows		(8,566)	(1,634)	(18,857)	605
Financing activities					
Common shares issued for cash, net of share issue costs		15	-	397	12
Payment of current loans		-	-	-	(3,065)
Payment of finance leases		-	(1)	(628)	(619)
Net financing cash flows		15	(1)	(231)	(3,672)
Effect of exchange rate changes on cash and cash equivalents		617	246	481	574
Increase (decrease) in cash and cash equivalents		1,438	2,280	469	(17,044)
Cash and cash equivalents, beginning of period		6,280	6,482	7,249	25,806
Cash and cash equivalents, end of period		\$ 7,718	\$ 8,762	\$ 7,718	\$ 8,762

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

1. Nature of operations

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

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

The head office, principal address and records office of the Company are located at 1075 West Georgia Street, Suite 250, Vancouver, British Columbia, Canada, V6E 3C9. The Company's registered address is 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, Canada, V6E 4N7.

2. Basis of preparation

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

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

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

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 3(l), 3(v), and 3(w) of the Company's audited consolidated financial statements for the year ended December 31, 2009.

3. Summary of significant accounting policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual financial statements as at December 31, 2009 except as noted below. The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2009.

Effective January 1, 2010, the Company adopted a new accounting standard (IFRS 8 *Operating Segments*) that was issued by the International Accounting Standards Board ("IASB"). IFRS 8 was revised and now requires disclosure of information about segment assets. This accounting policy change was adopted on a prospective basis with no restatement of prior period financial statements.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

4. Cash and cash equivalents

Cash and cash equivalents are comprised of:

	September 30, 2010	December 31, 2009
Cash in bank	\$ 2,585	\$ 7,249
Short-term money market instruments	5,133	-
	\$ 7,718	\$ 7,249

5. Trade and other receivables

Trade and other receivables are comprised of the following:

	September 30, 2010	December 31, 2009
Trade receivables	\$ 28,199	\$ 25,839
Allowance for doubtful debts	(134)	(74)
	28,065	25,765
Other receivables	2,671	2,316
Current tax receivable	1,120	1,057
	\$ 31,856	\$ 29,138

6. Inventories

	September 30, 2010	December 31, 2009
Consumables	\$ 5,051	\$ 4,549
Ore and concentrate	1,036	276
Chrome inventory	2,201	-
	\$ 8,288	\$ 4,825

Production costs for the three and nine months ended September 30, 2010 was \$26,953 and \$79,511 (September 30, 2009 - \$22,394 and \$58,588), respectively. Production costs represent the cost of inventories sold during the period. This expense includes Nil (September 30, 2009 - Nil) with regards to the write-down of inventory to net realizable value, and a reduction of Nil (September 30, 2009 - Nil) with regards to the reversal of write-downs.

At September 30, 2010 and December 31, 2009, no inventories were pledged as security for liabilities.

During the three months ended September 30, 2010, the Company reassessed the timing of its chrome revenue recognition and determined that it was more appropriate to recognize chrome revenues at the time the physical chrome crossed the ship's rail at the port of shipment. This resulted in the recording of chrome inventory of \$2,201 at September 30, 2010 representing 45,752 tonnes of chrome in transit, and a corresponding one-time adjustment to chrome revenues.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

7. Property, plant and equipment

	Plant and equipment owned	Plant and equipment leased	Mineral properties being depleted	Mineral properties not being depleted	Residential properties	Properties and land	TOTAL
Cost							
Balance as at December 31, 2008	\$ 315,547	\$ 4,892	\$ 108,680	\$ 444,115	\$ 7,954	\$ 5,299	\$ 886,487
Assets acquired	27,593	-	(186)	921	88	331	28,747
Disposals	(1,510)	-	-	-	-	-	(1,510)
Foreign exchange movement	84,593	1,240	27,606	101,086	2,029	1,348	217,902
Balance as at December 31, 2009	\$ 426,223	\$ 6,132	\$ 136,100	\$ 546,122	\$ 10,071	\$ 6,978	\$ 1,131,626
Assets acquired	20,318	-	-	128	-	-	20,446
Foreign exchange movement	26,599	364	8,099	27,181	600	415	63,258
Balance as at September 30, 2010	\$ 473,140	\$ 6,496	\$ 144,199	\$ 573,431	\$ 10,671	\$ 7,393	\$ 1,215,330
Accumulated depreciation and impairment losses							
Balance as at December 31, 2008	\$ 91,179	\$ 1,966	\$ 12,397	\$ 273,084	\$ 1,726	\$ 662	\$ 381,014
Depreciation	11,298	1,092	4,646	-	118	-	17,154
Foreign exchange movement	24,467	633	3,722	69,238	452	168	98,680
Balance as at December 31, 2009	\$ 126,944	\$ 3,691	\$ 20,765	\$ 342,322	\$ 2,296	\$ 830	\$ 496,848
Depreciation	11,385	916	4,224	-	100	-	16,625
Foreign exchange movement	8,284	279	1,510	20,372	143	49	30,637
Balance as at September 30, 2010	\$ 146,613	\$ 4,886	\$ 26,499	\$ 362,694	\$ 2,539	\$ 879	\$ 544,110
Carrying amounts							
At December 31, 2008	\$ 224,368	\$ 2,926	\$ 96,283	\$ 171,031	\$ 6,228	\$ 4,637	\$ 505,473
At December 31, 2009	\$ 299,279	\$ 2,441	\$ 115,335	\$ 203,800	\$ 7,775	\$ 6,148	\$ 634,778
At September 30, 2010	\$ 326,527	\$ 1,610	\$ 117,700	\$ 210,737	\$ 8,132	\$ 6,514	\$ 671,220

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

7. Property, plant and equipment

	Crocodile River Mine (a)	Kennedy's Vale Project (b)	Spitzkop PGM Project (c)	Mareesburg Project (c)	Other property plant and equipment	TOTAL
Cost						
Balance as at December 31, 2008	\$ 442,262	\$ 319,109	\$ 101,712	\$ 23,294	\$ 110	\$ 886,487
Assets acquired	27,826	-	826	95	-	28,747
Disposals	(1,510)	-	-	-	-	(1,510)
Foreign exchange movement	116,798	80,908	16,456	3,722	18	217,902
Balance as at December 31, 2009	\$ 585,376	\$ 400,017	\$ 118,994	\$ 27,111	\$ 128	\$ 1,131,626
Assets acquired	20,318	-	38	90	-	20,446
Foreign exchange movement	36,075	23,805	2,860	516	2	63,258
Balance as at September 30, 2010	\$ 641,769	\$ 423,822	\$ 121,892	\$ 27,717	\$ 130	\$ 1,215,330
Accumulated depreciation and impairment losses						
Balance as at December 31, 2008	\$ 107,855	\$ 273,084	\$ -	\$ -	\$ 75	\$ 381,014
Depreciation	17,130	-	-	-	24	17,154
Foreign exchange movement	29,432	69,238	-	-	10	98,680
Balance as at December 31, 2009	\$ 154,417	\$ 342,322	\$ -	\$ -	\$ 109	\$ 496,848
Depreciation	16,625	-	-	-	-	16,625
Foreign exchange movement	10,262	20,372	-	-	3	30,637
Balance as at September 30, 2010	\$ 181,304	\$ 362,694	\$ -	\$ -	\$ 112	\$ 544,110
Carrying amounts						
At December 31, 2008	\$ 334,407	\$ 46,025	\$ 101,712	\$ 23,294	\$ 35	\$ 505,473
At December 31, 2009	\$ 430,959	\$ 57,695	\$ 118,994	\$ 27,111	\$ 19	\$ 634,778
At September 30, 2010	\$ 460,465	\$ 61,128	\$ 121,892	\$ 27,717	\$ 18	\$ 671,220

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

7. Property, plant and equipment (continued)

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

The Company holds directly and indirectly 87.5% of CRM, which is located on the eastern portion of the western limb of the Bushveld Complex. The Maroelabult and Zandfontein sections are currently in production. Development of the Crocette section recommenced on April 4, 2010.

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

The Company holds directly and indirectly 87.5% of KV, which is located on the eastern limb of the Bushveld Complex, near Steelpoort in the Province of Mpumalanga. It comprises PGM mineral rights on five farms in the Steelpoort Valley.

(c) *Spitzkop PGM Project and Mareesburg Project*

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project and a 75.5% interest in the Mareesburg Project. The Company currently acts as the operator of both the Mareesburg Platinum Project and Spitzkop PGM Project, both located on the eastern limb of the Bushveld Complex.

8. Refining Contract

During the year ended June 30, 2006, the Company acquired a 69% interest in Barplats and assigned a portion of the purchase price to the off-take contract governing the sales of Barplats' PGM concentrate production. The initial value of the contract was \$17,939. During the year ended June 30, 2007, the Company acquired an additional 5% interest in Barplats resulting in an additional allocation to the contract of \$4,802 for a total aggregate value of \$22,741. During the year ended December 31, 2008, the Company acquired an additional 2.47% interest in Barplats. The acquisition did not affect the aggregate value of the contract. The value of the contract is amortized over the remaining term of the contract which is 8.75 years as at September 30, 2010.

Cost

Balance as at December 31, 2008	\$ 16,850
Foreign exchange movement	4,272
<hr/> Balance as at December 31, 2009	<hr/> \$ 21,122
Foreign exchange movement	1,257
<hr/> Balance as at September 30, 2010	<hr/> \$ 22,379

Accumulated amortization

Balance as at December 31, 2008	\$ 4,357
Amortization for the period	1,332
Foreign exchange movement	1,264
<hr/> Balance as at December 31, 2009	<hr/> \$ 6,953
Amortization for the period	1,113
Foreign exchange movement	486
<hr/> Balance as at September 30, 2010	<hr/> \$ 8,552

Carrying amounts

<hr/> At December 31, 2008	<hr/> \$ 12,493
<hr/> At December 31, 2009	<hr/> \$ 14,169
<hr/> At September 30, 2010	<hr/> \$ 13,827

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

9. Other assets

Other assets consist of a money market fund investment that is classified as available-for-sale and serves as security for a guarantee issued to the Department of Minerals and Energy of South Africa in respect of the environmental rehabilitation liability (Note 12). Changes to other assets for the nine months ended September 30, 2010 are as follows:

Balance, December 31, 2008	\$ 1,017
Additional investment	\$ 811
Service fees	(6)
Interest income	123
Foreign exchange movement	337
Balance, December 31, 2009	\$ 2,282
Additional investment	698
Service fees	(6)
Interest income	133
Foreign exchange movement	189
Balance, September 30, 2010	\$ 3,296

10. Accounts payable and accrued liabilities

	September 30, 2010	December 31, 2009
Trade payables	\$ 11,635	\$ 9,932
Accrued liabilities	6,033	6,849
Other	5,392	6,138
	\$ 23,060	\$ 22,919

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

11. Finance leases

Finance leases relate to mining vehicles with lease terms of 5 years payable half yearly in advance. The Company has the option to purchase the vehicles for a nominal amount at the conclusion of the lease agreements. The Company's obligations under finance leases are secured by the lessor's title to the leased assets. Interest is calculated at the South African prime rate plus 1%. At September 30, 2010, the finance leases are repayable in 2 semiannual installments (December 31, 2009 – 3) of \$634 (December 31, 2009 - \$611) and a top-up payment of \$2,583 in December 2011. The fair value of the finance lease liabilities approximated carrying value.

(a) *Minimum lease payments*

	September 30, 2010	December 31, 2009
No later than 1 year	\$ 1,267	\$ 1,221
Later than 1 year, but no later than 5 years	2,583	3,061
	3,850	4,282
Less: future finance charges	(260)	(506)
Present value of minimum lease payments	\$ 3,590	\$ 3,776

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

11. Finance leases (continued)

(b) *Present value of minimum lease payments*

	September 30, 2010	December 31, 2009
No later than 1 year	\$ 1,048	\$ 926
Later than 1 year, but no later than 5 years	2,542	2,850
	<u>\$ 3,590</u>	<u>\$ 3,776</u>

12. Provision for environmental rehabilitation

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

The liability for the environmental rehabilitation provision at September 30, 2010 is approximately ZAR 64.2 million (\$9,180). The liability was determined using an inflation rate of 7.00% (December 31, 2009 – 7.00%) and an estimated life of mine of 18 years for Zandfontein and Maroelabult (December 31, 2009 – 18 years), 1 year for Kennedy's Vale (December 31, 2009 – 1 year) and 26 years for Spitzkop (December 31, 2009 – 26 years). A discount rate of 8.39% was used (December 31, 2009 – 8.39%). A guarantee of \$3,296 (December 31, 2009 - \$2,282) has been issued to the Department of Minerals and Energy (Note 9). The guarantee will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine. The undiscounted value of this liability is approximately ZAR 236.3 million (\$33,782).

Changes to the environmental rehabilitation provision are as follows:

Balance, December 31, 2008	\$ 5,598
Revision in estimates	629
Interest expense	443
Foreign exchange movement	1,482
Balance, December 31, 2009	\$ 8,152
Revision in estimates	-
Interest expense (Note 16)	509
Foreign exchange movement	519
Balance, September 30, 2010	\$ 9,180

13. Commitments

The Company has committed to capital expenditures on projects of approximately ZAR 48 million (\$6,877) as at September 30, 2010 (December 31, 2009 – ZAR 37 million, \$4,959).

14. Issued capital

(a) *Authorized*

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

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

14. Issued capital (continued)

(b) Share options

The Company has an incentive plan (the "2008 Plan"), approved by the Company's shareholders at its annual general meeting held on June 4, 2008, 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 2008 Plan, 75 million common shares are reserved for issuance upon the exercise of options. All outstanding options at June 4, 2008 granted under the Company's previous plan (the "2005 Plan") will continue to exist under the 2008 Plan provided that the fundamental terms governing such options will be deemed to be those under the 2005 Plan. Upon adoption of the 2008 Plan, options to purchase a total of 27,525,000 common shares were available for grant under the 2008 Plan, representing 75,000,000 less the 47,475,000 outstanding options at June 4, 2008 granted under the 2005 Plan.

Under the 2008 Plan, each option granted shall be for a term not exceeding five years from the date of being granted and the vesting period is determined based on the discretion of the Board of Directors. The option exercise price is set at the date of the grant and cannot be less than the closing market price of the Company's common shares on the Toronto Stock Exchange on the day immediately preceding the day of the grant of the option.

(i) Movements in share options

The changes in share options during the nine months ended September 30, 2010 and the year ended December 31, 2009 were as follows:

	September 30, 2010		December 31, 2009	
	Number of options	Weighted average exercise price Cdn\$	Number of options	Weighted average exercise price Cdn\$
Balance outstanding, beginning of year	59,575,834	1.48	64,746,000	1.52
Options granted	2,231,000	1.30	695,000	0.57
Options exercised	(2,494,660)	0.33	(535,999)	0.32
Options forfeited	(771,668)	1.76	(5,329,167)	2.00
Balance outstanding, end of period	58,540,506	1.52	59,575,834	1.48

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

14. Issued capital (continued)

(b) *Share options (continued)*

(ii) *Fair value of share options granted*

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

2010				
	January 18	Weighted average		
Exercise price	Cdn\$1.30	Cdn\$1.30		
Closing market price on day preceding date of grant	Cdn\$1.30	Cdn\$1.30		
Grant date share price	Cdn\$1.42	Cdn\$1.42		
Risk-free interest rate	1.73%	1.73%		
Expected life	3 years	3 years		
Annualized volatility	83%	83%		
Dividend rate	0%	0%		
Grant date fair value	Cdn\$0.80	Cdn\$0.80		
2009				
	February 11	June 30	November 3	Weighted average
Exercise price	Cdn\$0.32	Cdn\$0.52	Cdn\$0.76	Cdn\$0.57
Closing market price on day preceding date of grant	Cdn\$0.32	Cdn\$0.52	Cdn\$0.76	Cdn\$0.57
Grant date share price	Cdn\$0.38	Cdn\$0.52	Cdn\$0.81	Cdn\$0.59
Risk-free interest rate	1.69%	1.84%	1.86%	1.83%
Expected life	3 years	3 years	3 years	3 years
Annualized volatility	78%	79%	82%	80%
Dividend rate	0%	0%	0%	0%
Grant date fair value	Cdn\$0.21	Cdn\$0.27	Cdn\$0.45	Cdn\$0.32

Exercise price is the closing market price on the day preceding the date the options were granted, as defined by the Company's 2008 share option plan.

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

Expected volatility is based on the historical share price volatility since Eastern Platinum Limited completed its acquisition of Barplats Investment Limited on May 2, 2006, or for 3 years prior to the date of grant, whichever is shorter.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

14. Issued capital (continued)

(b) *Share options (continued)*

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

The following table summarizes information concerning outstanding and exercisable options at September 30, 2010:

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn\$		
6,725,000	6,725,000	1.70	0.65	May 24, 2011
250,000	250,000	1.70	1.16	November 27, 2011
19,987,500	19,987,500	1.82	1.44	March 7, 2012
14,892,006	14,160,339	0.32	3.22	December 18, 2013
20,000	-	0.32	3.37	February 11, 2014
400,000	400,000	0.52	3.75	June 30, 2014
130,000	16,667	0.76	4.09	November 3, 2014
2,226,000	2,226,000	1.30	4.31	January 18, 2015
13,190,000	13,190,000	2.31	7.02	October 5, 2017
90,000	90,000	2.50	7.21	December 12, 2017
460,000	460,000	3.38	7.40	February 20, 2018
170,000	170,000	3.38	7.49	March 27, 2018
58,540,506	57,675,506		3.26	

The weighted average exercise price of options exercisable at September 30, 2010 is Cdn\$1.54.

(c) *Share purchase warrants*

The changes in warrants during the nine months ended September 30, 2010 and the year ended December 31, 2009 were as follows:

	September 30, 2010		December 31, 2009	
	Number of warrants	Weighted average exercise price Cdn\$	Number of warrants	Weighted average exercise price Cdn\$
Balance outstanding, beginning of year	-	-	58,485,996	1.80
Warrants expired	-	-	(58,485,996)	1.80
Balance outstanding, end of period	-	-	-	-

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

15. Non-controlling interest

The non-controlling interests are comprised of the following:

Balance, December 31, 2008	\$ 12,002
Non-controlling interests' share of loss in Barplats	(1,228)
Non-controlling interests' share of interest on advances to Gubevu	(1,855)
Foreign exchange movement	2,304
Balance, September 30, 2009	\$ 11,223
Non-controlling interests' share of loss in Barplats	(680)
Non-controlling interests' share of interest on advances to Gubevu	(665)
Foreign exchange movement	163
Balance, December 31, 2009	\$ 10,041
Non-controlling interests' share of loss in Barplats	(1,033)
Non-controlling interests' share of interest on advances to Gubevu	(2,007)
Foreign exchange movement	358
Balance, September 30, 2010	\$ 7,359

16. Finance costs

	Three months ended		Nine months ended	
	September 30, 2010	2009	September 30, 2010	2009
Interest on revenue advances	\$ 153	\$ 110	\$ 410	\$ 380
Interest on finance leases	66	87	215	289
Interest on provision for environmental rehabilitation	173	118	509	320
Interest on tax	-	-	209	2
Other interest	-	17	12	168
	\$ 392	\$ 332	\$ 1,355	\$ 1,159

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

17. Earnings per share

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

	Three months ended September 30, 2010		Nine months ended September 30, 2010	
	2009		2009	
	(in thousands)		(in thousands)	
Weighted average number of ordinary shares used in the calculation of basic earnings per share	683,038	680,558	682,350	680,541
Shares deemed to be issued for no consideration in respect of in the money options	10,371	6,460	11,404	5,571
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	693,409	687,018	693,754	686,112

The following potential ordinary shares, outstanding at September 30, 2010, are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share:

	Three months ended September 30, 2010		Nine months ended September 30, 2010	
	2009		2009	
	(in thousands)		(in thousands)	
Options	43,099	40,766	43,099	41,176
Warrants	-	-	-	-

18. Retirement benefit plans

The Barplats Provident Fund is an independent, defined contribution plan administered by Liberty Life Limited in South Africa. The costs associated with the defined contribution plan included in net profit for the three and nine months, respectively, were \$991 and \$2,859 (September 30, 2009 - \$758 and \$1,895). The total number of employees in the plan at September 30, 2010 was 1,805 (September 30, 2009 - 1,884).

19. Related party transactions

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

(a) Trading transactions

The Company's related parties consist of companies owned by executive officers and directors as follows:

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

19. Related party transactions (continued)

(a) Trading transactions (continued)

Nature of transactions	
Andrews PGM Consulting	Consulting
Buccaneer Management Inc.	Management
Jazz Financial Ltd.	Management
Maluti Services Limited	General and administrative
Xiste Consulting Ltd.	Management

The Company incurred the following fees and expenses in the normal course of operations in connection with companies owned by key management and directors. Expenses have been measured at the exchange amount which is determined on a cost recovery basis.

	Note	Three months ended September 30,		Nine months ended September 30,	
		2010	2009	2010	2009
Consulting fees	(i)	\$ 53	\$ 27	\$ 118	\$ 103
General and administrative expenses		29	26	91	45
Management fees		280	253	900	726
		\$ 362	\$ 306	\$ 1,109	\$ 874

- (i) The Company paid fees to a private company controlled by a director of the Company for consulting services performed outside of his capacity as a director.
- (ii) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at September 30, 2010 included \$30 (December 31, 2009 - \$510) which were due to private companies controlled by officers of the Company.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2010 and 2009 were as follows:

	Note	Three months ended September 30,		Nine months ended September 30,	
		2010	2009	2010	2009
Salaries and directors' fees	(i)	\$ 583	\$ 530	\$ 1,699	\$ 1,510
Share-based payments	(ii)	-	-	1,627	93
		\$ 583	\$ 530	\$ 3,326	\$ 1,603

- (i) Salaries and directors' fees include consulting and management fees disclosed in Note 19(a).
- (ii) Share-based payments are the fair value of options granted to key management personnel, translated at the grant date foreign exchange rate.
- (iii) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the three and nine months ended September 30, 2010 and 2009.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts - unaudited)

20. Segmented Information

- (a) Operating segment - The Company's operations are primarily directed towards the acquisition, exploration and production of platinum group metals in South Africa.
- (b) Geographic segments - The Company's revenues and expenses by geographic areas for the three and nine months ended September 30, 2010 and 2009 and assets by geographic areas as at September 30, 2010 and December 31, 2009 are as follows:

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts)

20. Segmented Information (continued)

(b) Geographic segments (continued)

	Three months ended September 30, 2010							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Other	Total South Africa	Canada	TOTAL
Current assets	\$ 44,172	\$ 182	\$ 1,578	\$ 30	\$ 1,050	\$ 47,012	\$ 13,137	\$ 60,149
Property, plant and equipment	460,465	61,128	121,892	27,717	-	671,202	18	671,220
Refining contract	13,827	-	-	-	-	13,827	-	13,827
Other assets	3,296	-	-	-	-	3,296	-	3,296
	\$ 521,760	\$ 61,310	\$ 123,470	\$ 27,747	\$ 1,050	\$ 735,337	\$ 13,155	\$ 748,492
Property, plant and equipment expenditures	\$ 9,681	\$ -	\$ 30	\$ 13	\$ -	\$ 9,724	\$ -	\$ 9,724
Sale of property, plant and equipment	-	-	-	-	-	-	-	-
Revenue	\$ 38,073	\$ -	\$ -	\$ -	\$ -	\$ 38,073	\$ -	\$ 38,073
Production costs	(26,953)	-	-	-	-	(26,953)	-	(26,953)
Depreciation and amortization	(5,782)	-	-	-	-	(5,782)	-	(5,782)
General and administrative expenses	(909)	(274)	(5)	(3)	(3)	(1,194)	(992)	(2,186)
Share-based payment	(16)	-	-	-	-	(16)	-	(16)
Interest income	423	-	-	2	-	425	34	459
Finance costs	(194)	(191)	(7)	-	-	(392)	-	(392)
Foreign exchange gain (loss)	21	-	-	-	-	21	(597)	(576)
Profit (loss) before income taxes	4,663	(465)	(12)	(1)	(3)	4,182	(1,555)	2,627
Deferred income tax recovery	561	-	-	-	-	561	-	561
Net profit (loss) for the period	\$ 5,224	\$ (465)	\$ (12)	\$ (1)	\$ (3)	\$ 4,743	\$ (1,555)	\$ 3,188

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts)

20. Segmented Information (continued)

(c) *Geographic segments (continued)*

	Three months ended September 30, 2009								
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Other	Total South Africa	Canada	TOTAL	
Property, plant and equipment expenditures	\$ 3,930	\$ -	\$ -	\$ -	\$ -	\$ 3,930	\$ -	\$ 3,930	
Sale of property, plant and equipment	28	-	-	-	-	28	-	28	
Revenue	\$ 27,365	\$ -	\$ -	\$ -	\$ -	\$ 27,365	\$ -	\$ 27,365	
Production costs	(22,394)	-	-	-	-	(22,394)	-	(22,394)	
Depreciation and amortization	(4,308)	-	-	-	-	(4,308)	-	(4,308)	
General and administrative expenses	(1,453)	-	-	(4)	-	(1,457)	(879)	(2,336)	
Share-based payment	(109)	-	-	-	-	(109)	-	(109)	
Interest income	373	-	5	-	2	380	68	448	
Finance costs	(302)	(30)	-	-	-	(332)	-	(332)	
Foreign exchange (loss) gain	(19)	-	-	-	13	(6)	658	652	
(Loss) profit before income taxes	\$ (847)	\$ (30)	\$ 5	\$ (4)	\$ 15	\$ (861)	\$ (153)	\$ (1,014)	
Deferred income tax recovery	1,639	-	-	-	-	1,639	6	1,645	
Net profit (loss) for the period	\$ 792	\$ (30)	\$ 5	\$ (4)	\$ 15	\$ 778	\$ (147)	\$ 631	

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts)

20. Segmented Information (continued)

(b) *Geographic segments (continued)*

	Nine months ended September 30, 2010							
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Other	Total South Africa	Canada	TOTAL
Property, plant and equipment expenditures	\$ 20,318	\$ -	\$ 38	\$ 90	\$ -	\$ 20,446	\$ -	\$ 20,446
Sale of property, plant and equipment	-	-	-	-	-	-	-	-
Revenue	\$ 109,384	\$ -	\$ -	\$ -	\$ -	\$ 109,384	\$ -	\$ 109,384
Production costs	(79,511)	-	-	-	-	(79,511)	-	(79,511)
Depreciation and amortization	(16,625)	-	-	-	-	(16,625)	-	(16,625)
General and administrative expenses	(3,276)	(1,081)	(12)	(5)	(6)	(4,380)	(3,039)	(7,419)
Share-based payment	(63)	-	-	-	-	(63)	(1,705)	(1,768)
Interest income	1,147	-	-	6	-	1,153	99	1,252
Finance costs	(778)	(557)	(20)	-	-	(1,355)	-	(1,355)
Foreign exchange gain (loss)	12	-	-	-	-	12	(356)	(344)
Profit (loss) before income taxes	\$ 10,290	\$ (1,638)	\$ (32)	\$ 1	\$ (6)	\$ 8,615	\$ (5,001)	\$ 3,614
Deferred income tax recovery	1,657	-	-	-	-	1,657	-	1,657
Net profit (loss) for the period	\$ 11,947	\$ (1,638)	\$ (32)	\$ 1	\$ (6)	\$ 10,272	\$ (5,001)	\$ 5,271

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts)

20. Segmented Information (continued)

(b) *Geographic segments (continued)*

Nine months ended September 30, 2009								
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Other	Total South Africa	Canada	TOTAL
Property, plant and equipment expenditures	\$ 22,496	\$ -	\$ 365	\$ 68	\$ -	\$ 22,929	\$ -	\$ 22,929
Sale of property, plant and equipment	1,580	-	-	-	-	1,580	-	1,580
Revenue	\$ 77,106	\$ -	\$ -	\$ -	\$ -	\$ 77,106	\$ -	\$ 77,106
Production costs	(58,588)	-	-	-	-	(58,588)	-	(58,588)
Depreciation and amortization	(12,111)	-	-	-	-	(12,111)	-	(12,111)
General and administrative expenses	(3,917)	(254)	(332)	(8)	(63)	(4,574)	(2,569)	(7,143)
Share-based payment	(351)	-	-	-	-	(351)	(93)	(444)
Interest income	1,110	-	36	-	4	1,150	287	1,437
Finance costs	(930)	(85)	-	-	(144)	(1,159)	-	(1,159)
Foreign exchange gain (loss)	33	(5)	-	-	(86)	(58)	(737)	(795)
Profit (loss) before income taxes	\$ 2,352	\$ (344)	\$ (296)	\$ (8)	\$ (289)	\$ 1,415	\$ (3,112)	\$ (1,697)
Deferred income tax recovery	3,928	-	-	-	-	3,928	6	3,934
Net profit (loss) for the period	\$ 6,280	\$ (344)	\$ (296)	\$ (8)	\$ (289)	\$ 5,343	\$ (3,106)	\$ 2,237

December 31, 2009								
	Crocodile River Mine	Kennedy's Vale	Spitzkop	Mareesburg	Other	Total South Africa	Canada	TOTAL
Current assets	\$ 36,749	\$ 176	\$ 1,509	\$ 45	\$ 1,003	\$ 39,482	\$ 16,139	\$ 55,621
Property, plant and equipment	430,959	57,695	118,994	27,111	-	634,759	19	634,778
Refining contract	14,169	-	-	-	-	14,169	-	14,169
Other Assets	2,282	-	-	-	-	2,282	-	2,282
	\$ 484,159	\$ 57,871	\$ 120,503	\$ 27,156	\$ 1,003	\$ 690,692	\$ 16,158	\$ 706,850

For the three and nine months ended September 30, 2010 and 2009, substantially all of the Company's PGM production was sold to one customer.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements as at September 30, 2010
(Expressed in thousands of U.S. dollars, except number of shares and per share amounts)

21. Events after the reporting period

From October 1, 2010 to November 9, 2010:

- (a) 102,000 stock options were exercised, of which 62,000 were exercised by way of cash payment at a weighted average exercise price of Cdn\$0.32 for proceeds of Cdn\$20, and 40,000 were exercised by way of stock appreciation rights at a weighted average exercise price of Cdn\$0.32.
- (b) On October 28, 2010 the Company signed a mandate letter with two financial institutions to arrange and underwrite a US\$100 million corporate debt facility through Eastplats International Inc., a subsidiary of the Company. The mandated lead arrangers are UniCredit Bank AG, London Branch and The Standard Bank of South Africa Limited.

EASTERN PLATINUM LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS
AND RESULTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2010

The following Management's Discussion and Analysis ("MD&A") is intended to assist the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("Eastplats" or the "Company") as at September 30, 2010 and for the three and nine months then ended in comparison to the same period in 2009.

In February 2009, the applicable provincial securities commissions granted the Company exemptive relief to adopt International Financial Reporting Standards ("IFRS") with an adoption date of January 1, 2009 and a transition date of January 1, 2008.

This MD&A should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2010 and supporting notes. These condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS and in accordance with International Accounting Standard 34 ("IAS 34") – Interim Financial Reporting.

In this MD&A, the Company also reports certain non-IFRS measures such as EBITDA and cash costs per ounce which are explained in Section 3.2 of this MD&A.

All monetary amounts are in U.S. dollars unless otherwise specified. The effective date of this MD&A is November 9, 2010. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Contents of the MD&A

1. Overview
2. Summary of results
 - 2.1. Summary of results for the quarter ended September 30, 2010
 - 2.2. Summary of results for the nine months ended September 30, 2010
3. Results of operations for the three and nine months ended September 30, 2010
 - 3.1. Mining operations at the Crocodile River Mine ("CRM")
 - 3.2. CRM non-IFRS measures
 - 3.3. Development projects
 - 3.3.1. CRM
 - 3.3.2. Eastern Limb projects
 - 3.4. Corporate and other expenses
4. Liquidity and Capital Resources
 - 4.1. Outlook
 - 4.2. Impairment
 - 4.3. Share capital
 - 4.4. Contractual obligations and commitments
5. Related party transactions

6. Adoption of accounting standards and accounting pronouncements under IFRS
 7. Internal control over financial reporting
 8. Cautionary statement on forward-looking information
-

1. Overview

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

The Company’s primary operating asset is an 87.5% direct and indirect 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 Project (“Mareesburg”) and a 93.4% direct and indirect interest in Spitzkop PGM Project (“Spitzkop”), both located on the Eastern Limb of the BC.

2. Summary of results

2.1 Summary of results for the quarter ended September 30, 2010 (“Q3 2010”)

- Eastplats recorded a net profit attributable to equity shareholders of the Company of \$4,039,000 (\$0.01 basic earnings per share) in Q3 2010 compared to \$1,839,000 (\$0.00 per share) in the third quarter of 2009 (“Q3 2009”).
- EBITDA increased 124% to \$11,120,000 in Q3 2010 compared to \$4,971,000 in Q3 2009.
- PGM ounces sold increased 26% to a quarterly record of 37,798 ounces in Q3 2010 compared to 29,986 PGM ounces in Q3 2009.
- The U.S. average delivered basket price per PGM ounce increased 25% to \$953 in Q3 2010 compared to \$765 in Q3 2009.
- The Rand average delivered basket price per PGM ounce increased 17% to R6,966 in Q3 2010 compared to R5,967 in Q3 2009.
- Rand operating cash costs net of by-product credits were R4,566 per ounce in Q3 2010, consistent with R4,548 per ounce in Q3 2009. Rand operating cash costs decreased 12% to R5,212 per ounce in Q3 2010 compared to R5,915 per ounce in Q3 2009.
- U.S. dollar operating cash costs net of by-product credits increased 7% to \$625 per ounce in Q3 2010 compared to \$583 per ounce achieved in Q3 2009. U.S. dollar operating cash costs decreased 6% to \$713 per ounce in Q3 2010 compared to the \$758 per ounce in Q3 2009.
- Head grade decreased to 4.0 grams per tonne in Q3 2010 from 4.1 grams per tonne in Q3 2009.

- Average concentrator recovery improved to 81% in Q3 2010 compared to 78% in Q3 2009.
- Development meters increased by 14% to 3,299 meters and on-reef development increased by 15% to 1,797 meters compared to Q3 2009.
- Stopping units increased 40% to 50,892 square meters in Q3 2010 compared to 36,263 square meters in Q3 2009.
- Run-of-mine ore hoisted increased by 48% to 362,042 tonnes in Q3 2010 compared to 244,959 tonnes in Q3 2009.
- Run-of-mine ore processed increased by 27% to 357,219 tonnes in Q3 2010 compared to 280,777 tonnes in Q3 2009.
- The Company's Lost Time Injury Frequency Rate (LTIFR) was 4.66 in Q3 2010 compared to 1.69 in Q3 2009.
- During the quarter, the Company recorded a one-time adjustment to chrome revenues that resulted from a change to the timing of chrome revenue recognition. Under the previous method of chrome revenue recognition, the Company's revenues would have been \$41,254,000, EBITDA would have been \$12,195,000, and net profit attributable to equity shareholders of the Company would have been \$4,979,000. Further information is included in section 3.1.
- At September 30, 2010, the Company had a cash position (including cash, cash equivalents and short term investments) of \$20,005,000 (December 31, 2009 – \$21,658,000).

2.2 Summary of results for the nine months ended September 30, 2010 ("9M 2010")

- Eastplats recorded a net profit attributable to equity shareholders of the Company of \$8,311,000 (\$0.01 per share) in 9M 2010 compared to \$5,320,000 (\$0.01 per share) in the nine months ended September 30, 2009 ("9M 2009").
- EBITDA increased 61% to \$29,873,000 in 9M 2010 compared to \$18,518,000 in 9M 2009.
- PGM ounces sold increased 3% to 99,149 in 9M 2010 compared to 96,338 PGM ounces in 9M 2009.
- The U.S. average delivered basket price per PGM ounce increased 44% to \$974 in 9M 2010 compared to \$675 in 9M 2009.
- The Rand average delivered basket price per PGM ounce increased 24% to R7,249 in 9M 2010 compared to R5,850 in 9M 2009.
- Rand operating cash costs net of by-product credits increased 17% to R4,896 per ounce in 9M 2010 compared to R4,180 per ounce in 9M 2009. Rand operating cash costs increased 13% to R5,995 per ounce in 9M 2010 compared to R5,283 per ounce in 9M 2009.
- U.S. dollar operating cash costs net of by-product credits increased 36% to \$658 per ounce in 9M 2010 compared to \$485 per ounce achieved in 9M 2009. Operating cash costs increased 32% to \$805 per ounce in 9M 2010 compared to the \$611 per ounce in 9M 2009.

- Head grade remained consistent at 4.1 grams per tonne during 9M 2010 and 2009.
- Average concentrator recovery increased to 80% in 9M 2010 compared to 79% in 9M 2009.
- Development meters decreased by 21% to 9,313 meters and on-reef development decreased by 26% to 5,301 meters compared to 9M 2009.
- Stopping units increased by 15% to 153,225 square meters in 9M 2010 compared to 132,703 square meters in 9M 2009.
- Run-of-mine ore hoisted increased by 6% to 963,537 tonnes in 9M 2010 compared to 908,492 tonnes in 9M 2009.
- Run-of-mine ore processed increased by 4% to 938,101 tonnes in 9M 2010 compared to 903,525 tonnes in 9M 2009.

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

Table 1

Selected quarterly data	2010			2009				2008
	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30	March 31	Dec 31
Revenues	\$ 38,073	\$ 36,612	\$ 34,699	\$ 34,259	\$ 27,365	\$ 24,838	\$ 24,903	\$ 345
Cost of operations	(32,735)	(32,383)	(31,018)	(29,294)	(26,702)	(22,595)	(21,402)	(19,569)
Mine operating earnings (loss)	5,338	4,229	3,681	4,965	663	2,243	3,501	(19,224)
Expenses (G&A and share-based payment)	(2,202)	(2,050)	(4,935)	(3,523)	(2,445)	(3,374)	(1,768)	(6,599)
Impairment of property, plant and equipment	-	-	-	-	-	-	-	(297,285)
Operating profit (loss)	3,136	2,179	(1,254)	1,442	(1,782)	(1,131)	1,733	(323,108)
Net profit (loss) attributable to equity shareholders of the Company	\$ 4,039	\$ 3,448	\$ 824	\$ 330	\$ 1,839	\$ 317	\$ 3,164	\$ (230,176)
Earnings (loss) per share - basic	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.34)
Earnings (loss) per share - diluted	\$ 0.01	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ (0.34)
Average foreign exchange rates								
South African Rand per US dollar	7.31	7.53	7.51	7.50	7.80	8.44	9.94	9.92
US dollar per Canadian dollar	0.9621	0.9727	0.9608	0.9459	0.9114	0.8578	0.8038	0.8252
Period end foreign exchange rates								
South African Rand per US dollar	7.00	7.66	7.33	7.41	7.53	7.75	9.54	9.29
US dollar per Canadian dollar	0.9718	0.9393	0.9844	0.9515	0.9340	0.8598	0.7928	0.8210

3. Results of Operations for the three and nine months ended September 30, 2010

The following table sets forth selected consolidated financial information for the three and nine months ended September 30, 2010 and 2009:

Table 2

Condensed consolidated interim income statements				
(Expressed in thousands of U.S. dollars, except per share amounts)				
	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Revenue	\$ 38,073	\$ 27,365	\$ 109,384	\$ 77,106
Cost of operations				
Production costs	26,953	22,394	79,511	58,588
Depletion and depreciation	5,782	4,308	16,625	12,111
Mine operating earnings	5,338	663	13,248	6,407
Expenses				
General and administrative	2,186	2,336	7,419	7,143
Share-based payments	16	109	1,768	444
Operating profit (loss)	3,136	(1,782)	4,061	(1,180)
Other income (expense)				
Interest income	459	448	1,252	1,437
Finance costs	(392)	(332)	(1,355)	(1,159)
Foreign exchange (loss) gain	(576)	652	(344)	(795)
Profit (loss) before income taxes	2,627	(1,014)	3,614	(1,697)
Deferred income tax recovery	561	1,645	1,657	3,934
Net profit for the period	\$ 3,188	\$ 631	\$ 5,271	\$ 2,237
Attributable to				
Non-controlling interest	\$ (851)	\$ (1,208)	\$ (3,040)	\$ (3,083)
Equity shareholders of the Company	4,039	1,839	8,311	5,320
Net profit for the period	\$ 3,188	\$ 631	\$ 5,271	\$ 2,237
Earnings per share				
Basic	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01
Diluted	\$ 0.01	\$ 0.00	\$ 0.01	\$ 0.01
Weighted average number of common share outstanding				
Basic	683,038	680,558	682,350	680,541
Diluted	693,409	687,018	693,754	686,112
Condensed consolidated statements of financial position	September 30,	December 31,		
	2010	2009		
Total assets	\$ 748,492	\$ 706,850		
Total long-term liabilities	\$ 54,977	\$ 53,493		

3.1 Mining operations at Crocodile River Mine (“CRM”)

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

Table 3

Crocodile River Mine operations	Three months ended							
	2010			2009				2008
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31
Key financial statistics								
(dollar amounts stated in U.S. dollars)								
Sales - PGM ounces	37,798	30,820	30,531	34,000	29,986	33,383	32,969	29,015
Average delivered price per ounce (2)	\$953	\$1,015	\$959	\$860	\$765	\$679	\$590	\$550
Average basket price	\$1,128	\$1,200	\$1,130	\$1,008	\$878	\$779	\$676	\$655
Rand average delivered price per ounce	R 6,966	R 7,643	R 7,202	R 6,450	R 5,967	R 5,730	R 5,865	R 5,456
Rand average basket price	R 8,246	R 9,036	R 8,486	R 7,560	R 6,848	R 6,574	R 6,720	R 6,496
Cash costs per ounce of PGM (1)	\$713	\$882	\$841	\$706	\$758	\$554	\$536	\$628
Cash costs per ounce of PGM, net of chrome by-product credits (1)	\$625	\$646	\$711	\$621	\$583	\$494	\$388	\$578
Rand cash costs per ounce of PGM (1)	R 5,212	R 6,639	R 6,315	R 5,296	R 5,915	R 4,673	R 5,326	R 6,231
Rand cash costs per ounce of PGM, net of chrome by-product credits (1)	R 4,566	R 4,866	R 5,336	R 4,661	R 4,548	R 4,169	R 3,857	R 5,734
Key production statistics								
Run-of-mine (“ROM”) rock tonnes processed	357,219	290,028	290,854	321,983	280,777	304,354	318,394	298,514
Development meters	3,299	3,202	2,812	3,254	2,882	4,326	4,573	4,604
On-reef development meters	1,797	1,573	1,931	2,135	1,562	2,860	2,745	2,922
Stoping units (square meters)	50,892	50,573	51,760	55,153	36,263	51,342	45,098	46,459
Concentrator recovery from ROM ore	81%	80%	78%	79%	78%	80%	80%	76%
Chrome sold (tonnes)	72,436	76,677	75,846	85,347	76,900	70,850	84,207	13,000
Metal in concentrate sold (ounces)								
Platinum (Pt)	19,195	15,433	15,405	17,012	15,080	16,721	16,499	14,466
Palladium (Pd)	8,129	6,769	6,562	7,444	6,613	7,406	7,399	6,690
Rhodium (Rh)	3,216	2,661	2,607	2,923	2,499	2,868	2,812	2,451
Gold (Au)	131	108	105	121	115	141	135	121
Iridium (Ir)	1,323	1,077	1,106	1,240	1,095	1,179	1,144	979
Ruthenium (Ru)	5,804	4,772	4,746	5,260	4,584	5,068	4,980	4,308
Total PGM ounces	37,798	30,820	30,531	34,000	29,986	33,383	32,969	29,015

(1) These are non-IFRS measures as described in Section 3.2

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

Quarter ended September 30, 2010 compared to the quarter ended September 30, 2009

In Q3 2010, CRM recorded a Lost Time Injury Frequency Rate (“LTIFR”) of 4.66 compared to 1.69 in Q3 2009 as a result of a nine lost time injuries in Q3 2010 compared to five in Q3 2009.

The Company generated revenue of \$38,073,000 in Q3 2010 of which \$34,732,000 is PGM revenue and \$3,341,000 is chrome revenue. PGM revenues represent the amounts recorded when PGM concentrates are physically delivered to the buyer, which are provisionally priced on the date of delivery. The Company settles its PGM sales three to five months following the physical delivery of the concentrates and adjustments are made when the prices for the metal sold to the market are established.

The Company recorded an average delivered basket price of \$953 per PGM ounce in Q3 2010, compared to \$765 in Q3 2009 and \$1015 in the second quarter of 2010 (“Q2 2010”). The delivered price per ounce

refers to the PGM prices in effect at the time the PGM concentrates are delivered to the smelter. As a result of fluctuations in PGM prices, the Company recorded positive provisional price adjustments of \$239,000 and \$2,313,000 in the three and nine months ended September 30, 2010, respectively, compared to positive price adjustments of \$1,579,000 and \$6,490,000 in the three and nine months ended September 30, 2009, respectively.

The following table shows a reconciliation of revenue and provisional price adjustments.

Table 4

Crocodile River Mine Effect of provisional price adjustments on revenues (stated in thousands of U.S. dollars)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Revenue before provisional price adjustments	\$ 37,834	\$ 25,786	\$ 107,071	\$ 48,631
Provisional price adjustments				
Adjustments to revenue upon settlement of prior periods' sales	(192)	20	1,882	4,931
Mark-to-market adjustment on sales not yet settled at end of period	431	1,559	431	1,559
Revenue as reported in the income statement	\$ 38,073	\$ 27,365	\$ 109,384	\$ 55,121

PGM ounces sold increased by 26% in Q3 2010 compared to Q3 2009 as a result of a number of factors, including an increase in the on-reef development meters (1,797 meters in Q3 2010 compared to 1,562 meters in Q3 2009), an increase in the run-of-mine tonnes hoisted (362,042 tonnes in Q3 2010 compared to 244,959 tonnes in Q3 2009) and an increase in run-of-mine rock processed (357,219 tonnes in Q3 2010 compared to 280,777 tonnes in Q3 2009). Production was also lower in Q3 2009 as a result of industrial action by two contract mining companies which significantly interrupted production in the mine in July and August, 2009. The Q3 2010 increases were slightly offset by a decrease in the grade from 4.1 grams per tonne to 4.0 grams per tonne in Q3 2010. The focus for the third quarter was mainly on quality of mining whilst replacing previously terminated contractor crews. A revised sweeping standard, together with the higher stopping productivity and on-reef development, contributed positively to the increase of run-of-mine tonnes hoisted.

Operating cash costs, a non-IFRS measure, are incurred in Rand. Rand operating cash costs, also a non-IFRS measure, decreased by 12% from R5,915 per ounce in Q3 2009 to R5,212 per ounce in Q3 2010 due to the recording of chrome inventory in transit (see discussion on chrome below) and a 26% increase in ounces produced compared to Q3 2009, which were partially offset by a new South African mining royalty tax and 7.5% wage increase both effective March 1, 2010 and a significant increase in electricity tariffs that came into effect in Q2 2010.

Operating cash costs stated in U.S. dollars decreased by 6% from \$758 per ounce in Q3 2009 to \$713 per ounce in Q3 2010 primarily due to a decrease in actual Rand operating cash costs which was offset by a 6% appreciation of the South African Rand relative to the U.S. dollar. The average U.S. dollar-Rand exchange rate was R7.31:\$1.00 in Q3 2010 compared to R7.80:\$1.00 in Q3 2009.

A reconciliation of production costs, as reported in the income statement, to cash operating costs, is shown in Table 6 under Section 3.2 CRM non-IFRS measures.

The Company sold 72,436 tonnes of chrome in Q3 2010 (76,900 tonnes in Q3 2009) of which revenue was recognized for 50,148 tonnes in Q3 2010 and 22,288 tonnes in Q2 2010. Total chrome revenues recognized were \$3,341,000 (\$5,255,000 in Q3 2009), reducing operating cash costs to \$625 per ounce

net of by-product credits. In Q3 2010, the Company reassessed the timing of its chrome revenue recognition and determined that it was more appropriate to recognize chrome revenues at the time the physical chrome crossed the ship's rail at the port of shipment. This resulted in the recording of chrome inventory of \$2,201,000 at September 30, 2010 representing 45,752 tonnes of chrome in transit, and a corresponding one-time adjustment to chrome revenues. Had the Company not recorded this adjustment in Q3 2010, the Company would have recognized sales of 100,023 tonnes of chrome in Q3 2010, resulting in an increase in total chrome revenues of \$3,181,000 to \$6,522,000, an increase in total production costs of \$2,106,000 and an increase in EBITDA of \$1,075,000. The table below shows the effect of the adjustment in the timing of chrome revenue recognition:

Table 5

Crocodile River Mine				
Effect of adjustment to the timing of chrome revenue recognition (1)				
(stated in thousands of U.S. dollars, except per ounce data)				
Three months ended September 30, 2010				
	Amounts as reported under the revised method	Adjustments to the recognition of chrome revenues	Amounts as would have been reported under the previous method	
Revenues	\$ 38,073	\$ 3,181	\$ 41,254	
Production costs	\$ 26,953	\$ 2,106 ⁽²⁾	\$ 29,059	
EBITDA	\$ 11,120	\$ 1,075	\$ 12,195	
Net profit for the period	\$ 3,188	\$ 1,075	\$ 4,263	
Non-controlling interest	\$ (851)	\$ 135	\$ (716)	
Net profit attributable to equity				
shareholders of the Company	\$ 4,039	\$ 940	\$ 4,979	
Cash costs per ounce sold (3)	\$ 713	\$ 56	\$ 769	
Cash costs per ounce sold net of				
by-product credits	\$ 625	\$ (28)	\$ 597	
Chrome inventory	\$ 2,201	\$ (2,201) ⁽²⁾	\$ -	

- (1) The Company determined that the impact of this change on its prior periods' results of operations and financial position was not material. As a result, this change has been applied prospectively, as of July 1, 2010.
- (2) Production costs are calculated using the Q3 average foreign exchange rate of R7.31:\$1.00. Chrome inventory is calculated using the period end foreign exchange rate of R7.00:\$1.00.
- (3) The calculation of cash cost per PGM ounce sold and cash costs net of by-product credits include production costs for both PGM and chrome.

Quarter ended September 30, 2010 compared to the quarter ended June 30, 2010

Revenues increased by 4% compared to Q2 2010 as a result of a 23% rise in ounces produced during the quarter, which was offset by a 6% decrease in the average delivered basket price per ounce in the quarter. The rise in ounces produced was due to a 23% increase in run-of-mine ore processed from 290,028 tonnes in Q2 2010 to 357,219 tonnes in Q3 2010. This and other operating measures, such as run-of-mine tonnes hoisted and on-reef development meters, increased compared to Q2 2010 due to the build-up and training of new crews in July.

Rand operating cash costs decreased by 21% from R6,639 per ounce in Q2 2010 to R5,212 per ounce in Q3 2010 primarily as a result of a 23% increase in ounces produced and the recording of chrome inventory in transit, offset by increases in variable costs (production bonuses, fuel and lubricants, and steel balls) as a result of the higher production level. Operating cash costs stated in U.S. dollars decreased by 19% from \$882 per ounce in Q2 2010 to \$713 per ounce in Q3 2010 due to decreases in actual Rand operating cash costs which were offset by a 3% appreciation of the South African Rand relative to the U.S. dollar. The average U.S. dollar-Rand exchange rate was R7.31:\$1.00 in Q3 2010 compared to R7.53:\$1.00 in Q2 2010.

Nine months ended September 30, 2010 compared to the nine months ended September 30, 2009

In 9M 2010, the Company sold 99,149 PGM ounces, an increase of 3% compared to 9M 2009, primarily as a result of higher run-of-mine volumes processed in 2010 (938,101 tonnes processed in 9M 2010 compared to 903,525 tonnes processed in 9M 2009). On-reef development decreased to 5,301 meters in 9M 2010 compared to 7,167 meters in 9M 2009.

The average delivered basket price per ounce increased from \$675 in 9M 2009 to \$974 in 9M 2010. PGM prices have generally experienced a rising trend since January 2009.

Operating cash costs of \$805 per ounce was achieved in 9M 2010, compared to \$611 per ounce during the same period in 2009 due to a 3% increase in the number of ounces produced in 9M 2010 compared to 9M 2009, a 15% weakening in the value of the U.S. dollar relative to the Rand, and a 17% increase in total Rand operating cash costs. Total Rand operating cash costs were 17% higher in 9M 2010 compared to the same period in 9M 2009 due to two significant increases in electricity tariffs that came into effect in Q3 2009 and Q2 2010, inflation, a 7.5% wage increase effective March 1, 2010, an increase in variable costs due to an increase in the number of ounces produced and a new South African mining royalty tax effective March 1, 2010. These increases were offset by the recording of chrome ore inventory in Q3 2010.

3.2 CRM non-IFRS measures

The following table provides a reconciliation of EBITDA and cash operating costs per PGM ounce to mine operating earnings and production costs, respectively:

Table 6

Crocodile River Mine non-IFRS measures				
(Expressed in thousands of U.S. dollars, except ounce and per ounce data)				
	Three months ended		Nine months ended	
	September 30,		September 30,	
	2010	2009	2010	2009
Mine operating earnings (1)	\$ 5,338	\$ 663	\$ 13,248	\$ 6,407
Depletion and depreciation	5,782	4,308	16,625	12,111
EBITDA (2)	11,120	4,971	29,873	18,518
Production costs as reported	26,953	22,394	79,511	58,588
Adjustments for miscellaneous costs (3)	(3)	335	286	306
Cash operating costs	26,950	22,729	79,797	58,894
Less by-product credits - chrome revenues and adjustments	(3,341)	(5,255)	(14,578)	(12,144)
Cash operating costs net of by-product credits	23,609	17,474	65,219	46,750
Ounces sold	37,798	29,986	99,149	96,338
Cash cost per ounce sold	\$ 713	\$ 758	\$ 805	\$ 611
Cash cost per ounce sold net of by-product credits	\$ 625	\$ 583	\$ 658	\$ 485

- (1) During Q3 2010 an adjustment was made to the timing of chrome revenue recognition. Had the adjustment not been made, mine operating earnings and EBITDA would have been \$6,413,000 and \$12,195,000 respectively.
- (2) EBITDA includes provisional price adjustments, chrome revenues, chrome penalties, and foreign exchange adjustments to sales.
- (3) Miscellaneous costs include costs such as housing, technical services and planning.

The Company is of the opinion that conventional measures of performance prepared in accordance with IFRS do not meaningfully demonstrate the ability of its operations to generate cash flow. Therefore, the Company has included certain non-IFRS measures in this MD&A to supplement its financial statements which are prepared in accordance with IFRS. These non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures employed by other companies.

In this MD&A, the Company has reported its share of earnings before interest, depletion, depreciation, amortization and tax ("EBITDA") for CRM. This is a liquidity non-IFRS measure which the Company believes is used by certain investors to determine the Company's ability to generate cash flows for investing and other activities. The Company also reports cash operating costs per ounce of PGM produced, another non-IFRS measure which is a common performance measure used in the precious metals industry.

3.3 Development projects

3.3.1 CRM

During the three months ended September 30, 2010, the Company spent approximately \$9,681,000 at CRM, on underground mine development, underground electrical upgrades, and ongoing underground works at the Zandfontein vertical shaft, including the construction of dams for underground water control.

The shaft hoisting capacity is 100,000 tonnes of ore per month plus associated waste. The shaft, along with additional decline development, will allow access into the deeper parts of the ore body.

As a result of the higher trend in PGM prices, mine development at the shallow Crocette ore body recommenced on April 4, 2010. At full production, Crocette is planned to deliver up to 40,000 tonnes of ore per month, which will enable CRM to achieve its production target of approximately 175,000 tonnes of ore per month. Infill drilling has confirmed the continuity of the UG2 reef at Crocette to a depth of 600m with a dip of 18°, a reef width of 1.2m and an estimated head grade of 4.1 g/t (5PGE+Au). Construction power for the project is being provided by Eskom, the South African public utility company and the Company is in discussions with Eskom for the supply of permanent power.

3.3.2 Eastern Limb projects

Development of Mareesburg, Spitzkop and Kennedy's Vale has been on hold since December 2008. During the three and nine months ended September 30, 2010, the expenditures at these three projects related to care and maintenance costs.

The Company has been granted new order mining rights for both the Mareesburg and Spitzkop projects which will allow the Company to move forward with the development of these projects. The planned development of the Mareesburg open-pit mine could result in an increase in the Company's annual production to approximately 325,000 ounces in 2013. Under this plan, a 90,000 tonnes of ore per month concentrator would be located on the Kennedy's Vale site and the planned rapid production ramp-up at Mareesburg would allow the concentrator to ramp up quickly to full capacity immediately upon commissioning. To accommodate future capacity increases, the plant at Kennedy's Vale would include the civil and other surface infrastructure work required for an additional 90,000 tonne per month processing stream and appropriate tailings facility infrastructure to process up to 180,000 tonnes per month of ore.

Mareesburg would initially be an open-pit mining operation and consequently require little power. A power line currently provides 800 KVA across the Mareesburg property and this would be adequate to run administration and workshop/maintenance facilities with any further power requirements to be provided by on site diesel power generators.

The Company has already secured 3MVA of power for the construction phase for the concentrator at the Kennedy's Vale site. With respect to permanent operating power for the concentrator and for the Spitzkop mine, the Company has applied for 40 MVA of installed capacity, of which 20MVA would be required for the initial 90,000 tonnes per month plant. The Company has paid the necessary fees to initiate the acquisition of power and Eskom has commenced the engineering work.

3.4 Corporate and other expenses

General and administrative expenses ("G&A") are costs associated with the Company's corporate head office in Vancouver and the Johannesburg administrative office, and costs associated with care and maintenance at the Company's Eastern Limb projects, Spitzkop, Kennedy's Vale and Mareesburg. Corporate office costs include legal and accounting, regulatory, executive management fees, investor relations, travel and consulting fees. G&A decreased by 6% from \$2,336,000 in Q3 2009 to \$2,186,000 as a result of certain measures taken to reduce G&A. For the nine months ended September 30, G&A increased by 4% from \$7,143,000 in 2009 to \$7,419,000 in 2010 mainly due to a weakening of the U.S. dollar relative to the South African Rand and the introduction in Q1 2010 of a key skills retention plan for the Company's senior employees in South Africa.

Interest income recorded during the three and nine months ended September 30, 2010 was \$459,000 and \$1,252,000 compared with \$448,000 and \$1,437,000 during the same periods in 2009. The decrease in interest income for the comparable nine month periods was mainly due to significantly lower average cash balances in Q1 2010 compared to Q1 2009, and lower interest rates during the six months ended June 30, 2010 compared to the same period in 2009.

During the three and nine months ended September 30, 2010 the Company recorded a deferred income tax recovery of \$561,000 and \$1,657,000. The deferred income tax recovery was based on changes in the Company's net assets. The consolidated statement of financial position reflects total deferred tax liabilities of \$43,255,000 which arose primarily as a result of the step-up to fair value of the net assets acquired on the Barplats and Gubevu business acquisitions during the years ended June 30, 2006, June 30, 2007, and December 31, 2008.

4. Liquidity and Capital Resources

At September 30, 2010, the Company had working capital of \$36,041,000 (December 31, 2009 – \$31,776,000) and cash and cash equivalents and short-term investments of \$20,005,000 (December 31, 2009 – \$21,658,000) in highly liquid, fully guaranteed, bank sponsored instruments.

The Company had no long-term debt at September 30, 2010, other than a provision for environmental rehabilitation relating to CRM and Spitzkop, and finance lease obligations relating to mining vehicles with lease terms of five years and options to purchase for a nominal amount at the conclusion of the lease. See Contractual Obligations under Section 4.4 below.

On October 28, 2010, the Company signed a mandate letter with two financial institutions to arrange and underwrite a US\$100 million corporate debt facility through Eastplats International Inc., a subsidiary of the Company. The mandated lead arrangers are UniCredit Bank AG, London Branch and The Standard Bank of South Africa Limited.

4.1 Outlook

The PGM industry has experienced a two-year period of global economic uncertainty and market volatility. Although PGM prices in U.S. dollar terms have recovered since the beginning of 2009, this has been significantly negated by the strength of the Rand against the U.S. dollar. The U.S. dollar realized basket prices that the Company is receiving have improved since the December 2008 lows, but these prices, in Rand terms, are still 25% below those recorded in September 2008 when basket prices reached their peak. The Company anticipates that PGM prices will remain volatile and the Rand will remain strong against the U.S. dollar in the short term, which impacts the income and cash flows generated by the Company as it has U.S. dollar-based revenues and a Rand-based operating cost structure. As a result, the Company continues to seek ways to improve its operating efficiency and thereby minimize its operating costs, without compromising safety, health and environmental standards.

With the rising trend in PGM prices, the Company resumed mine development at the Crocette section at CRM in April 2010, and is currently assessing the status of its three primary Eastern Limb development projects at Spitzkop, Kennedy's Vale and Mareesburg, with a view to determining an appropriate development schedule given the market conditions, the Company's current cash balances, its ability to generate sufficient cash flows, and its ability to obtain additional funding in the current market environment.

On October 28, 2010, the Company signed a mandate letter with two financial institutions to arrange and underwrite a US\$100 million corporate debt facility through Eastplats International Inc., a subsidiary of

the Company. The mandated lead arrangers (“MLAs”) are UniCredit Bank AG, London Branch and The Standard Bank of South Africa Limited. The MLAs’ commitments to arrange and underwrite the debt facilities are subject to final due diligence, execution of acceptable documentation and obtaining final internal credit approvals. There is no definitive assurance that the underwriting arrangement will be approved and completed in the time frame contemplated by all parties.

To bring all of the Eastern Limb projects into production, additional funding will be required and may include joint venture or other third party participation in one or more of the projects, or the public or private sales of equity or debt securities of the Company. There can be no assurance that additional funding will be available to the Company or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to further delay or reduce the scope of any or all of its development projects.

4.2 Impairment

At September 30, 2010, the Company determined that there was no indication of impairment for the carrying values of its mineral properties. Should market conditions and commodity prices deteriorate or improve in the future, an impairment or reversal of impairment of the Company’s mineral properties may be required.

4.3 Share Capital

During the three months ended September 30, 2010, the Company did not grant any stock options. Total share-based payment expense for the quarter was \$16,000, which takes into account the vesting of options. During Q3 2010, 105,000 options were forfeited at a weighted average exercise price of Cdn\$1.84 and 81,666 options were exercised at a weighted average exercise price of Cdn\$0.38.

During the nine months ended September 30, 2010, the Company granted 2,231,000 stock options at an exercise price of Cdn\$1.30. The grant date fair value was Cdn\$0.80 per share, which resulted in share-based payment expense of \$1,705,000 upon issuance. Total share-based payment expense for the nine months was \$1,768,000, which also takes into account the vesting of options. During the nine months ended September 30, 2010, 771,668 options were forfeited at a weighted average exercise price of Cdn\$1.76 and 2,494,660 options were exercised at a weighted average exercise price of Cdn\$0.33.

As at November 9, 2010, the Company had:

- 683,179,033 common shares outstanding; and
- 58,386,838 stock options outstanding, which are exercisable at prices ranging from Cdn\$0.32 to Cdn\$3.38 and expire between 2011 and 2018.

4.4 Contractual Obligations and Commitments

The Company's major contractual obligations and commitments at September 30, 2010 were as follows:

Table 7

(in thousands of U.S. dollars)				
	Total	Less than 1 year	1-5 years	More than 5 years
Provision for environmental rehabilitation	\$ 9,180	\$ -	\$ 1,516	\$ 7,664
Capital expenditure and purchase commitments contracted at September 30, 2010 but not recognized on the consolidated statement of financial position	6,877	6,877	-	-
Finance lease obligations	3,850	1,267	2,583	-
	<u>\$ 19,907</u>	<u>\$ 8,144</u>	<u>\$ 4,099</u>	<u>\$ 7,664</u>

5. Related Party Transactions

Table 8

(Expressed in thousands of U.S. dollars, except per share amounts)				
	Three months ended September 30,		Nine months ended September 30,	
	2010	2009	2010	2009
Trading transactions				
Management and consulting fees	\$ 333	\$ 280	\$ 1,018	\$ 829
Reimbursements of expenses	29	26	91	45
Total trading transactions	<u>\$ 362</u>	<u>\$ 306</u>	<u>\$ 1,109</u>	<u>\$ 874</u>
Compensation of key management personnel				
Salaries and directors' fees	\$ 583	\$ 530	\$ 1,699	\$ 1,510
Share-based payments	-	-	1,627	93
Total compensation of key management personnel	<u>\$ 583</u>	<u>\$ 530</u>	<u>\$ 3,326</u>	<u>\$ 1,603</u>

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

Management and consulting fees increased during the three and nine months ended September 30, 2010 due to additional consulting work in Q3 2010 and a stronger Canadian dollar in 9M 2010 than 9M 2009. During the nine months ended September 30, 2009, reimbursements of expenses were higher due to increased travel to South Africa in 2010 as the Company prepares for the development of its Eastern Limb projects. Salaries and directors' fees increased during the three and nine months ended September 30, 2010 due to additional consulting work in Q3 2010 and a stronger Canadian dollar in 9M 2010 than 9M 2009. Share-based payments increased from \$93,000 during the nine months ended September 30, 2009 to \$1,627,000 during the same period in 2010 due to the issuance of stock options in Q1 2010.

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

6. Adoption of Accounting Standards and Pronouncements under IFRS

In February 2009, the Commissions granted the Company exemptive relief to adopt International Financial Reporting Standards (“IFRS”) with an adoption date of January 1, 2009 and a transition date of January 1, 2008. The Company’s first audited financial statements prepared in accordance with IFRS were the financial statements for the year ended December 31, 2009. Full disclosure of the Company’s accounting policies in accordance with IFRS can be found in Note 3 to those financial statements. Those financial statements also include reconciliations of the previously disclosed comparative periods financial statements prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) to IFRS as set out in Note 25.

Effective January 1, 2010, the Company adopted a new accounting standard (IFRS 8 *Operating Segments*) that was issued by the International Accounting Standards Board (“IASB”). IFRS 8 was revised and now requires disclosure of information about segment assets. This accounting policy change was adopted on a prospective basis with no restatement of prior period financial statements.

7. Internal Control over Financial Reporting

The Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company, together with the Company’s management, are responsible for the information disclosed in this MD&A and in the Company’s other external disclosure documents. For the quarters ended September 30, 2010 and 2009, the CEO and the CFO have designed, or caused to be designed under their supervision, the Company’s disclosure controls and procedures (“DCP”) to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries has been disclosed in accordance with regulatory requirements and good business practices and that the Company’s DCP will enable the Company to meet its ongoing disclosure requirements.

The CEO and CFO have evaluated the effectiveness of the Company’s disclosure controls and procedures and have concluded that the design and operation of the Company’s DCP were effective as of September 30, 2010 and that the Company has the appropriate DCP to ensure that information used internally by management and disclosed externally is, in all material respects, complete and reliable.

The CEO and the CFO are also responsible for the design of the internal controls over financial reporting (“ICFR”) within the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards (“IFRS”). During 2009, the Company engaged an international accounting firm to act as the Company’s internal auditors for its South African operations. Under the supervision, and with the participation, of the CEO and the CFO, management conducted an evaluation of the effectiveness of the Company’s ICFR based on the framework in the *Internal Control – Integrated Framework* developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, the CEO and the CFO concluded that the design and operation of the Company’s ICFR were effective as at September 30, 2010.

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

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

There have been no changes in the Company's ICFR during the quarter ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

8. Cautionary Statement on Forward-Looking Information

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

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

November 9, 2010

Ian Rozier