

Consolidated financial statements of

Eastern Platinum Limited

March 31, 2007
(Unaudited)

Eastern Platinum Limited

March 31, 2007

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Eastern Platinum Limited

Consolidated statements of operations and deficit three and nine month periods ended March 31,

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

(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
Revenue	35,459	17	89,272	74
Cost of operations				
Production costs	(22,367)	-	(58,413)	-
Depletion and depreciation	(3,076)	(6)	(9,561)	(17)
	(25,443)	(6)	(67,974)	(17)
Income before undernoted items	10,016	11	21,298	57
Expenses				
General and administrative	4,230	589	12,370	1,879
Stock-based compensation	14,239	101	14,457	123
	18,469	690	26,827	2,002
Operating loss	(8,453)	(679)	(5,529)	(1,945)
Other income (expense)				
Interest income	100	179	3,865	864
Interest expense	(548)	-	(2,840)	-
Foreign exchange (loss) gain	(1,066)	(583)	46	(394)
Loss before income taxes and non-controlling interests	(9,967)	(1,083)	(4,458)	(1,475)
Recovery of future income taxes	355	-	1,161	-
Non-controlling interests (Note 8)	(1,636)	-	(3,017)	-
Net loss for the period	(11,248)	(1,083)	(6,314)	(1,475)
Deficit, beginning of period	(39,021)	(29,923)	(43,955)	(29,531)
Deficit, end of period	(50,269)	(31,006)	(50,269)	(31,006)
Basic and diluted loss per share	(0.02)	(0.01)	(0.01)	(0.02)
Weighted average number of common shares outstanding				
Basic and diluted	518,350,389	104,433,085	515,829,846	93,037,038

Eastern Platinum Limited

Consolidated balance sheets

(Expressed in thousands of Canadian dollars)

(Unaudited)

	March 31, 2007	June 30, 2006
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	5,552	50,798
Short-term investments	52,836	83,386
Receivables (Note 3)	35,667	14,446
Inventories (Note 4)	3,815	1,871
	97,870	150,501
Loan receivable (Note 5)	11,304	-
Property, plant and equipment (Note 6)	694,543	600,739
Refining contract	16,110	16,718
Other assets	1,116	458
	820,943	768,416
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	22,829	16,128
Short-term debt	14,312	28,761
	37,141	44,889
Asset retirement obligation	4,117	3,665
Capital leases	6,363	-
Future income taxes	141,031	140,006
	188,652	188,560
Non-controlling interests (Note 8)	16,554	15,120
Shareholders' equity		
Share capital (Note 7)	700,350	668,453
Contributed surplus (Note 7)	22,501	8,095
Currency translation adjustment (Note 9)	(56,846)	(67,857)
Deficit	(50,268)	(43,955)
	615,737	564,736
	820,943	768,416

Approved by the Board

David Cohen, Director

Ian Rozier, Director

Eastern Platinum Limited
Consolidated statements of cash flows
three and nine month periods ended March 31,
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	2007	2006	2007	2006
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(11,248)	(1,083)	(6,314)	(1,475)
Items not involving cash				
Accretion	210	-	452	20
Depletion and depreciation	3,076	7	9,561	-
Stock-based compensation	14,239	101	14,457	123
Foreign exchange gain	7,654	640	7,524	459
Future income tax recovery	(355)	-	(1,161)	-
Non-controlling interests	1,636	-	3,017	-
	15,212	(335)	27,536	(873)
Net changes in non-cash working capital items				
Receivables	(5,351)	(479)	(22,613)	(2,933)
Inventories	15,843	-	9,032	-
Accounts payable and accrued liabilities	(5,707)	139	(3,855)	(256)
	19,997	(675)	10,100	(4,062)
Financing activities				
Short-term debt financing	(379)	-	(10,404)	-
Shares issued for cash	6,007	1,302	6,007	1,350
	5,628	1,302	(4,397)	1,350
Investing activities				
Purchase of debt (Note 5)	(129)	-	(9,820)	-
Acquisition of interest in Afriminerals (Pty) Ltd. (Note 6 (c))	-	-	(6,165)	-
Short-term investments	12,445	(36)	29,902	(1,559)
Property, plant and equipment expenditures, net of related accounts payable	(37,605)	(357)	(64,716)	(1,002)
Deferred acquisition costs recovered	-	(53)	-	4,922
	(25,289)	(446)	(50,799)	2,361
Effect of exchange rate changes on cash and cash equivalents	(186)	-	(150)	-
Increase (decrease) in cash and cash equivalents	150	181	(45,246)	(351)
Cash and cash equivalents, beginning of period	5,402	1,040	50,798	1,572
Cash and cash equivalents, end of period	5,552	1,221	5,552	1,221
Cash and cash equivalents are comprised of				
Cash in bank	3,307	1,221	3,307	1,221
Short-term money market instruments	2,245	-	2,245	-
	5,552	1,221	5,552	1,221
Supplementary cash flow information				
Interest paid	172	-	633	-
Income taxes paid	-	-	-	-

During the nine months ended March 31, 2007, the Company issued 3,000,000 common shares with a value of \$3.7 million for the acquisition of the interest in Afriminerals (Pgy) Ltd., and 12,000,000 common shares of the Company to Rhodium Reefs Royalty, for the acquisition of net smelter rights at the Spitzkop PMG Project.

Eastern Platinum Limited

Notes to the consolidated financial statements

March 31, 2007

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

1. Nature of operations

Eastern Platinum Limited (the "Company") is a platinum group metal ("PGM") producer engaged in the acquisition, development and mining of PGM properties located in various provinces in South Africa. These consolidated financial statements include the operations of Barplats Investments Limited ("Barplats"), a 69% indirectly owned subsidiary of the Company.

2. Basis of presentation

These unaudited interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. In the opinion of management, the accompanying financial information reflects all adjustments, consisting primarily of normal recurring adjustments, which are necessary for a fair presentation of results for the interim periods. Operating results for the nine month period ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ending June 30, 2007. These interim consolidated financial statements should be read in conjunction with and follow the same accounting policies as the audited consolidated financial statements of the Company for the year ended June 30, 2006.

3. Receivables

	March 31, 2007	June 30, 2006
	\$	\$
Trade receivables	33,856	12,888
Other receivables	1,406	1,179
Refundable taxes	41	112
Prepaid expenses	364	267
	35,667	14,446

4. Inventories

	March 31, 2007	June 30, 2006
	\$	\$
Consumables	2,778	777
Ore and concentrate	1,037	1,094
	3,815	1,871

Eastern Platinum Limited

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March 31, 2007

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

5. Gubevu Consortium Investment Holdings (Proprietary) Limited ("Gubevu")

During the three months ended September 30, 2006, the Company (through a wholly-owned subsidiary) purchased a loan held by Nedbank Capital in favour of Gubevu, Barplats' minority shareholder and Black Economic Empowerment partner, under the same commercial terms and conditions as the Nedbank Capital loan. The debt was purchased for \$9.5 million and is a demand note with interest accruing at the floating South African prime rate (March 31, 2007 - 12.5%).

On March 6, 2007 the Company announced an agreement to acquire 42.39% of the shares of Gubevu Consortium Investment Holdings (Propriety) Holdings Limited. The consideration will be \$6.7 million (ZAR 43 million) and the assumption of Gubevu's financing agreements, totaling \$26.4 million (ZAR 167 million) over a period of between three and five years. Gubevu holds 26% of the shares of Barplats Investments Ltd.

6. Property, plant and equipment

			March 31, 2007	June 30, 2006
	Cost	Accumulated depreciation/ depletion	Net book value	Net book value
	\$	\$	\$	\$
Mining plant and equipment	146,153	6,660	139,493	80,634
Mineral properties				
Crocodile River Mine (a)	101,883	3,951	97,932	115,608
Kennedy's Vale Project (b)	310,649	-	310,649	303,571
Spitzkop PGM Project (c)	119,045	-	119,045	73,640
Mareesburg JV (d)	27,400	-	27,400	27,209
Other property, plant and equipment	64	40	24	77
	705,194	10,651	694,543	600,739

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

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

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

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

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

6. Property, plant and equipment (continued)

(c) Spitzkop PGM Project

The Company holds a 50% direct joint venture interest in the Spitzkop PGM Project ("Spitzkop Project") along with a 37% indirect interest in Spitzkop and on August 22, 2006 it acquired a 49% interest in South African, Black Economic Empowerment ("BEE") company, Afriminerals (Pty) Ltd ("Afriminerals"). Afriminerals' net assets consist wholly of a 26% shareholding in Spitzkop Platinum (Pty) Ltd. ("Spitzplats"), and are the Company's joint venture partner on the Spitzkop Project. The balances of the shares in Afriminerals are owned by a consortium that includes companies and organizations representing Historically Disadvantaged South Africans ("HDSA's"). Total consideration paid to acquire the 49% shareholding in Afriminerals was US\$6.5 million and 3,000,000 common shares of the Company.

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

On March 20, 2007 the Company acquired the 1% net smelter royalty (NSR) on all PGM recovered from the Spitzkop project, which was held by Rhodium Reef Royalties. Consideration for this purchase was US\$6.5 million and issuance of 12 million common shares.

(d) Mareesburg JV

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

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

7. Share capital

(a) Authorized

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

Unlimited number of common shares with no par value

Eastern Platinum Limited

Notes to the consolidated financial statements

March 31, 2007

(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
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7. Share capital (continued)

(b) *Issued*

	Number of common shares	Amount \$	Contributed surplus \$
Balance, June 30, 2006	513,228,985	668,453	8,095
Acquisition of Afriminerals (Pty) Ltd.	3,000,000	3,690	-
Acquisition of Spitzkop 1% NSR	12,000,000	22,200	
Exercise of warrants	3,780,000	5,670	
Exercise of options	262,500	337	
Stock-based compensation	-	-	14,294
Stock option expense of subsidiary, net of non-controlling interest portion of \$50,000	-	-	112
Balance, March 31, 2007	532,271,485	700,350	22,501

(c) *Stock options*

During the nine month period ended March 31, 2007, the Company cancelled 142,500 stock options, granted 350,000 stock options at an exercise price of \$1.70, expiring November 27, 2011 and 23,137,500 stock options at an exercise price of \$1.82, expiring March 7, 2012. A total of 262,500 options were exercised for proceeds of \$337,000.

The following table summarizes information concerning outstanding and exercisable options at March 31, 2007:

Options outstanding	Options exercisable	Exercise price \$	Expiry date
2,775,000	2,775,000	1.70	May 25, 2007
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
13,075,000	12,775,000	1.70	May 24, 2011
350,000	350,000	1.70	November 27, 2011
<u>23,137,500</u>	<u>23,137,500</u>	1.82	March 7, 2012
40,225,000	39,925,000		

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(Tabular amounts expressed in thousands of Canadian dollars, except share and per share amounts)
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7. Share capital (continued)

(c) Stock options (continued)

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:

	Nine months ended March 31, 2007
Risk free interest rate	3.9%
Expected dividend yield	0%
Expected option life (years)	3
Expected stock price volatility	44%
Weighted average fair value of options granted at market prices	\$0.61

(d) Share purchase warrants

During the nine months ended March 31, 2007, 3,780,000 share purchase warrants were exercised at \$1.50 for proceeds of \$5,670,000.

The following table summarizes information concerning outstanding warrants at March 31, 2007:

Number of warrants	Exercise price	Expiry date
\$		
11,373,500	2.40	May 11, 2007
1,364,820	1.80	May 11, 2007
11,361,054	2.00	April 22, 2008
59,999,996	1.80	March 28, 2009
<u>84,099,370</u>		

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(Unaudited)

8. Non-controlling interests

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

The non-controlling interests are comprised of the following:

	March 31, 2007
	\$
Balance, beginning of period	15,120
Non-controlling interests' share of income in Barplats	3,017
Non-controlling interests' share of contributed surplus arising from stock options and cumulative translation adjustment for the period	50
Non-controlling interests' share of currency translation adjustment	(1,633)
	<u>16,554</u>

9. Currency translation adjustment

	\$
Balance, June 30, 2006	(67,857)
Translation adjustments for the period	11,011
Balance, March 31, 2007	<u>(56,846)</u>

The Company operates in two functional currencies: Canadian dollar and South African Rand. Translation gains or losses on the consolidation of the financial statements of self-sustaining operations are accumulated in the currency translation adjustment account on the consolidated balance sheet. Translation adjustments arise as a result of fluctuations in foreign currency exchange rates. The currency translation adjustment for the nine month period ending March 31, 2007 resulted from the 2% strengthening of the South African Rand against the Canadian dollar.

Eastern Platinum Limited

Notes to the consolidated financial statements

March 31, 2007

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

10. Related party transactions

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

	Nine months ended March 31,	
	2007	2006
	\$	\$
Consulting fees	300	202
Directors' fees	165	90
Management fees	427	105
Severance	400	-
Rent	60	54
	1,352	451

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

- (b) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2007 included \$15,849 (June 30, 2006 - \$5,000) of directors' fees and expenses.

11. Commitments

The Company has committed to capital expenditures through its indirect investment in Barplats of approximately \$20.2 million (R126.0 million) as at March 31, 2007.

12. Segmented information

- (a) Operating segment - The Company operates in one segment: the acquisition and exploration of PGM properties and production of platinum group metals in South Africa.

Eastern Platinum Limited

Notes to the consolidated financial statements

March 31, 2007

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

12. Segmented information (continued)

- (b) Geographic segments - The Company's assets as at March 31, 2007 and June 30, 2006, and revenues and expenses by geographic areas for the three and nine month periods ended March 31, 2007 and 2006 are as follows:

	March 31, 2007		
	South Africa	Canada	Total
	\$	\$	\$
Property, plant and equipment	694,526	17	694,543
Total assets	774,391	46,552	820,943
Property, plant and equipment expenditures	103,385	-	103,385
	June 30, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Property, plant and equipment	600,725	14	600,739
Total assets	640,617	127,799	768,416
Property, plant and equipment expenditures	6,444	-	6,444
	Three months ended March 31, 2007		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	35,459	-	35,459
Production costs	(22,367)	-	(22,367)
Depletion and depreciation	(3,076)	-	(3,076)
Expenses	(3,004)	(15,465)	(18,469)
Interest income	(440)	540	100
Interest expense	(548)	-	(548)
Foreign exchange gain (loss)	(2,446)	1,380	(1,066)
Income (loss) before income taxes and other item	3,578	(13,545)	(9,967)

Eastern Platinum Limited

Notes to the consolidated financial statements

March 31, 2007

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

12. Segmented information (continued)

(b)

	Nine months ended March 31, 2007		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	89,272	-	89,272
Production costs	(58,413)	-	(58,413)
Depletion and depreciation	(9,561)	-	(9,561)
Expenses	(9,031)	(17,796)	(26,827)
Interest income	1,764	2,101	3,865
Interest expense	(2,840)	-	(2,840)
Foreign exchange gain (loss)	(1,172)	1,218	46
Income (loss) before income taxes and other item	10,019	(14,477)	(4,458)

	Three months ended March 31, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	-	-	-
Production costs	-	-	-
Depletion and depreciation	-	-	-
Expenses	(43)	(1,230)	(1,273)
Interest income	-	196	196
Foreign exchange gain	-	(6)	(6)
(Loss) income before income taxes and non-controlling interests	(43)	(1,040)	(1,083)

	Nine months ended March 31, 2006		
	South Africa	Canada	Total
	\$	\$	\$
Revenues	-	-	-
Production costs	-	-	-
Depletion and depreciation	-	-	-
Expenses	(143)	(2,253)	(2,396)
Interest income	-	938	938
Foreign exchange gain	-	(17)	(17)
Loss before income taxes and non-controlling interests	(143)	(1,332)	(1,475)

For the nine months ended March 31, 2007, 100% of revenue was from two customers and as at March 31, 2007, 84% of trade receivables were from two customers.

Eastern Platinum Limited

Notes to the consolidated financial statements

March 31, 2007

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

13. Subsequent events

On May 9, 2007 the High Court of South Africa sanctioned the scheme which gives effect of the Company's offer to minority shareholders of Barplats to increase the Company's direct and indirect interest in Barplats from 69% to 74%. The consideration consists of ZAR 10,797,471 and 15,118,699 common shares of the Company.

On May 11, 2007, the Company completed and announced that its underwriting agreement with a syndicate of underwriters to sell 92,105,300 common shares at a price of \$1.90 per share to raise gross proceeds of \$175 million pursuant to a short form prospectus was fully subscribed for the sale of 92,105,300 common shares in the Company at a price of \$1.90 per share and the agents had exercised their full over allotment option for the sale of an additional 13,815,795 common shares in the Company resulting in aggregate gross proceeds of \$201,250,081.

On May 11, 2007 8,247,976 warrants had been exercised at \$1.80 for net proceeds to the Treasury of \$16,519,574.

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

Nine Months ended March 31, 2007

This portion of the Quarterly Report provides Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations to enable the reader to assess material changes in financial condition and results of operations of Eastern Platinum Limited ("ELR", "Eastplats" or "the Company") as at, and for the three and nine months ended, March 31, 2007 in comparison to the previous quarter and corresponding previous year comparative quarter. Management believes that a comparison to the previous quarter from an operating perspective is more meaningful to the reader, as the Company did not have operational/production results in the quarter ended March 31, 2006. This MD&A should be read in conjunction with the unaudited interim consolidated financial statements for the nine months ended March 31, 2007 and supporting notes have been prepared in accordance with Canadian Generally Accepted Accounting Principals (Canadian GAAP). In addition, this MD&A should be read in conjunction with the June 30, 2006 annual audited consolidated financial statements and the related notes thereto. All monetary amounts are in Canadian dollars unless otherwise specified

Additional information relating to the Company, including the Company's Annual Information Form, is available on SEDAR at www.sedar.com. This MD&A contains forward looking statements that are subject to risk factors set out in the cautionary note contained herein.

This MD&A has been prepared as of May 11, 2007.

1. Overview

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

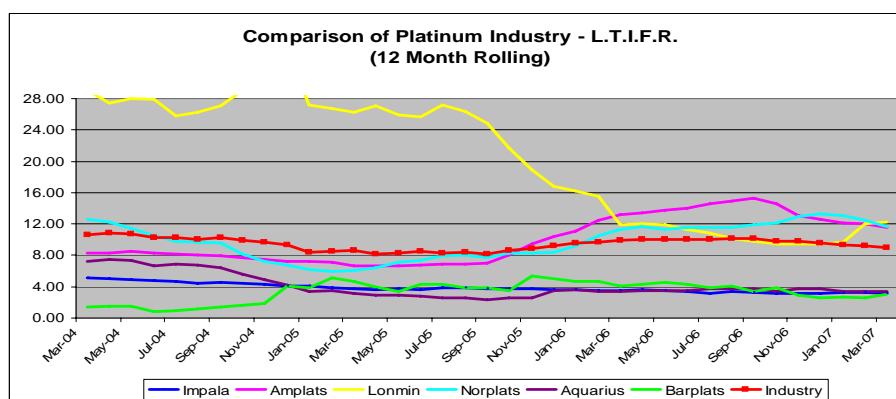
The Company's strategy is to provide its stakeholders with superior returns from assets being developed and mined within the PGM mining sector. The Company has not hedged or sold forward any of its future PGM production. The Company continues its process of optimizing orebody development through traditional cost effective mining methods that place a premium on a safe work environment.

The Company's assets are comprised of direct and indirect investments and interests in Barplats Investments Limited ("Barplats") (whose properties are the Crocodile River Mine ("CRM") and the Kennedy's Vale Project), Mareesburg Platinum JV ("Mareesburg") and Spitzkop PGM Project ("Spitzkop").

2. Safety Results

During the quarter CRM reported three lost time injuries (previous quarter four lost time injuries) resulting in a Lost Time Injury Frequency Rate ("LTIFR") of 3.22 (LTIFR previous quarter 3.53 and nine months ended March 31, 2007 of 2.66). This compares well against some of the other platinum producers in South Africa, whose average LTIFR was above 8.00 according to information compiled by the Bushveld Safety Forum (see table below).

On March 27, 2007, a fatality occurred when a contractor rock drill operator was suffocated when loose clothing became entangled in his rock drill. The investigation of this underground fatality at CRM is on-going.



3. Summary of Quarterly Results

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

In '000's	Mar 31, 2007	Dec 31, 2006	Sept 30, 2006	June 30, 2006	Mar 31, 2006	Dec 31, 2005	Sept 30, 2005	June 30, 2005
	\$	\$	\$	\$	\$	\$	\$	\$
Financial results								
Revenue	35,459	28,363	25,450	14,082	-	-	-	-
Net income (loss) for period	(11,248)	7,413	(2,479)	(3,184)	(1,083)	30	(422)	(1,160)
Basic earnings (loss) per Share	(0.02)	0.01	0.00	(0.02)	(0.01)	0.01	(0.01)	(0.06)
Expenditures on mineral properties	37,605	15,798	6,083	6,444	352	241	405	386
Balance sheet data								
Cash and short term deposits	58,388	70,692	91,649	134,184	24,808	24,590	22,837	23,599
Deferred acquisition costs	-	-	-	-	53	-	36,113	36,113
Property, plant and equipment	694,543	676,196	588,021	600,739	100,540	100,188	26,554	34,840
Total assets	820,943	818,315	736,134	768,416	129,143	128,044	86,531	86,687

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

Production	Mar 31, 2007	Dec 31, 2006	Sept 30, 2006	June 30, 2006
Ounces produced	26,807	25,873	22,666	12,553
Total tons processed	415,112	351,045	287,601	178,859
Run of Mine Tons	211,830	209,978	194,405	134,018
Stoping Units (m2)	26,441	27,771	30,054	15,530
Development meters	3,687	2,438	2,351	741

4. Third Quarter Highlights

Eastplats recorded revenue of \$35.5 million for the third quarter ended March 31, 2007 ("Q3-07"). Highlights for the quarter included:

- Production and sales of 26,807 ounces of PGM (a 4% increase over previous quarter of 25,873).
- Revenues of \$35.5 million (a 25% increase over previous quarter of \$28.4 million) with operating costs of \$22.4 million (an 18% increase over previous quarter of \$18.9 million).
- Operating margin in the quarter was \$373.63/oz PGM (a 64% increase over previous quarter of \$228.31/oz PGM).
- Adjusted Net Income of \$8.9 million with a reported net loss of \$(11.2 million) as a result of accounting for stock based compensation in the period of \$14.2m and from the foreign exchange loss for the quarter of \$1.6 million. (EBITDA is a non-GAAP measure used by management – see Note 15 for further explanation.)
- At March 31, 2007 the Company had a cash position (including temporary investments) of \$58.4 million. At May 11, 2007 the Company had a cash position (including temporary investments) in excess of \$250 million
- On March 6, 2007 the Company reached an agreement to acquire 42.39% of the shares and the assumption of outstanding lender obligations of Gubevu Consortium Investment Holdings (Proprietary) Limited ("Gubevu"), which holds approximately 26% of the shares of Barplats. The agreement calls for payments to be made over a period of not more than five years, based upon defined conditions.
- March 9, 2007 Standard and Poor's Canadian index operations announced that as a result of the quarterly S&P/TSX Composite Index review, the Company was added to the S&P/TSX Composite Index effective March 19, 2007.
- On March 20, 2007, the Company completed a Purchase Sale Agreement with Rhodium Reef Royalties purchasing the 1% net smelter royalty on all platinum group metals recovered from the Spitzkop PGM project.
- On March 22, 2007 the Company entered into an underwriting agreement with a syndicate of underwriters led by Canaccord Capital Corporation and GMP Securities LP and including UBS Securities Canada Inc. and Raymond James Ltd. to sell 92,105,300 common shares at a price of C\$1.90 per share to raise gross proceeds of C\$175,000,070 pursuant to a short form prospectus. On May 11, 2007 the financing was fully subscribed for the sale of 92,105,300 common shares in the Company at a price of \$1.90 per share and the agents exercised their full over allotment option for the sale of an additional 13,815,795 common shares in the Company resulting in aggregate gross proceeds of \$201,250,081.
- On May 9, 2007 the High Court of South Africa sanctioned Barplats' application for a scheme of arrangement which was the offer made by the Company on March 1, 2007 to the Barplats minority shareholders, representing approximately 5% of the outstanding Barplats shares which increases the Company's direct and indirect interest in Barplats to 74%.

5. Results of Operations for the three and nine month periods ended March 31, 2007

	Three months ended March 31		Nine months ended March 31	
	2007	2006	2007	2006
Production 5 PGE + Au oz¹	26,807	0	75,338	0
Realized Basket Price per oz ²	\$ 1,270	\$ 0	\$ 1,185	\$ 0
Canadian \$ '000's				
Total revenue	\$ 35,459	\$ 0	\$ 89,272	\$ 0
Total Cash Costs ³	\$ 22,367	\$ 0	\$ 58,413	\$ 0
Depletion and depreciation	\$ 3,076	\$ 0	\$ 9,561	\$ 0
Total Production Costs	\$25,443	\$ 0	\$67,974	\$ 0
Adjusted Net Income⁴	\$8,862	\$ (572)	\$18,490	\$ (1,805)
Net Income (Loss) for the period	\$ (11,248)	\$ (1,083)	\$ (6,314)	\$ (1,475)

- 1 5 PGE + Au represent Platinum, Palladium, Rhodium, Ruthenium, Iridium and Gold
- 2 Realized Basket Price is the price received under the off-take agreement and is net of associated smelter costs.
- 3 Total Cash Costs is a non-GAAP measure and is used in this MD&A and represents all costs associated with production and development and excludes amortization, depreciation and inventory accounting adjustments.
- 4 Adjusted Net Income – is a non-GAAP measure used in this MD&A and 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) is a non-GAAP measure. See Adjusted Net Income note in section 15 for more details.

6. Review of Financial Results

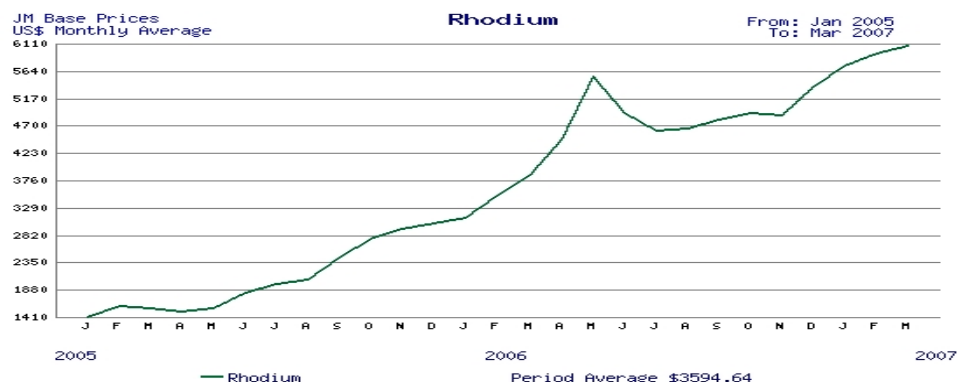
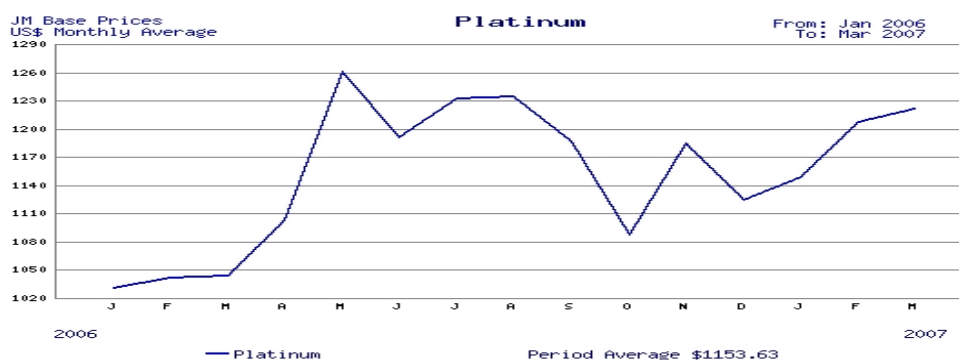
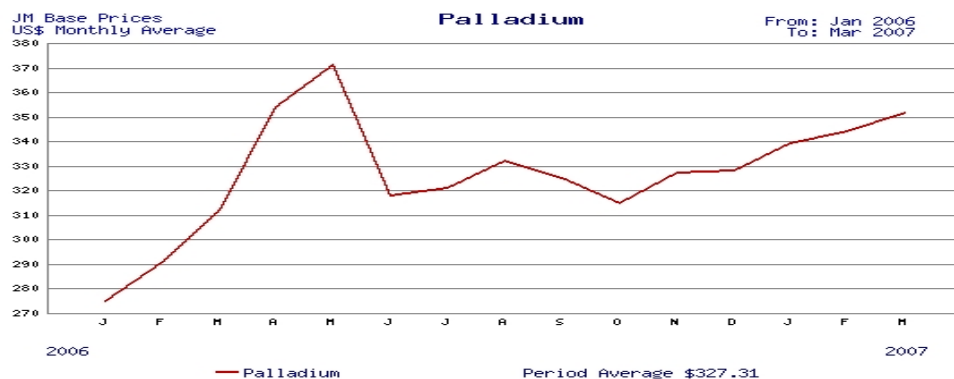
The Company acquired a 69% indirect interest in Barplats which owns CRM and the Kennedy's Vale Project (a separate development property) in April 2006. Revenues and costs directly attributable to activity at CRM have caused the changes in the financial results when compared to the three and nine month periods ended March 31, 2006. During the three and nine months ended March 31, 2007, the Company continued to evaluate its Mareesburg and Spitzkop properties.

For the three months ended March 31, 2007, PGM production/sales were 26,807 ounces (75,540 for the nine months ended March 31, 2007 and nil for the three and nine months ended March 31, 2006).

For the three months ended March 31, 2007, Adjusted Net Income was \$8.9 million with a reported net loss of \$(11.2 million) as a result of accounting for \$14.2 million of stock based compensation and the recording of a foreign exchange loss of \$1.6 million in the quarter (Adjusted Net Income of \$18.5 million with a reported net loss of \$(6.3 million) for the nine months ended March 31, 2007 and Adjusted Net Income of \$(0.6 million) with a net loss of \$(1.1 million) for the three months and Adjusted Net Income of \$(1.8 million) with a net loss of \$(1.5 million) for the nine months ended March 31, 2006).

7.1 Metal Prices

As depicted below the market prices of three of the PGM elements that significantly impact the Company's revenues (platinum, rhodium and palladium) have experienced volatility over the last five quarters. (Source: Johnson Matthey, www.platinum.matthey.com)



7.2 Currency Exchange Rates

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

Foreign currency denominated monetary assets and liabilities are translated at the period-end exchange rate. Gains and losses arising from foreign currency translation are recognized in the statement of operations and deficit. Translation gains or losses on the consolidation of the financial statements of self-sustaining operations are accumulated in the currency translation account ("CTA") on the consolidated balance sheet. Translation adjustments arise as a result of fluctuations in foreign currency exchange rates. The currency translation adjustment for this quarter was caused by a 2% strengthening of the ZAR to the Canadian dollar, and the adjustment of \$11.0 million (\$11.0 million for the nine months ended March 31, 2007) recorded in the CTA is a result of translating the Barplats financial statements.

8. Operating Results

These financial statements present a measure of historical information that differentiates between operating and development costs. Operating results are affected by exchange rate fluctuations to the ZAR and the US Dollar and these exchange fluctuations are reflected in the current financial results.

During the quarter the Company experienced a 21% increase in the realized revenue per ounce (net of associated smelter costs) to \$1,323/ounce from \$1,096/ounce in the previous quarter due to an increase in all PGM pricing when compared to the previous quarter. Fully burdened production costs (mining, concentrating and associated support expenses) have increased over the period on a per ounce basis to approximately \$884 /ounce (previous quarter \$755/ounce). The increase was caused in large part by an industrial action at one of the sections at CRM that occurred at the beginning of the quarter, resulting in the dismissal of 305 employees. This industrial action and management's response to minimize the interruption to CRM's productivity had a negative impact on production volumes and costs as the Company began hiring/training of additional contract staff and the purchase of third party ore to maintain milling levels.

Additionally the portion of ore reserve development expensed in the quarter increased significantly to 2,357 metres (previous quarter 1,586 meters). This increase is in line with the Company's decision to accelerate mine development in order to build a production profile at CRM of 160,000 tonnes per month and to ensure 18 to 24 month reserve availability.

The combined impact of steps taken by management to minimize the disruption of CRM's production volumes and the costs associated with the accelerated reserve development, was estimated at \$240/ounce in the quarter, which when applied against actual costs for the quarter, would have resulted in a total production cost of \$640/ounce.

The average total mining rate during the third quarter of fiscal 2007 continued at 70,000 tonnes per month (nine month average 68,500 tonnes per month) at an average PGM grade of 4.02 g/t (5PGE+Au). Underground development increased to 3,687 metres during the quarter (previous quarter 2,438 metres) which is integral in generating additional mineable reserves which in turn allows for continued production build up.

There was no revenue generated from Mareesburg, Spitzkop or Kennedy's Vale properties during the quarter.

9. Other Costs and Expenses

Amortization

The depreciation and amortization due to Barplats' activities for the current quarter is \$3.1 million (\$9.6 million for the nine months ended March 31, 2007) based upon the fair value allocation to these assets.

Non-Controlling Interest

Non-controlling interest during the quarter was \$1.6million (\$3.0 million for the nine months ended March 31, 2007) due to Barplats' non-controlling shareholders.

Corporate Administration

The general and administrative expenses for the current quarter were \$4.2 million (\$12.4 million for the nine months ended March 31, 2007). Included within these balances are costs associated with managing the South African operations and severance paid to a past director and officer of the Company in the first quarter.

Stock-Based Compensation

In the current quarter the Company expensed \$14.2 million (\$14.5 million for the nine months ended March 31, 2007) in share based compensation. The value of the options has been calculated using the Black-Scholes option-pricing model.

Interest Income

Interest income recorded during the current quarter totaled \$0.1 million (\$3.9 million for the nine months ended March 31, 2007). Reported interest income in the quarter was affected by a non-cash IFRS accounting entry booked by Barplats to adjust year to date balances. Interest continued to accrue on bank and short-term investment balances as well as the loan to Gubevu Consortium Holdings (Pty) Limited (“Gubevu”).

Interest Expense

During the quarter the Company paid and accrued interest on Barplats' outstanding debt as agreed at the time of acquisition. Portions of this debt are still outstanding and interest continues to accrue.

10. Development Activity

Management continued to evaluate development priorities on a continuous basis in the third quarter.

CRM

Design for the Crocette mining section has been finalized and the environmental impact study has been submitted to the DME for approval.

At Kareespruit the previously announced drilling programme has commenced and during the quarter 4,318 meters were drilled (previous quarter nil meters and for the nine months ended March 31, 2007 4,318 metres). Four holes including deflections are complete and there are three in progress. Assay results will be reported when available.

Kennedy's Vale

A study has been commissioned to establish the cost of re-opening one of the vertical shafts in order to gain access for trial mining in order to fully evaluate the economic potential of the project.

The final re-interpretation of the seismic study has been received and provides greatly improved definition over previous work.

Spitzkop

During the quarter 2,514 metres (previous quarter 11,262 meters) were drilled on Spitzkop bringing the entire drilling program to completion with 26,806 metres drilled. Holes were located to evaluate the UG2 reef along the orientation to the proposed decline position and to assess the shallow Merensky potential. Assay results received to date have been reported and the results are consistent with previous announcements on the project and further results will be published once all the data has been compiled.

Work on a feasibility study has commenced and metallurgical test work is in progress.

Mareesburg

Work on the application for a New Order Mining Right has commenced. This application will be submitted in the next quarter.

Geological work has taken place to consolidate the information made available from the data exchange with Sylvania Resources who have the prospecting right to the adjacent Vygenhoek (Everest North) property.

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

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

11. Investing Activity

During the quarter the Company invested \$20.2 million in capital at Barplats and purchased the net smelter rights from Rhodium Reefs Royalties for \$7.6 million (US\$6.5 million) in cash and 12 million common shares of the Company. For the nine months ended March 31, 2007 the Company has invested \$89.8 million in new capital at Barplats and in strategic business opportunities. .

12. Liquidity and Capital Resources

As at March 31, 2007, the Company's working capital position was \$60.7 million (previous quarter \$78.8 million) and its cash and cash equivalents and short-term investments totalled \$58.4 million (previous quarter \$70.7 million). The decrease in the cash balances from previous quarter is due in part to exploration expenditures including associated property, plant and equipment totalling \$20.2 million (previous quarter \$15.8 million) and the purchase of net smelter rights for US\$6.5 million .

May 11, 2007, the Company completed and announced that its underwriting agreement with a syndicate of underwriters to sell 92,105,300 common shares at a price of \$1.90 per share to raise gross proceeds of \$175 million pursuant to a short form prospectus was fully subscribed for the sale of 92,105,300 common shares in the Company at a price of \$1.90 per share and the agents had exercised their full over allotment option for the sale of an additional 13,815,795 common shares in the Company resulting in aggregate gross proceeds of \$201,250,081.

13. Contractual Obligations and Commitments

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

Barplats Operating Capital	\$.5 million (previous quarter \$4.7 million)
Barplats Development Capital	\$ 1.8 million (previous quarter \$3.3 million)

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

Barplats Operating Capital	\$ 3.5 million
Barplats Development Capital	\$16.7 million

14. Hedging

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

15. Adjusted Net Income

Adjusted Net Income (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). Adjusted Net Income was \$8.9 million during the third quarter (previous quarter \$4.9 million). 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.

	Three months ended		Nine months ended	
	March 31		March 31	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net Income (loss) for the period	\$ (11,248)	\$ (1,083)	\$ (6,314)	\$ (1,475)
Adjustments:				
Depletion and depreciation	3,076	6	9,561	17
Interest expense	548	-	2,840	-
Interest income	(100)	(179)	(3,865)	(864)
Future income tax recovery	(355)	-	(1,161)	-
Non controlling interest	1,636	-	3,017	-
Foreign Exchange Adjustments	1,066	583	(46)	394
Stock Based Compensation	14,239	101	14,457	123
Adjusted Net Income	\$ 8,862	\$ (572)	\$ 18,489	\$ (1,805)

16. 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 an objection to the proposed royalty.

17. Mineral Tenure - Department of Minerals and Energy

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

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

18. Property, Plant and Equipment

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

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

19. Asset Retirement Obligations and Remediation

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

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

20. Related Party Transactions

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

	<u>Three months ended March 31</u>		<u>Nine months ended March 31</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Consulting Fees	100	82	300	202
Director's Fees	55	30	165	90
Management fees	120	45	427	105
Severance	-	-	400	-
Rent	24	18	60	54
	<u>299</u>	<u>175</u>	<u>1,352</u>	<u>451</u>

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- (b) Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at March 31, 2007 included \$15, 849(June 30, 2006 - \$5,000) of directors fees and expenses.

21. Internal Control

As a reporting issuer, the Company is required to comply with the requirements of Multilateral Instrument 52-109, "Certification of Disclosure in Annual and Interim Filings ("MI 52-109") issued by the Canadian Securities regulatory authorities (often referred to as Bill 198). The Corporation's senior management team monitors the disclosure and internal controls over financial reporting. The Corporation believes it has adequate human and financial resources in place in order to be able to meet all certification requirements required by the regulators.

In compliance with the requirements of MI 52-109, the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have certified as to the fair presentation of the Corporation's MD&A and financial statements on a quarterly basis since the start of fiscal 2005. The Certifying officers have conducted an evaluation of the disclosure controls and procedures and are of the opinion that these controls and procedures provide reasonable assurance that all information considered necessary for appropriate disclosure has been accumulated and disclosed in the annual and quarterly filings and other reports submitted under applicable securities legislation.

22. Off Balance Sheet Arrangements

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

23. Outstanding Share Data

As at May 11, 2007 there were 646,440,392 common shares issued and outstanding. There were also 35,225,000 stock options outstanding to directors, employees and consultants with exercise prices ranging between \$0.56 and \$1.82 per share. 23,137,500 of the outstanding options have vested. There were also 71,361,050 warrants outstanding which expire between April 22, 2008 and March 28, 2009 with exercise prices ranging between \$1.80 and \$2.00 per share. Refer to Note 7 of the March 31, 2007 unaudited interim consolidated financial statements for more details on these outstanding securities.

24. Cautionary Statement On Forward Looking Information

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

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