

EASTERN PLATINUM LIMITED

BUSINESS ACQUISITION REPORT

JULY 12, 2006

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BUSINESS ACQUISITION REPORT

1. Identity of Company

1.1 Name and Address of Company

The Company's full name is Eastern Platinum Limited. The Company's principal business office is located at Suite 408, 837 West Hastings Street, Vancouver, B.C., V6C 3N6. The Company has a registered and records office at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, B.C., V6E 4N7.

1.2 Executive Officer

An executive officer of the Company who is knowledgeable about the significant acquisition described herein and this report is:

Ian Rozier, telephone (604) 685-6851.

2. Details of Acquisition

2.1 Nature of Business Acquired

The Company acquired all of the shares of three closely held British Virgin Islands companies which in turn held 69% of the issued and outstanding shares (the "Barplats Shares") of Barplats Investments Limited ("Barplats"), a platinum group metals producing company, in South Africa, the shares of which are listed on the Johannesburg Stock Exchange. Barplats two main assets are the Crocodile River mine on the western limb of the Bushveld located near Brits in the Northwest Province, and the Kennedy's Vale project on the eastern limb of the Bushveld located near Steelpoort in the Mpumalanga Province, adjacent to the Company's Spitzkop project.

See the news releases of the Company dated February 15, 2006 and May 2, 2006 as filed on SEDAR.

2.2 Date of Acquisition

The acquisition of the Barplats Shares was completed on April 29, 2006.

2.3 Consideration

In consideration for the acquisition of the Barplats Shares the Company issued 288,585,122 shares and paid cash of \$27,708,597. In connection with the acquisition the Company raised gross proceeds of \$150,000,000 by way of an offering of subscription receipts at \$1.25 per security. Each subscription receipt entitled the holder to receive without further consideration a unit of the company comprised of one share and one-half of a warrant with a whole warrant entitling the holder to acquire a further share of the Company at \$1.80 for a period of three years. The subscription receipts were exchanged for the units concurrent with the closing of the acquisition of the Barplats Shares.

See the news releases of the Company dated March 16, 2006 and March 29, 2006 as filed on SEDAR.

2.4 Affect on Financial Position

The Company has no plans or proposals for material changes in its business affairs or the affairs of Barplats which may have a significant affect on the results of operations and financial position of the Company.

2.5 Prior Valuations

There were no valuation opinions obtained by Barplats or the Company with respect to the acquisition of the Barplats Shares by the Company.

2.6 Parties to the Transaction

The acquisition was made by way of a share purchase agreement entered into with the 12 persons who held the shares of the three British Virgin Islands companies acquired by the Company, all of whom were at arm's length to the Company.

2.7 Date of Report

This report is dated July 12, 2006.

3. Financial Statements

Enclosed with this report are the following financial statements:

- (a) audited financial statements of Barplats for the years ended June 30, 2005 and June 30, 2004 including the auditor's reports thereon;
- (b) unaudited financial statements of Barplats for the nine months ended March 31, 2006;
- (c) pro-forma financial statements comprises of the following:
 - (i) pro-forma balance sheets as at March 31, 2006;
 - (ii) pro-forma income statements as of June 30, 2005 and March 31, 2006 that give effect to the acquisition as of July 1, 2005;
 - (iii) pro-forma earnings per share based on the above pro-forma income statements; and
- (d) a compilation report.

APPENDIX A

Audited Financial Statements of Barplats Investments Limited
for the years ended June 30, 2005 and June 30, 2004

Barplats Investments Limited (“Barplats” or “company”)

Registration number: 1987/004830/06

ISIN: ZAE 000028692

Annual Financial Statements for the year ended 30 June 2005

Directors responsibility and approval of the Annual financial statements

The directors of the company are responsible for the fair presentation to shareholders of the affairs of the group as at the end of the financial year, and of the results for the period, as set out in the annual financial statements. The directors are responsible for the overall co-ordination of the preparation, presentation and for the approval of the financial statements.

The auditors are responsible for auditing and reporting on the financial statements in the course of executing their statutory duties.

The financial statements have been prepared on a going concern basis conform to International Financial Reporting Standards and are presented applying consistent accounting policies (other than accounting policy for inventory – refer to paragraph 7 of the accounting policies on page 21) supported by reasonable and prudent judgments and estimates. To discharge this responsibility, the group maintains accounting and administrative control systems designed to provide reasonable assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and procedures. The accounting policies of the company are set out on pages 17 to 26 of this report.

The annual financial statements for the year ended 30 June 2005, which appear on pages 13 to 36, were approved by the directors on 23 September 2005.

JD Salter
Director

JA Clark
Director

Independent Auditors' Report

To the members of Barplats Investments Limited

We have audited the annual financial statements and group annual financial statements of Barplats Investments Limited set out on pages 13 to 36 for the year ended 30 June 2005. These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the group as of 30 June 2005, and of the results of their operations and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Without qualifying our opinion, we draw attention to the funding paragraph in the directors' report which indicates that as at 30 June 2005, the group's current liabilities exceeded its current assets by R200 million. The paragraph also indicates why in these circumstances the financial statements are prepared on the basis of accounting policies applicable to a going concern.

KPMG Inc.
Registered Accountants and Auditors
Chartered Accountants (SA)
PO Box 11265
Hatfield 0028
Pretoria

23 September 2005 (except for note 23 which is as of July 12, 2006)

Report of the Independent Auditors

We have audited the annual financial statements and group annual statements of Barplats Investments Limited set out on pages 13 to 36 for the year ended 30 June 2004. These financial statements are the responsibility of the directors of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with Generally Accepted Auditing Standards in South Africa in accordance with International Standards on Auditing issued by the International Federation of Accounting. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

Audit opinion

In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and of the group at 30 June 2004 and the results of their operations and cash flows for the year then ended, in accordance with South African Statements of Generally Accepted Accounting Practice, International Financial Reporting Standards.

Going concern

Without qualifying our opinion, we draw attention to the funding note in the Directors' Report of the financial statements which explains the company's reliance on external financing. The business could be under threat as a going concern in the event that alternative financing cannot be secured once facilities currently in place have been fully utilized.

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
Johannesburg

27 August 2004 (except for note 23 which is as of July 12, 2006)

DIRECTORS REPORT

The directors have pleasure in presenting the consolidated annual financial statements for Barplats Investments Limited for the year ended 30 June 2005.

Nature of business

Barplats Investments Limited (Barplats) is incorporated in South Africa and is listed on the JSE Limited under the Mining Resources – Platinum Sector. Its principal interest is the development of the platinum rights held by its wholly-owned subsidiary, Barplats Mines Limited (Barmines).

Barplats is a platinum group metals (PGMs) mining company whose core business is PGM mining and processing in South Africa 's Bushveld Igneous Complex (the BIC). Barplats' two assets are:

- the Crocodile River mine on the western limb of the BIC near Brits in the North-West Province; and
- the Kennedy 's Vale project on the eastern limb of the BIC near Steelpoort in Mpumalanga.

Funding

On 19 August 2004 Barplats entered into an agreement with Eagle Worldwide Investments Ltd. (Eagle), a company incorporated in the British Virgin Islands, in terms of which Eagle extended a US\$ 7.5 million credit facility to Barplats at one-month US dollar LIBOR plus 4%. The facility had a term of three years. The purpose of this credit facility is to meet the group's short-term working capital requirements and to develop a detailed mining plan for the Zandfontein Section, after which the group's ongoing funding requirements would be determined and negotiated.

In the circumstances, the directors gave particular consideration to the values of the assets as reflected in the balance sheet as at 30 June 2004. The directors were of the view that those assets would at least, realize amounts not less than the values stated in the balance sheet.

The company recommenced the production of concentrate during March 2005. The results of the re-start have been better than expected.

At 30 June 2005 the group's current liabilities exceeded its current assets by R200.2 million. Barplats is in the process of raising long-term funding to expand the company's mining operations and to optimise the company's funding profile. However, the introduction of Gubevu Consortium Investment Holdings (Proprietary)Limited as a 26% shareholder in Barplats on 22 July 2005 by way of an all-cash R172.8 million transaction, together with the company receiving cash of R71.7 million by drawing

down the balance of the Nedbank R120 million facility and the repayment of an amount of R120 million to Eagle Worldwide Investments, Limited ("Eagle ") meant that at the date of this announcement, the group has a remaining Eagle facility of US\$24.3 (R154.5 million at an exchange rate of R6.49 per US\$) and R92.3 million cash on deposit.

On 31 January 2006 Barplats is required to repay the R120 million outstanding to Nedbank. The company 's budgets and projected cash flow forecasts, which are based on reasonable and supportable assumptions, indicate that the company will generate positive cash flows during the six months from the date of this announcement. The company also has the option to draw down on the remaining Eagle facility noted above.

The directors are confident that the budgets and projected cash flow forecasts will be achieved, that the company will meet its obligations as they fall due and that the company will be a going concern in the year ahead. Accordingly, the directors continue to adopt the going concern basis in the preparation of the annual financial statements.

A rights offer of options to shareholders was announced in June 2005. Shareholders were, however, advised on 29 August 2005 that the board of directors of Barplats had, following consultation with Barplats 'major shareholder, resolved not to proceed with the rights offer.

Capital

Authorised and issued

The authorised and issued share capital of 900,000,000 and 222 540 344, respectively, ordinary shares remained unchanged at 30 June 2005 (refer to note 10 to the annual financial statements).

Unissued share capital

In terms of a resolution passed at the last annual general meeting, the unissued share capital is under the control of the directors until the forthcoming annual general meeting.

Shareholder resolution

At the annual general meeting of shareholders held on Monday, 6 December 2004, shareholders authorised the directors to issue for cash up to 15% of the company's issued share capital in any one year.

These general authorities expire at the forthcoming Annual General Meeting. Shareholders will be asked to consider resolutions renewing these general authorities. The proposed resolutions are set out in the notice convening the annual general meeting.

Shareholders as at 26 August 2005

Pursuant to the Listings Requirements of the JSE Limited, and to the best knowledge of the directors, the spread between non-public shareholders at 26 August 2005 is set out in the table below.

Furthermore, according to the company's register of members the only individual shareholders who could be identified as holding five per cent or more of the issued share capital of the company at 26 August 2005 were:

Shareholders	Number of shares (000)	% Holding
Non-public shareholders ¹		
Platinum Consortium	208 137.0	69.2
Gubevu Consortium Investment Holdings (Pty) Limited	78 190.0	26.0
Directors	23.5	
All other shareholders	14 379.7	4.8
	300 730.2	100.0

¹ As defined in the JSE Limited Listings Requirements

Activities and financial results

Results for the year

The group made a net profit of R24.95 million (2004: net loss of R42.03 million) for the year ended 30 June 2005.

The results for the year are fully dealt with on pages 13 to 36 in the annual financial statements.

Accounting policies

The principal accounting policies are consistent with those applied in the previous year, except for inventories, previously valued using the first-in-first-out basis and now valued using the weighted average method (refer to paragraph 7 of the accounting policies).

Dividends

No dividend was declared during the year ended 30 June 2005 (2004: Nil).

Property plant and equipment

Capital expenditure of R134.4 million (2004:R5.4 million) was incurred at Crocodile River Mine.

The Crocodile River mine is regarded as a single cash generating unit and the determination of the R56 million impairment reversal is based on the value of the assets in use discounted at a rate of 9.75 per cent.

Subsidiary companies

Information regarding the company's subsidiaries is set out in note 6 of the annual financial statements.

Directorate

Composition of the board

On 1 June 2005 Messrs P J Botha, J R Hawkrigg and A J Palmiere were appointed as directors and resigned from the board on 7 June 2005. Mr LC Pouroulis resigned as a director on 15 September 2005. As a result, the board comprises:

	Appointed
J A Clark ¹	14 July 2004
P J Gard ²	14 July 2004
J D Salter ¹	14 July 2004
J M J van Vuuren ²	1 August 2004

¹ *Executive*

² *Independent non-executive*

At the forthcoming annual general meeting Mr P J Gard will be standing for re-election.

Directors' fees

At the forthcoming annual general meeting members will be asked to consider an ordinary resolution to set the fee paid to a non-executive director at R200 000 per annum and R50 000 per annum for each board committee chaired.

Interest of the directors

Mr J M J van Vuuren has a shareholding of 23 500 shares in the company.

Other than the related party transactions described in note 20 of the annual financial statements, there were no contracts of significance during or at the end of the financial year in which the directors of the company were materially interested.

Directors' emoluments

The executive directors of the company waived their right to the payment of directors' fees for the 2004 financial year. Accordingly, directors' fees for services as a director were only paid to the non-executive directors as follows:

	2004 (R000)
D Kovarsky (resigned 14 July 2004)	86
RS Hislop (resigned 14 July 2004)	86
JV Roberts (resigned 14 July 2004)	86
RGH Smith (resigned 14 July 2004)	109
Total	367

The directors' remuneration for the year ending 30 June 2005 was as follows:

Director	Fees	Salaries and bonuses	Other material benefits¹	Retirement benefits	Other services	2005
	R000	R000	R000	R000	R000	R000
Executive						
LC Pouroulis	-	1 800	-	-	-	1 800
JD Salter ²	-	1 098	225	165	-	1 488
JA Clark ²	-	844	240	125	-	1 209
Non-Executive						
JMJ van Vuuren ³	400	-	-	-	-	400
PJ Gard ³	400	-	-	-	-	400
Total	800	3 742	465	290	0	5 297

¹ comprising travel allowance, medical aid and group life

² Executive

³ Independent non-executive

Related party transactions

Mr LC Pouroulis, who resigned as a director on 15 September 2005, had the ability to exercise significant influence over certain companies in making financial and operating decisions and therefore transactions with these entities have been treated as related party transactions. Details of these transactions are set out in note 20 of the annual financial statements.

Post Balance Sheet Events

Black economic empowerment transaction

Shareholder resolutions required inter alia to introduce Gubevu as a 26% shareholder in Barplats , details of which were set out in a circular to shareholders dated 20 June 2005, were approved at the general meeting held on 5 July 2005. As a result a total of 78 189 851 ordinary shares were issued at a price of R2.21 per share on 28 July 2005. The total number of ordinary shares now in issue is 300 730 195.

The financial effect of the transaction would be to increase cash and cash equivalents by R172.8 million. In terms of IFRS2 – share based payments – the difference between the market value of the shares issued and the issue price should be expensed to the income statement. This will result in a charge of R374 million to the income statement for the year ended 30 June 2006.

The following transactions were also approved at the general meeting of shareholders on 5 July 2005:

The grant of an option to Nedbank Capital exercisable for a period commencing 19 November 2005 until 31 March 2006 to subscribe for R15 million of ordinary shares at a 15% discount to the seven day volume weighted average price on the JSE Limited for the seven trading days prior to the options being exercised, subject to a maximum issue price of R5.20 per ordinary share and a minimum issue price of R1.25 per ordinary share.

The grant of a right to Eagle to convert the outstanding portion of the Eagle loan facility into ordinary shares at a 20% discount to the seven day weighted average price for the seven trading days prior to the conversion being exercised subject to a maximum issue price of R5.20 per ordinary share and a minimum issue price of R1.25 per ordinary share. The estimated value of these options was R29 million on the date of grant, which will be expensed to the income statement during the 2006 financial year.

Auditor

The auditors of the company, KPMG Inc. will continue in office in accordance with section 270 (2) of the Companies Act 61 of 1973 (as amended).

Administration*Secretary*

Mr TK Savage was appointed Group Secretary on 1 September 2004.

Income Statements

Barplats Investments Limited and its subsidiaries

Group

For the year ended 30 June	Notes	2005 R000	2004 R000
Revenue		40 177	112 893
Cost of sales		36 723	118 568
Mining costs		26 283	77 317
Ore purchased		5 987	-
Smelter slag purchased		-	2 268
Concentrating costs		9 553	24 102
Amortisation	5	4 475	13 519
Other costs		-	1 362
Closing inventory		(9 575)	-
Gross profit/(loss)		3 454	(5 675)
Other operating income		1 471	-
Administrative expenses and other operating expenses		(14 169)	(18 930)
Net exploration expense		-	(494)
Reversal of impairment	5	56 000	-
Operating profit/(loss) before financing costs	2	46 756	(25 099)
Net financing costs	1	(21 806)	(16 903)
Profit / (loss) before taxation		24 950	(42 002)
Income tax expense	3	-	(26)
Profit / (loss) for the year		24 950	(42 028)
Basic and diluted earnings/(loss) per share (cents)	4	11.2	(18.9)
Headline loss per share (cents)	4	(14.0)	(18.9)

Balance sheets

Barplats Investments Limited and its subsidiaries

As at 30 June	Notes	Group	
		2005 R000	2004 R000
ASSETS			
Non-current assets		391 367	207 703
Property, plant and equipment	5	391 367	207 703
Investments in subsidiaries	6		
Current assets		46 974	2 909
Inventories	7	9 899	242
Trade and other receivables	8	30 509	433
Cash and cash equivalents	9	5 212	880
Current taxation asset	18	1 354	1 354
Total assets		438 341	210 612
EQUITY AND LIABILITIES			
Equity		83 065	60 187
Issued capital	10	2 225	2 225
Share premium	10	1 047 856	1 049 928
Accumulated loss		(967 016)	(991 966)
Non-current liabilities		108 067	99 373
Provision for environmental obligations	11	31 404	30 490
Borrowings	13	76 663	68 883
Current liabilities		247 209	51 052
Trade and other payables	12	37 387	5 130
Bank overdrafts	9	5 140	-
Borrowings	13	204 682	45 922
Total equity and liabilities		438 341	210 612

Consolidated statement of changes in equity

Barplats Investments Limited and its subsidiaries

For the year ended 30 June	Issued Capital R000	Share premium R000	Accumulated loss R000	Total R000
Balance at 30 June 2003	2 225	1 049 928	(949 938)	102 215
Net loss for the year			(42 028)	(42 028)
Balance at 30 June 2004	2 225	1 049 928	(991 966)	60 187
Share issue expenses		(2 072)		(2 072)
Profit for the year			24 950	24 950
Balance as at 30 June 2005	2 225	1 047 856	(967 016)	83 065

Cash flow statements

Barplats Investments Limited and its subsidiaries

As at 30 June	Notes	Group	
		2005 R000	2004 R000
Cash flows from operating activities			
Cash utilised in operations	17	(11 331)	(7 650)
Financial income	1	93	85
Interest paid	1	(12 205)	(13 717)
Taxation paid	18	-	(1 406)
Rehabilitation costs	11	-	(6 989)
Net cash utilized in operating activities		(23 443)	(29 677)
Cash flows from investing activities			
Purchase of property, plant and equipment to expand operations	5	(134 403)	(5 434)
Proceeds from disposal of property, plant & equipment	5	2 264	2 078
(Increase)/decrease in loan to subsidiary company	6	-	-
Net cash utilised in investing activities		(132 139)	(3 356)
Cash flows from financing activities			
Proceeds from borrowings	13	204 991	33 709
Repayment of borrowings	13	(48 145)	-
Share issue expenses	10	(2 072)	-
Net cash generated by financing activities		154 774	33 709
Net increase/(decrease) in cash and cash equivalents		(808)	676
Cash and cash equivalents at the beginning of the year		880	204
Cash and cash equivalents at the end of the year	9	72	880

Accounting policies

Barplats Investments Limited is a company domiciled in South Africa. The consolidated financial statements of the Company for the year ended 30 June 2005 comprise the company and its subsidiaries (together referred to as “the Group”).

The financial statements were authorised for issue by the directors on 23 September 2005.

1. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) and its interpretations adopted by the International Accounting Standards Board (“IASB”). These policies are consistent with Canadian generally accepted accounting policies (“Canadian GAAP”) in all material respects except as outlined in Note 23.

2. Basis of preparation

The financial statements are presented in South African rands, rounded to the nearest thousand. They are prepared on the historical cost basis except for certain financial instruments that are stated at their fair value.

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income 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 recognised 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.

Except for the accounting policy on inventories (refer to paragraph 7), the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accounting policies

3. Basis of consolidation

The consolidated financial statements include those of Barplats Investments and its subsidiaries.

3.1 Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3.2 Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the group's share of the identifiable net assets of that entity at the date of acquisition.

Goodwill is reflected at cost less accumulated impairment losses, if any. In accordance with IFRS 3, goodwill is no longer amortised. Goodwill is allocated to cash-generating units and is tested annually for impairment.

The loss or gain on disposal of an entity includes the remaining goodwill relating to the entity.

If the cost of the acquisition is less than the fair value of the net assets of the entity acquired, the difference is recognised directly in the income statement.

3.3 Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

3.4 Investment in subsidiaries

The company carries its investments in subsidiaries at cost less accumulated impairment losses.

Accounting policies

4. Foreign currency

Foreign currency transactions are accounted for at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to rands at the foreign exchange rate ruling at that date. Gains and losses arising on settlement of such transactions and from the translation of foreign currency monetary assets and liabilities are recognized in the income statements. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to rand at foreign exchange rates ruling at the dates the fair value was determined.

5. Property, plant and equipment

5.1 Mining assets

Mining assets are recorded at cost less accumulated amortization and less any accumulated impairment losses. Expenditure, including evaluation costs, incurred to establish or expand productive capacity, to support and maintain that productive capacity and networking costs incurred on mines prior to the commencement of commercial levels of production, are capitalized to mining assets. Interest on borrowings, specifically to finance establishment of mining assets, is capitalized until commercial levels of production are achieved.

Mining assets are amortised using the units-of-production method based on estimated economically recoverable proved and probable ore reserves, limited to a maximum period of 25 years.

Accounting policies

5.2 Other assets

Depreciation is charged on the straight-line basis over the estimated useful lives of the assets.

The estimated maximum useful lives of items of property, plant and equipment are:

Buildings and infrastructure (including residential buildings)	25 years
Fixed plant and equipment	15 years
Loose plant	7 years
IT hardware	5 years
IT software	3 years
Vehicles	5 years
Office furniture	10 years

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalised.

Directly attributable expenses relating to major capital projects and site preparation are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent these are recognised as a provision.

The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate portion of production overheads.

Maintenance and repairs which neither materially add to the value of assets nor appreciably prolong their useful lives are charged against income.

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalised at interest rates relating to loans specifically raised for that purpose, or at the average borrowing rate where the general pool of group borrowings is utilised. Capitalisation of borrowing costs ceased when the asset is substantially complete.

Accounting policies

5.3 Impairment

The carrying amounts of the Group's mining assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

5.3.1 Recoverable amount

The recoverable amount is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

5.3.2 Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Accounting policies

6. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

7. Inventories

Inventories comprise consumables, reef ore stockpiled and concentrate awaiting further processing and sale, are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes direct mining expenditure and an appropriate portion of overhead expenditure. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Obsolete, redundant and slow moving stores are identified and written down to economic or realisable values.

Inventories were previously valued using the first-in-first-out basis. The change in accounting policy does not have a significant effect on the annual financial statements.

8. Derivative financial instruments

The group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition for any resultant gain or loss depends on the nature of the item being hedged.

Accounting policies

The fair value of interest rate swaps is the estimated amount the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

9. Trade receivables

Trade receivables are carried at anticipated realizable value. A provision is made for impairment of receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

10. Trade and other payables

Trade and other payables are stated at amortised cost.

11. Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, foreign exchange gains and losses on foreign currency borrowings, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments.

12. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Accounting policies

13. Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money, and where appropriate, the risk specific to the liability.

14. Employee post-retirement obligations - defined contribution retirement plan

The group operates a defined contribution retirement plan for the group's employees. The pension plans are funded by payments from the employees and by the relevant group companies and charged to income as incurred. The assets of the different plans are held by independently managed trust funds. These funds are governed by the South African Pension Fund Act of 1956.

15. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Accounting policies

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

16. Environmental obligations

16.1 Rehabilitation costs

The net present value of future rehabilitation cost estimates of disturbances at year end are recognized and provided for in full in the financial statements. The estimates are reviewed annually to take into account the effects of inflation and changes in the estimates. Discount rates that reflect the time value of money are utilised in calculating the net present value.

Annual increases in the provision, as a result of the change in the net present value, are charged to income and are split between finance costs and inflationary adjustments.

The net present value of additional environmental disturbances and changes in the cost estimates are capitalized to mining assets along with a corresponding increase in the rehabilitation provision. The rehabilitation asset is amortised in terms of the group's accounting policy.

Rehabilitation projects undertaken, included in the estimates, are charged to the provision as incurred.

16.2 Ongoing rehabilitation cost

The cost of the ongoing current programmes to prevent and control pollution is charged against income as incurred.

Accounting policies

17. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

17.1 Sale of goods

Revenue is recognised where specific risks and rewards of ownership have been transferred to the purchaser and comprises the sale of platinum group metals (“PGMs”). The pricing of PGMs is based on the average market price for the calendar month ruling three months after the month of delivery. Revenue for the months for which final pricing has not yet been established is recognised using the latest available average market price for a calendar month as a basis. Where ruling prices at the reporting date are below those determined above, a further adjustment is made.

Notes to the financial statements
For the year ended 30 June

As at 30 June	Group	
	2005 R000	2004 R000
1 NET FINANCING COSTS		
Financial expense consists mainly of the following:		
Rehabilitation provision-present value adjustment	-	(3 271)
Interest income	93	85
Interest expense	(12 205)	(13 717)
Interest charged	(20 080)	(13 717)
Interest capitalized	7 875	-
Net foreign exchange transaction losses	(9 694)	-
	(21 806)	(16 903)

2 OPERATING PROFIT/(LOSS) BEFORE FINANCING COSTS

The following items have been charged/(credited) in arriving at profit/(loss) before taxation:

Auditor's remuneration	554	359
External audit fees for audit services	554	234
Under provision prior year	-	125
Professional fees	1 586	3 356
Total Cost	3 537	3 356
Capitalised	(1 951)	-
Internal audit fees	365	-
Rehabilitation provision-inflation adjustment	-	4 909
Amortisation (refer note 5)	4 475	13 519
Employment costs	24 654	5 160
Total Costs	42 533	5 160
Wages and salaries	39 267	4 784
Pension costs – defined contribution plans	3 266	376
Capitalised	(17 879)	-
Foreign exchange (gain) /loss relating to sales	(1 098)	4 642
Directors' emoluments (refer to the directors' report)	5 297	367

3 INCOME TAX EXPENSE

South African normal taxation		
Current taxation	-	26

Estimated unredeemed capital expenditure available for utilization against future mining taxable income	1 206 860	1 074 920
Calculated tax losses available for utilisation against future taxable income	109 215	89 329
Reconciliation of rate of taxation	%	%
Current statutory tax rate	29	30
Adjust for:		
Non deductible expenditure	1	-
Non taxable income	(65)	-
Utilisation of deferred tax asset not previously created	35	-
Deferred tax asset not recognised	-	(30)
Effective tax rate	-	-

Notes to the financial statements

For the year ended 30 June

4 BASIC AND HEADLINE EARNINGS/(LOSS) PER SHARE

Headline and basic earnings per share is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue during the year

Headline loss	(31 050)	(42 028)
Profit / (loss) attributable to shareholders	24 950	(42 028)
Adjusted for reversal of impairment loss	(56 000)	-
	(000)	(000)
Weighted average number of shares in issue	222 540	222 540
Basic and diluted profit/(loss) per share	11.2	(18.9)
Headline loss per share	(14.0)	(18.9)

5 PROPERTY, PLANT AND EQUIPMENT

Mining assets

These comprise expenditure on shafts, plant and equipment, mining development, mineral rights, land and general capital expenditure.

Cost	1 463 297	1 331 158
Opening balance	1 331 158	1 327 802
Additions	134 403	5 434
Assets acquired	73 921	5 434
Capitalised expenditure	52 607	-
Interest capitalized	7 875	-
Disposals	(2 264)	(2 078)
Accumulated amortization and impairment losses	1 071 930	1 123 455
Opening balance	1 123 455	1 109 936
Reversal of impairment loss (refer to the directors' report)	(56 000)	-
Amortisation charge for the year	4 475	13 519
Total net book value	391 367	207 703

A register of land and buildings is available for inspection at the company's registered office. The mining assets are encumbered as listed in note 13.

6 INVESTMENTS IN SUBSIDIARIES

Valued by the directors at book value. The following companies are wholly owned by Barplats Mines Limited:

- Barplats Mines (North West) (Pty) Limited
- Rhodium Reefs Limited

Notes to the financial statements

For the year ended 30 June

7 INVENTORIES

	9 899	242
Consumables	324	242
Ore and concentrate	9 575	-

8 RECEIVABLES AND PREPAYMENTS

	30 509	433
Trade receivables	26 115	30
Other receivables	3 968	403
Prepayments	426	

9 CASH AND CASH EQUIVALENTS

	72	880
Cash in bank	5 212	880
Bank Overdraft	(5 140)	-

10 ORDINARY SHARES AND SHARE PREMIUM

	1 047 856	1 049 928
Share premium	1 049 928	1 049 928
Share issue expenses	(2 072)	-
Issued capital	2 225	2 225

Number of ordinary shares issued is 222 540 344 (2004:222 540 344) of 1 cents each.

The total authorised number of ordinary shares is 900 million shares (2004:900 million shares) of 1 cents each.

The unissued shares may be issued by the directors at their discretion until the next annual general meeting. The share issue expenses relate to shares that were issued to Gubevu Consortium Investment Holdings (Pty)Ltd subsequent to year end.

11 PROVISION FOR ENVIRONMENTAL OBLIGATIONS

Provision raised for future rehabilitation		
Opening balance	30 490	29 299
Charged to income statement	914	8 180
Rehabilitation asset raised	-	(6 989)
Closing balance	31 404	30 490
Current rehabilitation estimate for life of mine obligation	31 404	30 490
Future value of rehabilitation obligation	53 617	48 938

The closing balance of the provision is stated as the current cost estimate because it is not possible to accurately estimate the life of mine of the company's various mining operations without a board approved mining plan.

Notes to the financial statements

For the year ended 30 June

In the absence of a board approved mining plan, the future value of the rehabilitation obligation is based on respective estimated life of mines of 10 years for Zandfontein, 8 years for Maroelabult and 10 years for Kennedy 's Vale. A guarantee has been issued in favour of the Department of Minerals and Energy.

12 TRADE AND OTHER PAYABLES

Trade payables	17 094	2 615
Leave liability provision	4 830	80
Other payables	15 463	2 435
Accruals	9 767	-
Provisions	1 739	317
Employees	2 869	46
Sundry payables	1 088	2 072
	37 387	5 130
Analysis of leave liability:		
Opening balance	80	166
Add: current year provision	6 023	111
Less: utilized during the year	(1 273)	(197)
Closing balance	4 380	80

Employee entitlements to annual leave are recognised on an ongoing basis. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

13 BORROWINGS

Non-current	76 663	68 883
Impala Platinum Limited	36 385	68 883
Eagle Worldwide Investments Limited	40 278	-
Current	204 682	45 922
Eagle Worldwide Investments Limited	120 000	-
Impala Platinum Limited	36 385	45 922
Nedbank Capital	48 297	-
	281 345	114 805

Notes to the financial statements

For the year ended 30 June

Impala Platinum Limited

Borrowings comprise a loan of R72.77 million (2004: R114.8 million) from Impala Platinum Limited. The loan bore interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 2% until 31 May 2004. On 1 June 2004 the interest rate increased to JIBAR plus 3%. The loan is secured by mortgage bonds registered over houses owned by Barplats Mines Limited, which are included in mining assets as per note 5. Interest is capitalised on a monthly basis (refer to note 15 which sets out the effective interest rate) and the capital outstanding will be repaid as follows:

- 50% in June 2006; and
- 50% in June 2007.

Eagle Worldwide Investments, Limited

Borrowings also comprise a loan of R160.278 million from Eagle. The loan bore interest at the London Inter Bank Offered Rate (LIBOR) plus 4% (refer to note 15 which sets out the effective interest rate). The loan is secured as follows:

- Mortgage bond registered over portions 166 and 162 of Zandfontein 447 JQ;
- Notarial bond over the concentrator plant;
- General notarial bond over moveable assets; and
- Rhodium Reefs Limited and Barplats Mines (North West) (Proprietary) Limited stand surety for Barplats Mines Limited's obligations and Barplats Mines Limited stands surety for the obligations of Barplats Investments Limited.

The loan will be repaid as follows:

- 100% any time before 31 December 2007

Nedbank Capital

Borrowings also comprise a loan of R48.297 million from Nedbank. The loan bore interest at the prime lending rate which was 10,5% at 30 June 2005. The loan is secured as follows:

- Mortgage bond registered over portions 166 and 162 of Zandfontein 447 JQ.
- Notarial bond over the Concentrator plant
- General notarial bond over moveable assets
- Rhodium Reefs Limited and Barplats Mines (North West)(Pty)Ltd stand surety for Barplats Mines Limited's obligations and Barplats Mines Limited stands surety for the obligations of Barplats Investments Limited

The loan will be repaid as follows:

- 100% before 31 January 2006

Borrowing powers

In terms of the articles of association of the companies in the group, the borrowing powers of the group are determined by the directors but are limited to ordinary shareholders' interest. At the annual general meeting of 6 December 2004 the borrowing powers of the directors were extended to:

	750 000	200 000
Currently utilised	281 345	114 805

14 PROVIDENT FUND

Defined contribution plan

An independent fund provides pension and other benefits for all permanent employees and their dependants. At the end of the financial year all permanent employees were members of the Barplats Provident Fund, which is an independent fund administered by Liberty Life. The group contributed R3 265 662 to the provident fund. At 30 June 2005 there were 509 working members of the fund.

Notes to the financial statements

For the year ended 30 June

15 FINANCIAL INSTRUMENTS

Fair value of other financial assets and liabilities

At 30 June 2005, the carrying amount of cash and cash equivalents, receivables, trade and other payable and short-term maturities of these assets and liabilities.

Foreign currency risk

In the normal course of business, the group enters into transactions denominated in foreign currencies (primarily US\$). Generally the group does not hedge its exposure to fluctuations in foreign currency exchange rates.

Metal price risk

The group is exposed to fluctuations in metal prices. The group does not enter into metal futures, options or lease contracts to manage the fluctuations in its metal prices.

Credit risk

Trade debtors comprise a single customer in South Africa namely Impala Refining Services Limited. The potential concentration of credit risk consists mainly of cash and cash equivalents, trade debtors and other receivables. The group limits its counter party exposures from its cash and cash equivalents by only dealing with well-established financial institutions of high quality credit standing.

Interest rate risk

Fluctuations in interest rates impact on the financing activities, giving rise to interest rate risk. Working capital and capital expenditure requirements are funded through cash generated by operations and the loan facilities provided to the group. At 30 June 2005, the group did not consider there to be any significant concentration of interest related risk.

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they re-price.

R000	Effective interest rate	2005						Effective interest rate	2004					
		Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years		Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Cash and cash equivalents	5.12%	5 212	5 212	-	-	-	-	0.25%	880	-	-	-	-	-
Impala Platinum Limited secured loan	10.33%	72 770	-	36 385	36 385	-	-	11.58%	114 805	45 922	34 441	34 442	-	-
Eagle secured loan	7.46%	160 278	120 000	-	-	40 278	-	-	-	-	-	-	-	-
Nedbank Capital secured loan	11.02%	48 297	-	48 297	-	-	-	-	-	-	-	-	-	-
Bank overdrafts	11.02%	5 140	5 140	-	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements

For the year ended 30 June

Fair values

The fair values together with the carrying amounts shown in the balance sheet are as follows:

<i>R000</i>	Carrying amount 2005	Fair value 2005	Carrying amount 2004	Fair value 2004
Taxation assets	1 354	1 354	1 354	1 354
Trade and other receivables	30 509	30 509	433	433
Cash and cash equivalents	5 212	5 212	880	880
Secured bank loans	281 345	281 345	114 805	114 805
Trade and other payables	37 387	37 387	5 130	5 130
Bank overdraft	5 140	5 140	-	-

16 COMMITMENTS

Capital expenditure commitments

Capital expenditure contracted at the balance sheet date but not recognized in the financial statements is as follows:

Commitments in respect of amounts contracted for	5 174	-
Approved expenditure outstanding at 30 June	5 174	-

17 CASH UTILIZED IN OPERATIONS

Reconciliation of profit before taxation to cash utilized in by operations:

Profit/(loss) before taxation	24 950	(42 002)
Adjustments for:	(29 903)	39 973
Amortisation	4 475	13 519
Environmental rehabilitation income statement charge	914	8 180
Reversal of provision for loss in subsidiaries		
Reversal of impairment	(56 000)	-
Foreign gain on foreign currency loan	9 694	-
Interest income	(93)	(85)
Financial expense	12 205	13 717
Foreign exchange (gain)/loss relating to sales	(1 098)	4 642
Changes in working capital	(6 378)	(5 621)
Trade and other receivables	(28 978)	23 971
Inventories	(9 657)	1 293
Trade and other payables	32 257	(30 885)
Cash utilized in operations	(11 331)	(7 650)

Notes to the financial statements

For the year ended 30 June

18 TAXATION PAID

(Receivable)/owed at the beginning of the year	(1 354)	26
Current charge per income statement	-	26
Receivable at the end of the year	1 354	1 354
	-	1 406

19 SEGMENTAL REPORTING

No segmental report is presented as the group conducts a single mining operation with all production and sales activities undertaken in South Africa.

20 RELATED PARTY TRANSACTIONS

Mr LC Pouroulis, who resigned as a director on 15 September 2005, had the ability to exercise significant influence over certain companies in making financial and operating decisions and therefore transactions with these entities as listed below have been treated as related party transactions.

Implats owned 83% of the Barplats Group until 31 May 2004 and therefore transactions with entities in the Implats Group have been treated as related party transactions up to that date.

Sale of Goods:

Impala Refining Services Limited – metal sales	-	112 894
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Purchase of services:

Salene Mining (Pty) Ltd – Ore and equipment	5 731	-
Salene Management Services (Pty) Ltd - Management fees	1 308	-
Gravelotte Mines Limited - Equipment	800	-
Impala Platinum Limited – interest on loan		12 763
Impala Platinum Limited – management fees		2 895
	7 839	15 658

Loans from a related party:

Loan from Impala Platinum Limited		
At the beginning of year	-	81 096
Loan advanced/(repaid) during the year	-	32 639
At 31 May 2004	-	113 735

The loan bore interest at the Johannesburg Interbank Acceptance Rate (JIBAR) plus 2% until 31 May 2004. On 1 June 2004 the interest rate increased to JIBAR plus 3%. The loan will be repaid as follows:

40% in June 2005

30% in June 2006; and

30% in June 2007

Related party debtors:

Metal sales to the Impala Refining Services Limited	-	125
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Notes to the financial statements

For the year ended 30 June

21. DEFERRED TAXATION

Group

A deferred tax asset has not been raised because of the uncertainty of its realization. Had it been raised, an asset of R277 768 661 would have been created in the current year (2004: R296 134 802).

Company

A deferred tax asset has not been raised because of the uncertainty of its realization. Had it been raised, an asset of R3 573 567 would have been created in the current year (2004: Nil).

Comprising

Mining Capital expenditure	235 450	260 165
Provisions	10 508	9 171
Other	238	-
Calculated tax losses	31 673	26 799
	<u>277 769</u>	<u>296 135</u>

22. SUBSEQUENT EVENTS

Black economic empowerment transaction

Shareholder resolutions required *inter alia* to introduce Gubevu as a 26% shareholder in Barplats, details of which were set out in a circular to shareholders dated 20 June 2005, were approved at the general meeting held on 5 July 2005. As a result a total of 78 189 851 ordinary shares were issued at a price of R2.21 per share on 28 July 2005. The total number of ordinary shares now in issue is 300 730 195.

The financial effect of the transaction would be to increase cash and cash equivalents by R172.8 million. In terms of IFRS2 – share based payments – the difference between the market value of the shares issued and the issue price should be expensed to the income statement. This will result in a charge of R374 million to the income statement for the year ended 30 June 2006.

The following transactions were also approved at the general meeting of shareholders on 5 July 2005:

The grant of an option to Nedbank Capital exercisable for a period commencing 19 November 2005 until 31 March 2006 to subscribe for R15 million of ordinary shares at a 15% discount to the seven day volume weighted average price on the JSE Limited for the seven trading days prior to the options being exercised, subject to a maximum issue price of R5.20 per ordinary share and a minimum issue price of R1.25 per ordinary share.

The grant of a right to Eagle to convert the outstanding portion of the Eagle loan facility into ordinary shares at a 20% discount to the seven day weighted average price for the seven trading days prior to the conversion being exercised subject to a maximum issue price of R5.20 per ordinary share and a minimum issue price of R1.25 per ordinary share. The estimated value of these options was R29 million on the date of grant, which will be expensed to the income statement during 2006 financial year.

Notes to the financial statements

For the year ended 30 June

23. RECONCILIATION TO CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Under Canadian GAAP the recovery of previously recorded impairment provisions is not permitted. Therefore the recovery of the impairment provisions has been reversed.

	2005	2004
Profit/(loss) for the year under IFRS	24,950	(42,004)
Deducted reversal of impairment	(56,000)	-
Profit/(loss) for the year under Canadian GAAP	(31,050)	(42,004)
Property, plant and equipment under IFRS	391,367	207,703
Deducted reversal of impairment	56,000	-
Property, plant and equipment under Canadian GAA)	335,367	207,703
Accumulated loss under IFRS	(967,016)	(991,966)
Deduct reversal of impairment	56,000	-
Accumulated loss under Canadian GAAP	(1,023,016)	(991,966)

The reversal of the previously recorded impairment provisions does not impact cash flow from operations as this is a non-cash item.

APPENDIX B

Unaudited Financial Statements of Barplats Investments Limited
for the nine months ended March 31, 2006

BARPLATS INVESTMENT LIMITED
Condensed Consolidated Balance Sheet

	31 March 2006 R000	30 June 2005 R000
ASSETS		
NON-CURRENT		
Property, plant & equipment	456 479	391 367
Other non-current assets	2 896	-
	459 375	391 367
CURRENT		
Cash and cash equivalents	50 365	5 212
Receivables	86 286	30 509
Taxation	1 354	1 354
Inventory	10 387	9 899
	148 392	46 974
	607 767	438 341
LIABILITIES		
NON-CURRENT		
Borrowings	70 527	76 663
Provision for environmental obligations	31 404	31 404
	101 931	108 067
CURRENT		
Borrowings	143 771	204 682
Payables	76 027	37 387
Cash and cash equivalent	-	5 140
	219 798	247 209
SHAREHOLDERS' EQUITY		
Share capital	3 007	2 225
Share premium	1 218 990	1 047 856
Share-based payments reserve	397 986	-
Options	13 656	-
Accumulated loss	(1 347 601)	(967 016)
	286 038	83 065
	607 767	438 341

BARPLATS INVESTMENT LIMITED
Condensed Consolidated Income Statement

	Three months ended March 31,		Nine months ended March 31,	
	2006 R000	2005 R000	2006 R000	2005 R000
Revenue	119 465	-	286 789	-
Cost of sales	(61 002)	-	(175 406)	-
Gross profit	60 999	-	111 383	-
Other operating income	2 245	1 935	5 839	6 458
Selling and other distribution costs	(2 760)	-	(3 267)	-
Administrative & other operating expenses	(34 418)	(20 517)	(66 674)	(29 062)
Profit (loss) before share-based payments, net finance costs & taxation	23 530	(18 582)	47 281	(22 604)
Share-based payments	-	-	(405 111)	-
Profit (loss) before net finance costs & taxation	23 530	(18 582)	(357 830)	(22 604)
Net finance costs	(8 597)	(3 160)	(22 755)	(10 325)
Profit (loss) before taxation	14 933	(21 742)	(380 585)	(32 929)
Taxation	-	-	-	-
Net profit (loss) for the period	14 933	(21 742)	(380 585)	(32 929)
Basic and headline net earnings (loss) per share	5	(10)	(129)	(15)

BARPLATS INVESTMENT LIMITED
Condensed Consolidated Statement of Cash Flows

	Three months ended March 31,		Nine months ended March 31,	
	2006	2005	2006	2005
	R000	R000	R000	R000
OPERATING ACTIVITIES				
Net profit (loss) for the period	14 933	(21 742)	(380 585)	(32 929)
Items not involving cash				
Amortisation	714	323	11 026	1 244
Share based payments	479	-	411 642	-
Environmental charge	-	-	-	914
	16 126	(21 420)	42 005	(30 771)
Net changes in working capital				
Receivables	(27 883)	5 549	(64 771)	(4 503)
Payables	27 628	(57 347)	47 713	10 417
Inventory	1 884	(1 833)	(488)	(6 271)
	17 755	(75 051)	24 459	(31 128)
INVESTING ACTIVITIES				
Purchase of property, plant & equipment	(39 611)	(15 746)	(76 137)	(75 579)
Increase in non-current investments	-	-	(2 896)	-
	(39 611)	(15 746)	(79 033)	(75 579)
FINANCING ACTIVITIES				
Proceeds on share issue	74	-	172 800	-
Share issue expenses	-	-	(885)	-
Proceeds from borrowings	3 081	96 838	-	-
Repayment of borrowings	-	-	(67 048)	113 966
	3 155	96 838	104 867	113 966
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18 701)	6 041	50 293	7 259
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	69 066	2 098	72	880
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	50 365	8 139	50 365	8 139

Nature of business

Barplats is a platinum group metals ("PGMs") mining company whose core business is PGM mining and processing in South Africa's Bushveld Igneous Complex ("the BIC"). Barplats' two assets are:

- the Crocodile River Mine on the Western Limb of the BIC near Brits in the North West Province; and
- the Kennedy's Vale Project on the Eastern Limb of the BIC near Steelpoort in Mpumalanga.

Notes

1. These condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") using the following significant accounting policies. These policies are consistent with Canadian generally accepted accounting principles (Canadian GAAP) in all material respects except as outlined in Note 5.

2. Other expenses include:

	9 months ended 31 March 2006	9 months ended 31 March 2005
	R000	R000
▪ Employment costs	22 103	9 715
▪ Consulting fees	16 697	3 808
▪ Employee relates share-based payments	6 531	-
▪ Transport costs	3 267	-
▪ Security costs	3 224	2 649
▪ Rentals	1 245	25
▪ Insurance	3 711	3 750

3. Non-current liabilities include:

- a provision of R31.4 million for environmental rehabilitation.
- the long-term portion of the interest bearing loan from Impala Platinum Limited of R36.2 million.
- the interest bearing loan outstanding from Eagle Worldwide Investments Ltd. ("Eagle") of R34.3 million (US\$5.9 million).

4. Current liabilities include:

- the portion of the interest bearing loan from Impala that is repayable in June 2006 of R36.2 million.
- the interest bearing loan from Nedbank that is repayable in May 2006 of R106.8 million.

5. Reconciliation to Canadian generally accepted accounting principles:

Under Canadian GAAP the recovery of previously recorded impairment provisions is not permitted. Therefore the recovery of the impairment provisions has been reversed.

	9 months ended 31 March 2006	9 months ended 31 March 2005
	R000	R000
Net (loss) under IFRS	(380 585)	(32 929)
Add back recovery of impairment provisions	2 100	-
Add back share-based payments relating to BEE transaction	397 986	-
Net profit (loss) under Canadian GAAP	<u>19 501</u>	<u>(32 929)</u>

	31 March 2006 R000	30 June 2005 R000
Property, plant & equipment IFRS	456 479	391 367
Property, plant & equipment reversal	(53 900)	(56 000)
Property, plant & equipment under Canadian GAAP	<u>402 579</u>	<u>335 367</u>
Retained earnings IFRS	(1 347 601)	(967 016)
Retained earnings reversal	(53 900)	(56 000)
Add back share-based payments relating to BEE transaction	397 986	-
Retained earnings under Canadian GAAP	<u>(1 003 515)</u>	<u>(1 023 016)</u>

The reversal of the previously recorded impairment provisions does not impact cash flow from operations as this is a non-cash item.

6. Share-based payments include:

During the period ended 31 March 2006, the company had share-based payment arrangements, which are described below.

6.1. *Black Economic Empowerment (BEE) transaction*

On 5 July 2005, Barplats shareholders voted in favour of resolutions to introduce Gubevu Consortium Investment Holdings (PTY) Ltd as a 26% shareholder in Barplats Investments Limited through the issue of 78 189 851 ordinary shares on 22 July 2005 for consideration of R172 799 570.71. The share based payment effect of this transaction is brought about by the fact that the share issue price paid was below the market value at the time of the transaction. In terms of IFRS2, Barplats is required to expense the price difference (a non-cash entry) of R397 986 342 in the period of the transaction.

6.2. *Executive share incentive scheme and financing related options*

In terms of IFRS2, Barplats is required to expense the value of consideration (options) granted over the period from grant date to full vesting:

Type of arrangement	Employee share options	Financing related options
Date of grant	15 September 2005	5 July 2005
Number granted	3 250 000	2 884 615
Vesting conditions	One third vested immediately. The remaining options vest equally on 15 July 2006 and 15 July 2007, provided the employees are still in the employ of the company.	Vested
Exercise price	3.80	5.20

7. Earnings per share

The calculation of basic, diluted and headline loss per share is based on a net profit and loss of R14.933 million and R380.585 million for three and nine months respectively (2005: loss of R21.742 and R32.929 million respectively).

The basic and diluted weighted average number of shares in issue increased during the period to 294 693 479 and 298 228 094 respectively (2005: 222 540 344).

APPENDIX C

Pro-Forma Condensed Consolidated Financial Statements
of Eastern Platinum Limited

*Pro Forma Condensed Consolidated Financial Statements
of*

EASTERN PLATINUM LIMITED

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Compilation Report

To the Directors of
Eastern Platinum Limited

We have read the accompanying unaudited pro forma condensed consolidated balance sheet of Eastern Platinum Limited (the "Company") as at March 31, 2006 and the unaudited pro forma condensed consolidated statements of operations for the nine months then ended and for the year ended June 30, 2005, and have performed the following procedures.

1. Compared the figures in the columns captioned "Eastern Platinum" to the unaudited consolidated financial statements of the Company as at March 31, 2006 and for the nine months then ended, and found them to be in agreement.
2. Compared the figures in the column captioned "Fifteen months ended June 30, 2005" in Schedule 1 (a) to the pro forma condensed consolidated statements of operations to the audited consolidated financial statements of the Company for the fifteen months ended June 30, 2005, and in the column captioned "Three months ended June 30, 2004" to the unaudited consolidated financial statements of the Company for the three months ended June 30, 2004 and 2003 and found them to be in agreement and recalculated the figures in the column captioned "Twelve months ended June 30, 2005", and found them to be arithmetically correct.
3. Compared the figures in the columns captioned "IFRS" and "GAAP adjustments" in Schedule 1 (b) to the unaudited pro forma condensed consolidated balance sheet to the unaudited consolidated financial statements of Barplats Investments Limited ("Barplats") as at March 31, 2006, and found them to be in agreement and recalculated the figures in the columns captioned "Canadian GAAP - ZAR 000's" and "Canadian GAAP - \$ 000's", and found them to be arithmetically correct.
4. Compared the figures in the columns captioned "IFRS" and "GAAP adjustments" in Schedule 1 (c) to the unaudited pro forma condensed consolidated statements of operations to the unaudited consolidated financial statements of Barplats for the nine months ended March 31, 2006, and found them to be in agreement and recalculated the figures in the columns captioned "Canadian GAAP - ZAR 000's" and "Canadian GAAP - \$ 000's", and found them to be arithmetically correct.
5. Compared the figures in the columns captioned "IFRS" and "GAAP adjustments" in Schedule 1 (d) to the unaudited pro forma condensed consolidated statements of operations to the audited consolidated financial statements of Barplats for the year ended June 30, 2005, and found them to be in agreement and recalculated the figures in the columns captioned "Canadian GAAP - ZAR 000's" and "Canadian GAAP - \$ 000's", and found them to be arithmetically correct.
6. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:
 - (a) the basis for determination of the pro forma adjustments; and
 - (b) whether the pro forma condensed consolidated financial statements comply as to form in all material respects with the published requirements of the Canadian Securities Legislation.The officials:
 - (a) described to us the basis for determination of the pro forma adjustments; and
 - (b) stated that the pro forma condensed consolidated financial statements comply as to form in all material respects with the published requirements of the Canadian Securities Legislation.

7. Read the notes to the unaudited pro forma condensed consolidated financial statements, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.
8. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the columns captioned "Eastern Platinum" and "Barplats" as at March 31, 2006 and for the nine months ended March 31, 2006 and for the year ended June 30, 2005 and found the amounts in the column captioned "Pro forma consolidated" to be arithmetically correct.

A pro forma condensed consolidated financial statement is based on management's assumptions and adjustments, which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma condensed consolidated financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

Chartered Accountants
Vancouver, British Columbia
July •, 2006

EASTERN PLATINUM LIMITED

Pro Forma Condensed Consolidated Balance Sheet

March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

ASSETS	Eastern Platinum	Barplats (Schedule 1 (b))	Note	Pro forma adjustments	Pro forma consolidated
CURRENT					
Cash and cash equivalents	\$ 1,221	\$ 9,418	4 (a) 4 (b)	\$ 141,000 (27,709)	\$ 123,930
Short-term investments	23,586	-		-	23,586
Receivables and prepaids	535	16,135		-	16,670
Inventories	-	1,942		-	1,942
Refundable taxes	3,131	-		-	3,131
Other assets	-	253		-	253
	28,473	27,749		113,291	169,513
Property, plant and equipment	100,618	75,282	4 (b)	533,847	709,747
Other assets	53	542		-	595
	\$ 129,144	\$ 103,573		\$ 647,138	\$ 879,855
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	\$ 319	\$ 14,217	4 (b)	\$ 4,422	\$ 18,958
Current portion of long-term debt	-	26,885		-	26,885
	319	41,102		4,422	45,843
Long-term debt	-	13,189		-	13,189
Asset retirement obligation	-	5,873		-	5,873
Future income taxes	21,321	-	4 (b)	160,153	181,474
	21,640	60,163		164,575	246,378
SHAREHOLDERS' EQUITY					
Share capital	134,635	562	4 (a) 4 (b)	141,000 384,411	660,608
Contributed surplus	3,875	230,505	4 (b)	(230,505)	3,875
Deficit	(31,006)	(187,657)	4 (b)	187,657	(31,006)
	107,504	43,410		482,563	633,477
	\$ 129,144	\$ 103,573		\$ 647,138	\$ 879,855

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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EASTERN PLATINUM LIMITED

Pro Forma Condensed Consolidated Statement of Operations

Nine months ended March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

	Eastern Platinum	Barplats (Schedule 1 (c))	Note	Pro forma adjustments	Pro forma consolidated
Revenue	\$ -	\$ 52,970		\$ -	\$ 52,970
Cost of sales	-	32,785		-	32,785
Gross profit	-	20,185		-	20,185
Other operating income	-	1,078		-	1,078
Selling and other distribution costs	-	(603)		-	(603)
General and administrative expenses	(1,878)	(12,315)		-	(14,193)
Stock-based compensation	(123)	(1,316)		-	(1,439)
Foreign exchange gain (loss)	(394)	-		-	(394)
Net interest income (expense)	864	(4,203)		-	(3,339)
Other	57	-		-	57
NET EARNINGS (LOSS) FOR THE PERIOD	\$ (1,474)	\$ 2,826		\$ -	\$ 1,352

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.
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EASTERN PLATINUM LIMITED

Pro Forma Condensed Consolidated Statement of Operations

Year ended June 30, 2005

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

	Eastern Platinum <u>(Schedule 1 (a))</u>	Barplats <u>(Schedule 1 (d))</u>	Note	Pro forma adjustments	Pro forma consolidated
Revenue	\$ -	\$ 8,132		\$ -	\$ 8,132
Cost of sales	-	7,433		-	7,433
Gross profit	-	699		-	699
Other operating income	-	298		-	298
General and administrative expenses	(1,145)	(2,868)		-	(4,013)
Stock-based compensation	(289)	-		-	(289)
Foreign exchange gain (loss)	(246)	-		-	(246)
Loss on sale of mineral property	(284)	-		-	(284)
Write-off of mineral property	(622)	-		-	(622)
Net interest income (expense)	229	(4,414)		-	(4,185)
Other	31	-		-	31
NET LOSS FOR THE PERIOD	\$ (2,326)	\$ (6,285)		\$ -	\$ (8,611)

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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EASTERN PLATINUM LIMITED

Notes to the Pro Forma Condensed Consolidated Financial Statements

March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

1. BASIS OF PRESENTATION

The unaudited pro forma condensed consolidated balance sheet of Eastern Platinum Limited (“Eastern Platinum” or the “Company”) as at March 31, 2006 and unaudited pro forma condensed consolidated statements of operations for the nine months ended March 31, 2006 and for the year ended June 30, 2005 have been prepared by management of Eastern Platinum, in accordance with Canadian generally accepted accounting principles, for illustrative purposes only, after giving effect to the business combination between Eastern Platinum and Barplats Investments Limited (“Barplats”). These unaudited pro forma condensed consolidated financial statements have been compiled from, and include:

- (a) a pro forma condensed consolidated balance sheet combining the unaudited consolidated balance sheet of Eastern Platinum as at March 31, 2006 and the unaudited balance sheet of Barplats as at March 31, 2006 (Schedule 1 (b));
- (b) a pro forma condensed consolidated statement of operations combining the unaudited consolidated statement of operations of Eastern Platinum for the year ended June 30, 2005 (Schedule 1 (a)) and the audited consolidated statement of operations of Barplats for the year ended June 30, 2005 (Schedule 1 (d)); and
- (c) a pro forma condensed consolidated statement of operations combining the unaudited consolidated statement of operations of Eastern Platinum for the nine month period ended March 31, 2006 and the unaudited consolidated statement of operations of Barplats for the nine month period ended March 31, 2006 (Schedule 1 (c)).

It is management’s opinion that the pro forma condensed consolidated balance sheet and the pro forma condensed consolidated statement of operations includes all adjustments necessary for the fair presentation, in all material respects, of the transactions described in Note 3 in accordance with Canadian generally accepted accounting principles applied on a basis consistent with Eastern Platinum’s accounting policies.

EASTERN PLATINUM LIMITED

Notes to the Pro Forma Condensed Consolidated Financial Statements

March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

The pro forma condensed consolidated balance sheet is intended to reflect the financial position of the Company as if the transactions had been effected on March 31, 2006; however, it is not necessarily indicative of the financial position which would have resulted if the transaction had actually occurred on March 31, 2006. The pro forma condensed consolidated statement of operations is intended to reflect the results of operations of the Company as if the transaction had been effected on July 1, 2004; however, it is not necessarily indicative of the results of operations which would have resulted if the transaction had occurred on July 1, 2004.

The unaudited pro forma condensed consolidated balance sheet should be read in conjunction with the historical financial statements and notes thereto of Eastern Platinum and Barplats.

EASTERN PLATINUM LIMITED

Notes to the Pro Forma Condensed Consolidated Financial Statements

March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited pro forma consolidated balance sheet and pro forma condensed consolidated statement of operations have been compiled using the significant accounting policies as set out in the audited financial statements of Eastern Platinum for the fifteen months ended June 30, 2005. The significant accounting policies of Barplats conform in all material respects to those of Eastern Platinum.

3. BUSINESS COMBINATION AND ACQUISITION

On February 15, 2006, the Company announced that it had entered into an agreement to acquire the shareholdings of three private companies, the combined assets of which represent a 69% interest in Barplats, a platinum group metals producing company in South Africa. The consideration to be paid by the Company is 288,585,122 shares of the Company and a cash payment of \$27,308,597.

As a condition of closing, the Company is to complete an equity financing of a minimum of \$100 million, shall assume an outstanding convertible loan to Barplats of approximately \$6.9 million and shall retire or replace a ZAR100 million loan that is secured by a pledge of 100 million of the Barplats shares.

The business combination will be accounted for as a purchase transaction with the Company being identified as the acquirer. The Company's common shares issued in exchange for the shares held in Barplats have been valued at a price of \$1.33 being the average common share price of the Company two days before, the day of and the two days after the date of announcement.

EASTERN PLATINUM LIMITED

Notes to the Pro Forma Condensed Consolidated Financial Statements

March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

3. BUSINESS COMBINATION AND ACQUISITION (Continued)

The preliminary allocation of the purchase price, summarized in the table below, is subject to change:

Purchase price:		
288,585,122 Eastern Platinum common shares	\$	384,973
Cash		27,709
Acquisition costs		4,422
	\$	417,104
<hr/>		
Net assets acquired:		
Cash and cash equivalents	\$	9,418
Non-cash working capital		4,114
Property, plant and equipment		609,130
Other non-current assets		542
Long-term debt		(40,074)
Asset retirement obligation		(5,873)
Future income tax liability		(160,153)
	\$	417,104

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The pro forma condensed consolidated financial statements include the following pro forma assumptions and adjustments:

- (a) the completion of a private placement of 120 million units at a price of \$1.25 per unit for net proceeds of \$141 million; and
- (b) the completion of the acquisition of Barplats by the Company and the recording of all the purchase accounting adjustments related thereto as described in Note 3.

EASTERN PLATINUM LIMITED

Notes to the Pro Forma Condensed Consolidated Financial Statements

March 31, 2006

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

5. PRO FORMA EARNINGS PER SHARE

The average number of shares used in the computation of pro forma basic loss per share has been determined as follows:

	Nine months ended March 31, 2006	Twelve months ended June 30, 2005
Weighted average number of shares outstanding for the period	93,037,038	35,148,121
Issued on Eastern Platinum equity issue	120,000,000	120,000,000
Issued on acquisition of interests in Barplats	288,585,122	288,585,122
	<u>501,622,160</u>	<u>443,733,243</u>
Pro forma basic and diluted loss per share	\$ 0.00	\$ (0.02)

EASTERN PLATINUM LIMITED

Schedule 1 (a)

Pro Forma Consolidated Financial Statements

Statement of Operations of Eastern Platinum Limited

Year ended June 30, 2005

(Unaudited)

(in thousands of Canadian dollars unless otherwise stated)

	Fifteen months ended June 30, 2005	Three months ended June 30, 2004	Twelve months ended June 30, 2005
	A	B	C=A-B
GENERAL AND ADMINISTRATIVE EXPENSES			
Amortization	\$ 1	\$ -	\$ 1
Consulting fees	268	41	227
Directors' fees	5	-	5
Insurance	-	-	-
Listing fees	323	-	323
Management fees	61	8	53
Office and rent	73	2	71
Professional fees	189	-	189
Shareholder information and public relations	78	-	78
Transfer agent and filing fees	123	2	121
Travel and related costs	77	-	77
	(1,198)	(53)	(1,145)
Stock-based compensation	(289)	-	(289)
Foreign exchange gain (loss)	(248)	(2)	(246)
Loss on sale of mineral property	(284)	-	(284)
Write-off of mineral property	(622)	-	(622)
Interest income	231	2	229
Other	32	1	31
Net loss for the period	\$ (2,378)	\$ (52)	\$ (2,326)

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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EASTERN PLATINUM LIMITED

Pro Forma Consolidated Financial Statements

Schedule 1 (b)

Consolidated Balance Sheet of Barplats Investments Limited

March 31, 2006

(in thousands of Canadian dollars unless otherwise stated)

	IFRS ZAR 000's	GAAP adjustments ZAR 000's	Canadian GAAP ZAR 000's	Exchange rate (1)	Canadian GAAP \$ 000's
ASSETS					
Cash and cash equivalents	50,365	-	50,365	0.1870	\$ 9,418
Receivables and prepaids	86,286	-	86,286	0.1870	16,135
Inventories	10,387	-	10,387	0.1870	1,942
Other assets	1,354	-	1,354	0.1870	253
	148,392	-	148,392	0.1870	27,749
Property, plant and equipment	456,479	(53,900)	402,579	0.1870	75,282
Other assets	2,896	-	2,896	0.1870	542
	607,767	(53,900)	553,867	0.1870	\$ 103,573
LIABILITIES					
Accounts payable and accrued liabilities	76,027	-	76,027	0.1870	\$ 14,217
Current portion of long-term debt	143,771	-	143,771	0.1870	26,885
	219,798	-	219,798	0.1870	41,102
Long-term debt	70,527	-	70,527	0.1870	13,189
Asset retirement obligation	31,404	-	31,404	0.1870	5,873
	321,729	-	321,729	0.1870	60,163
SHAREHOLDERS' EQUITY					
Share capital	3,007	-	3,007	0.1870	562
Contributed surplus	1,218,990	-	1,218,990	0.1870	227,951
Options	411,642	(397,986)	13,656	0.1870	2,554
Deficit	(1,347,601)	344,086	(1,003,515)	0.1870	(187,657)
	286,038	(53,900)	232,138	0.1870	43,410
	607,767	(53,900)	553,867	0.1870	\$ 103,573

(1) Spot rate at March 31, 2006

See accompanying notes to the unaudited pro forma condensed consolidated financial statements.

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EASTERN PLATINUM LIMITED

Pro Forma Consolidated Financial Statements

Schedule 1 (c)

Consolidated Statement of Operations of Barplats Investments Limited

Nine months ended March 31, 2006

(in thousands of Canadian dollars unless otherwise stated)

	IFRS ZAR 000's	GAAP adjustments ZAR 000's	Canadian GAAP ZAR 000's	Exchange rate	(1)	Canadian GAAP \$ 000's
Revenue	286,789	-	286,789	0.1847		\$ 52,970
Cost of sales	175,406	2,100	177,506	0.1847		32,785
Gross profit	111,383	(2,100)	109,283	0.1847		20,185
Other operating income	5,839	-	5,839	0.1847		1,078
Selling and other distribution costs	(3,267)	-	(3,267)	0.1847		(603)
General and administrative expenses	(66,674)	-	(66,674)	0.1847		(12,315)
Share-based payments	(405,111)	397,986	(7,125)	0.1847		(1,316)
Net interest expense	(22,755)	-	(22,755)	0.1847		(4,203)
Loss for the period	(380,585)	395,886	15,301	0.1847		\$ 2,826

(1) Average exchange rate for the nine months ended March 31, 2006

EASTERN PLATINUM LIMITED

Schedule 1 (d)

Pro Forma Consolidated Financial Statements

Consolidated Statement of Operations of Barplats Investments Limited

Year ended June 30, 2005

(in thousands of Canadian dollars unless otherwise stated)

	IFRS	GAAP	Canadian	Exchange	Canadian
	ZAR 000's	adjustments	GAAP	rate	GAAP
	ZAR 000's	ZAR 000's	ZAR 000's	(1)	\$ 000's
Revenue	40,177	-	40,177	0.2024	\$ 8,132
Cost of sales	36,723	-	36,723	0.2024	7,433
Gross profit	3,454	-	3,454	0.2024	699
Other operating income	1,471	-	1,471	0.2024	298
General and administrative expenses	(14,169)	-	(14,169)	0.2024	(2,868)
Reversal of impairment	56,000	(56,000)	-	0.2024	-
Net interest expense	(21,806)	-	(21,806)	0.2024	(4,414)
Earnings (loss) for the year	24,950	(56,000)	(31,050)	0.2024	\$ (6,285)

(1) Average exchange rate for the year ended June 30, 2005