

Condensed consolidated interim financial
statements of

Eastern Platinum Limited

June 30, 2009
(Unaudited)

Eastern Platinum Limited

June 30, 2009

Table of contents

Condensed consolidated interim income statements	3
Condensed consolidated interim statements of financial position	4
Condensed consolidated interim statements of shareholders' equity	5
Condensed consolidated interim statements of comprehensive income (loss)	6
Condensed consolidated interim statements of cash flows	7
Notes to the condensed consolidated interim financial statements	8-42

Eastern Platinum Limited

Condensed consolidated interim income statements

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

	Note	June 30, 2009 (3 months)	June 30, 2008 (3 months) (Note 15)	June 30, 2009 (6 months)	June 30, 2008 (6 months) (Note 15)
Revenue		\$ 24,838	\$ 49,317	\$ 49,741	\$ 105,112
Cost of operations					
Production costs		18,309	21,058	36,194	40,808
Depletion and depreciation		4,286	4,480	7,803	8,874
		22,595	25,538	43,997	49,682
Mine operating earnings		2,243	23,779	5,744	55,430
Expenses					
General and administrative		3,171	5,309	4,807	9,642
Share-based payments	11	203	480	335	1,829
		3,374	5,789	5,142	11,471
Operating (loss) profit		(1,131)	17,990	602	43,959
Other income (expense)					
Interest income		495	2,877	989	5,684
Finance costs		(375)	(2,248)	(827)	(2,256)
Foreign exchange (loss) gain		(1,372)	71	(1,447)	1,128
(Loss) profit before income taxes		(2,383)	18,690	(683)	48,515
Deferred income tax recovery (expense)		1,609	(5,533)	2,289	(13,780)
Net (loss) profit for the period		\$ (774)	\$ 13,157	\$ 1,606	\$ 34,735
Attributable to					
Non-controlling interest	4	\$ (1,091)	\$ 1,009	\$ (1,875)	\$ 3,111
Equity shareholders of the Company		\$ 317	\$ 12,148	\$ 3,481	\$ 31,624
(Loss) earnings per share					
Basic		\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.05
Diluted		\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.04
Weighted average number of common shares outstanding in thousands					
Basic		680,538	677,772	680,532	673,822
Diluted		687,181	713,615	685,597	716,095

Eastern Platinum Limited

Condensed consolidated interim statements of financial position
as at June 30, 2009 and December 31, 2008
(Expressed in thousands of U.S. dollars - unaudited)

	Note	June 30, 2009	December 31, 2008 (Note 15)
Assets			
Current assets			
Cash and cash equivalents		\$ 6,482	\$ 25,806
Short-term investments		15,428	35,257
Trade receivables		22,401	9,431
Inventories	5	5,312	3,881
		49,623	74,375
Property, plant and equipment	6	603,518	508,685
Refining contract	7	14,276	12,493
Other assets	8	1,670	1,017
		\$ 669,087	\$ 596,570
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 17,246	\$ 35,003
Provisions		1,976	1,726
Current portion of finance leases		846	649
Current loans		153	2,972
		20,221	40,350
Provision for environmental rehabilitation	9	6,955	5,598
Finance leases		3,478	3,261
Deferred tax liabilities		43,955	38,826
		74,609	88,035
Capital and reserves			
Issued capital	11	890,061	890,049
Equity reserve		32,155	31,827
Currency translation adjustment		(87,535)	(169,577)
Deficit		(252,285)	(255,766)
		582,396	496,533
Non-controlling interest	4	12,082	12,002
		594,478	508,535
		\$ 669,087	\$ 596,570

Approved by the Board and authorized for issue on August 11, 2009.

"David Cohen"

David Cohen, Director

"Robert Gayton"

Robert Gayton, Director

Eastern Platinum Limited

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

	Issued Capital Shares	Capital Amount	Equity Reserve	Currency Translation Adjustment	Deficit	Subtotal	Non-controlling Interest	Total Shareholders' Equity
Balance, January 1, 2008 (Note 15)	669,031,691	\$ 868,045	\$ 27,428	\$ -	\$ (46,385)	\$ 849,088	\$ 23,133	\$ 872,221
Warrants exercised	10,824,077	21,213	-	-	-	21,213	-	21,213
Stock options exercised	310,991	596	(132)	-	-	464	-	464
Share-based payments	-	-	1,829	-	-	1,829	-	1,829
Currency translation adjustment	-	-	-	(74,304)	-	(74,304)	-	(74,304)
Net profit for the period	-	-	-	-	31,624	31,624	-	31,624
Non-controlling interest for the period	-	-	-	-	-	-	722	722
Balance, June 30, 2008 (Note 15)	680,166,759	\$ 889,854	\$ 29,125	\$ (74,304)	\$ (14,761)	\$ 829,914	\$ 23,855	\$ 853,769
Warrants exercised	-	(60)	-	-	-	(60)	-	(60)
Stock options exercised	359,695	255	(94)	-	-	161	-	161
Share-based payments	-	-	2,796	-	-	2,796	-	2,796
Currency translation adjustment	-	-	-	(95,273)	-	(95,273)	-	(95,273)
Net loss for the period	-	-	-	-	(241,005)	(241,005)	-	(241,005)
Non-controlling interest for the period	-	-	-	-	-	-	(11,853)	(11,853)
Balance, December 31, 2008 (Note 15)	680,526,454	\$ 890,049	\$ 31,827	\$ (169,577)	\$ (255,766)	\$ 496,533	\$ 12,002	\$ 508,535
Stock options exercised	30,948	12	(7)	-	-	5	-	5
Share-based payments	-	-	335	-	-	335	-	335
Currency translation adjustment	-	-	-	82,042	-	82,042	-	82,042
Net profit for the period	-	-	-	-	3,481	3,481	-	3,481
Non-controlling interest for the period	-	-	-	-	-	-	80	80
Balance, June 30, 2009	680,557,402	\$ 890,061	\$ 32,155	\$ (87,535)	\$ (252,285)	\$ 582,396	\$ 12,082	\$ 594,478

Eastern Platinum Limited

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

	June 30, 2009 (3 months)	June 30, 2008 (3 months) (Note 15)	June 30, 2009 (6 months)	June 30, 2008 (6 months) (Note 15)
Net (loss) profit for the period	\$ (774)	\$ 13,157	\$ 1,606	\$ 34,735
Other comprehensive income (loss) - currency translation adjustment	95,369	22,061	82,042	(74,304)
Comprehensive income (loss)	\$ 94,595	\$ 35,218	\$ 83,648	\$ (39,569)
Attributable to				
Non-controlling interest	\$ (1,091)	\$ 1,009	\$ (1,875)	\$ 3,111
Equity shareholders of the Company	\$ 95,686	\$ 34,209	\$ 85,523	\$ (42,680)

Eastern Platinum Limited

Condensed consolidated interim statements of cash flows

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

	3 months ended		6 months ended	
Note	June 30, 2009	June 30, 2008 (Note 15)	June 30, 2009	June 30, 2008 (Note 15)
Operating activities				
Net profit for the period	\$ (774)	\$ 13,157	\$ 1,606	\$ 34,735
Adjustments to net profit for non-cash items				
Depletion and depreciation	4,286	4,480	7,803	8,874
Refining contract amortization	7 356	356	610	723
Share-based payments	203	480	335	1,829
Interest income	(495)	(2,877)	(989)	(5,684)
Finance costs	375	2,248	827	2,256
Foreign exchange loss (gain)	1,372	(71)	1,447	(1,128)
Deferred income tax (recovery) expense	(1,609)	5,533	(2,289)	13,780
Adjustments to net profit for cash items				
Interest income received	423	3,496	799	4,939
Finance costs paid	-	(481)	(11)	(363)
Income taxes paid	-	-	(2,422)	-
	4,137	26,321	7,716	59,961
Net changes in non-cash working capital items				
Trade receivables	5,320	16,502	(7,943)	(13,349)
Inventories	(859)	(670)	(640)	(356)
Accounts payable and accrued liabilities	(369)	3,871	(17,353)	6,233
	8,229	46,024	(18,220)	52,489
Investing activities				
Maturity of short-term investments	-	7,783	20,095	62,380
Purchase of other assets	(382)	(25)	(409)	(55)
Property, plant and equipment expenditures	(8,282)	23,706	(18,999)	(58,349)
Sale of property, plant and equipment	1,552	-	1,552	-
	(7,112)	31,464	2,239	3,976
Financing activities				
Common shares issued for cash, net of share issue costs	12	17,452	12	21,676
Repayment of current loans	(3,106)	(382)	(3,065)	(956)
Payment of finance leases	(605)	(3,472)	(618)	(3,884)
	(3,699)	13,598	(3,671)	16,836
Effect of exchange rate changes on cash and cash equivalents				
	1,324	(202)	328	(1,385)
(Decrease) increase in cash and cash equivalents				
	(1,258)	90,884	(19,324)	71,916
Cash and cash equivalents, beginning of period				
	7,740	58,199	25,806	18,818
Cash and cash equivalents, end of period	\$ 6,482	\$ 149,083	\$ 6,482	\$ 90,734
Cash and cash equivalents are comprised of:				
Cash in bank	\$ 1,951	\$ 40,597	\$ 1,951	\$ 40,597
Short-term money market instruments	4,531	50,137	4,531	50,137
	\$ 6,482	\$ 90,734	\$ 6,482	\$ 90,734

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

1. Nature of operations

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

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

The head office, principal address and registered and records office of the Company are located at 1075 West Georgia Street, Suite 250, Vancouver, British Columbia, V6E 3C9.

2. Basis of preparation

In February 2009, the British Columbia and Ontario Securities Commissions granted the Company exemptive relief to adopt International Financial Reporting Standards ("IFRS") with an adoption date of January 1, 2009 and a transition date of January 1, 2008.

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles ("GAAP") to IFRS are included in Note 15.

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

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

Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Notes 3(e), 3(l), and 3(r).

The standards that will be effective or available for voluntary early adoption in the financial statements for the year ending December 31, 2009 are subject to change and may be affected by additional interpretation(s). Accordingly, the accounting policies will be finalized when the first annual IFRS financial statements are prepared for the year ending December 31, 2009.

3. Summary of significant accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments. The Company's principal accounting policies are outlined below:

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(a) Basis of consolidation

These condensed consolidated interim financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries, including special purpose entities). 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. The financial statements of subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

Special Purpose Entities ("SPE's") as defined by the International Accounting Standards Board ("IASB") in SIC 12 *Consolidation – Special Purpose Entities* are entities which are created to accomplish a narrow and well-defined objective (e.g. to act as a Black Economic Empowerment ("BEE") partner). SPE's are subject to consolidation when there is an indication that an entity controls the SPE. The Company has determined that its investment in Gubevu Consortium Holdings (Pty) Ltd. ("Gubevu") is a SPE that the Company controls. The accounts of Gubevu are consolidated with those of the Company.

(b) Business combinations

Business combinations that occurred prior to January 1, 2008 were not accounted for in accordance with IFRS 3 *Business Combinations* or IAS 27 *Consolidated and Separate Financial Statements* in accordance with the IFRS 1 *First-time Adoption of International Financial Reporting Standards* exemption discussed in Note 15(a).

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(c) Presentation currency

The Company's presentation currency is the U.S. dollar ("\$"). The functional currency of Eastern Platinum Limited and its South African subsidiaries is the Canadian Dollar and South African Rand ("ZAR"), respectively. These condensed consolidated interim financial statements have been translated to the U.S. dollar in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. These guidelines require that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). Subsequent to the adoption of IFRS, all resulting exchange differences are reported as a separate component of shareholders' equity titled "Cumulative Translation Adjustment".

(d) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the condensed consolidated interim income statements.

(e) Measurement uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include accounting for doubtful accounts receivable, inventories, property, plant and equipment, provision for environmental rehabilitations, share-based payments, allocation of the purchase price of acquisitions and income and mining taxes.

Depreciation and depletion of property, plant and equipment assets are dependent upon estimates of useful lives and reserve estimates, both of which are determined with the exercise of judgement. The assessment of any impairment of property, plant and equipment is dependent upon estimates of recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. Provisions for environmental rehabilitations are recognized in the period in which they arise and are stated as the fair value of estimated future costs. These estimates require extensive judgement about the nature, cost and timing of the work to be completed, and may change with future changes to costs, environmental laws and regulations and remediation practices.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific criteria must be met before revenue is recognized:

(i) Sale of goods

Revenue from the sale of platinum group and other metals is recognized when all of the following conditions are satisfied:

- the specific risks and rewards of ownership have been transferred to the purchaser;
- the Company does not retain continuing managerial involvement to the degree usually associated with ownership or effective control over the metals sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

The sale of platinum group metals is provisionally priced such that the price is not settled until a predetermined future date based on the market price at that time. Revenue on these sales is initially recognized (when the conditions above are met) at the current market price. Subsequent to initial recognition but prior to settlement, sales are marked to market at each reporting date using the forward price for the period equivalent to that outlined in the contract. This mark to market adjustment is recorded in revenue.

(ii) Rental income

Rental income from residential properties is recognized as other income on a straight-line basis over the term of the lease.

(iii) Interest income

Interest income is recognized in the income statement as it accrues, using the effective interest method.

(g) Share-based payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The board of directors grants such options for periods of up to ten years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the period that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(h) Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method and foreign exchange gains and losses on foreign currency borrowings.

(i) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the income statement.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred taxes are recorded using the statement of financial position liability method. Under the statement of financial position liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against the excess.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities that do not affect accounting or taxable profit
- goodwill

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(j) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(k) *Comprehensive income (loss)*

Comprehensive profit (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net profit such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to self-sustaining operations. The Company's comprehensive income (loss), components of other comprehensive income, and cumulative translation adjustments are presented in the condensed consolidated interim statements of comprehensive income (loss) and the condensed consolidated interim statements of shareholders' equity.

(l) *Property, plant and equipment*

(i) *Mining assets*

Mining assets are recorded at cost less accumulated depreciation and accumulated impairment losses. All direct costs related to the acquisition, exploration and development of mineral properties are capitalized until the properties to which they relate are placed into production, sold, abandoned or management has determined there to be impairment. If economically recoverable ore reserves are developed, capitalized costs of the related property are reclassified as mining assets and amortized using the units-of-production method following commencement of production. Interest on borrowings incurred to finance mining assets is capitalized until the asset is capable of carrying out its intended use.

Mining properties and mining and process facility assets are amortized on a units-of-production basis which is measured by the portion of the mine's economically recoverable and proven ore reserves recovered during the period. Capital work-in-progress, which is included in mining assets, is not depreciated until the assets are ready for their intended use.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(ii) *Other assets*

Other assets are depreciated using the straight-line method based on estimated useful lives, which generally range from 5 to 7 years, with the exception of residential properties and mine houses whose estimated useful lives are 50 years and office buildings whose estimated useful lives are 20 years. Land is not depreciated.

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.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(i) *Property, plant and equipment (continued)*

(ii) *Other assets (continued)*

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized. Directly attributable expenses incurred for major capital projects and site preparation are capitalized 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 recognized as a provision.

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

The costs of day-to-day servicing are recognized in profit or loss as incurred. These costs are more commonly referred to as "maintenance and repairs."

Financing costs directly associated with the construction or acquisition of qualifying assets are capitalized 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 utilized. Capitalization of borrowing costs ceases when the asset is substantially complete.

The depreciation method, useful life and residual values are assessed annually.

(iii) *Leased assets*

Leases in which the Company assumes substantially all risks and rewards of ownership are classified as finance leases. Finance leases are recognized at the lower of the fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as discussed in Note 3(s).

(iv) *Subsequent Costs*

The cost of replacing part of an item within property, plant and equipment is recognized when the cost is incurred if it is probable that the future economic benefits will flow to the group and the cost of the item can be measured reliably. All other costs are recognized as an expense as incurred.

(v) *Impairment*

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(l) *Property, plant and equipment (continued)*

(v) *Impairment (continued)*

The recoverable amount is the greater of the asset's fair value less costs to sell 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.

(vi) *Reversal of impairment*

An impairment loss is reversed if there is an indication that 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 amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

(m) *Refining contract*

The Company sells substantially all its concentrate to one customer under the terms of an off-take or refining contract. The refining contract is amortized over the original life of the contract, estimated to be fifteen years, commencing in mid 2004. An evaluation of the carrying value of the contract is undertaken whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(n) *Inventories*

Inventories, comprising stockpiled ore and concentrate awaiting further processing and sale, are valued at the lower of cost and net realizable value. Consumables are valued at the lower of cost and net realizable value, with replacement cost used as the best available measure of net realizable value. Cost is determined using the weighted average method and includes direct mining expenditures and an appropriate portion of normal overhead expenditure. In the case of concentrate, direct concentrate costs are also included. Net realizable 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 net realizable values.

(o) *Short-term investments*

Short-term investments are investments which are transitional or current in nature, with an original maturity greater than three months.

(p) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(q) *Financial assets*

Financial assets are classified into one of four categories:

- financial assets at fair value through profit or loss ("FVTPL");
- held-to-maturity investments;
- available for sale ("AFS") financial assets; and,
- loans and receivables.

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset.

(i) *Financial assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset.

The Company has classified cash and cash equivalents as held for trading.

(ii) *AFS financial assets*

Short-term investments held by the Company are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognized directly in equity in the investments revaluation reserve. To date, these gains and losses have not been significant due to the nature of the underlying investment. As a result, the assets' carrying values approximate their fair values. Impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, are recognized directly in profit or loss rather than equity. When an investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in the investments revaluation reserve is included in profit or loss for the period.

The fair value of AFS monetary assets denominated in a foreign currency is translated at the spot rate at the statement of financial position date. The change in fair value attributable to translation differences due to a change in amortized cost of the asset is recognized in profit or loss, while all other changes are recognized in equity.

(iii) *Effective interest method*

The effective interest method calculates the amortized cost of a financial asset and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(q) *Financial assets (continued)*

(iii) *Effective interest method (continued)*

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as FVTPL.

(iv) *Held-to-maturity investments*

Investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company has classified its other assets as held to maturity.

(v) *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially recognized at the transaction value and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(vi) *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments; or
- it has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivable is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(q) *Financial assets (continued)*

(vi) *Impairment of financial assets (continued)*

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

(vii) *Derecognition of financial assets*

A financial asset is derecognized when:

- the contractual right to the asset's cash flows expire; or
- if the Company transfers the financial asset and all risks and rewards of ownership to another entity.

(r) *Environmental rehabilitation*

The Company recognizes liabilities for statutory, contractual, constructive 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. The net present value of future rehabilitation cost estimates is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period.

The costs of rehabilitation projects that were included in the rehabilitation provision are recorded against the provision as incurred. The cost of ongoing current programs to prevent and control pollution is charged against profit and loss as incurred.

(s) *Leases*

(i) *The Company as lessor*

Rental income from operating leases is recognized on a straight-line basis over the term of the corresponding lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(s) *Leases (continued)*

(ii) *The Company as lessee*

Assets held under finance leases are recognized as assets of the Company at the lower of the fair value at the inception of the lease or the present value of the minimum lease payments. The corresponding liability is recognized as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation to achieve a constant rate of interest on the remaining liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

Rentals payable under operating leases are expensed on a straight-line basis over the term of the relevant lease. Incentives received upon entry into an operating lease are recognized straight-line over the lease term.

(t) *Provisions*

Provisions are recorded when a present legal or constructive obligation exists 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(u) *Employee benefits*

(i) *Employee post-retirement obligations – defined contribution retirement plan*

The Company's South African subsidiaries operate a defined contribution retirement plan for its employees. The pension plans are funded by payments from the employees and the subsidiaries and payments are charged to profit and loss for the period as incurred. The assets of the different plans are held by independently managed trust funds. The South African Pension Fund Act of 1956 governs these funds.

(ii) *Leave pay*

Employee entitlements to annual leave are recognized as they are earned by the employees. A provision, stated at current cost, is made for the estimated liability at period end.

(v) *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

3. Summary of significant accounting policies (continued)

(v) *Financial liabilities and equity (continued)*

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period.

The Company has classified trade and other payables, short-term financial liabilities and long-term financial liabilities as other financial liabilities.

(ii) *Derecognition of financial liabilities*

The group derecognizes financial liabilities when, and only when, the group's obligations are discharged, cancelled or they expire.

(w) *Accounting standards issued but not yet effective*

(i) *Effective for annual periods beginning on or after July 1, 2009*

- IFRS 2 *Share Based Payments* (revised) – revision of scope
- IFRS 3 *Business Combinations* (revised) – revision of scope and amendments to accounting for business combinations
- IAS 27 *Consolidated and Separate Financial Statements* (revised) – amendments due to IFRS 3 *Business Combinations* revisions
- IAS 38 *Intangible Assets* (revised) - amendments due to IFRS 3 *Business Combinations* revisions and measuring the fair value of an intangible asset acquired in a business combination

(ii) *Effective for annual periods beginning on or after January 1, 2010*

- IFRS 8 *Operating Segments* (revised) – disclosure of information about segment assets

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

4. Non-controlling interest

The non-controlling interests are comprised of the following:

Balance, January 1, 2008	\$	23,133
Non-controlling interests' share of profit in Barplats		4,839
Non-controlling interests' share of interest on advances to Gubevu		(1,728)
Foreign exchange movement		(2,389)
Balance, June 30, 2008	\$	23,855
Non-controlling interests' share of loss in Barplats		(5,556)
Non-controlling interests' share of interest on advances to Gubevu		(1,290)
Foreign exchange movement		(5,007)
Balance, December 31, 2008	\$	12,002
Non-controlling interests' share of loss in Barplats		(671)
Non-controlling interests' share of interest on advances to Gubevu		(1,204)
Foreign exchange movement		1,955
Balance, June 30, 2009	\$	12,082

5. Inventories

	June 30, 2009	December 31, 2008
Consumables	\$ 3,535	\$ 3,509
Ore and concentrate	1,777	372
	\$ 5,312	\$ 3,881

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

6. Property, plant and equipment

	Mining plant and equipment	Crocodile River Mine (a)	Kennedy's Vale Project (b)	Spitzkop PGM Project (c)	Mareesburg Project (c)	Other property plant and equipment	TOTAL
Cost							
Balance as at January 1, 2008	\$ 273,483	\$ 149,618	\$ 386,353	\$ 121,443	\$ 28,075	\$ 118	\$ 959,090
Additions							
Assets acquired	134,320	4,285	-	4,729	472	18	143,824
Assets acquired through business combination	-	12,033	53,754	-	36	-	65,823
Disposals	-	-	-	-	-	(22)	(22)
Foreign exchange movement	(87,635)	(40,794)	(106,645)	(24,459)	(5,284)	(21)	(264,838)
Balance as at December 31, 2008	\$ 320,168	\$ 125,142	\$ 333,462	\$ 101,713	\$ 23,299	\$ 93	\$ 903,877
Additions							
Assets acquired	-	88	-	427	88	-	603
Assets under construction capitalized	18,396	-	-	-	-	-	18,396
Disposals	(1,552)	-	-	-	-	-	(1,552)
Foreign exchange movement	67,497	25,679	69,657	5,250	1,130	5	169,218
Balance as at June 30, 2009	\$ 404,509	\$ 150,909	\$ 403,119	\$ 107,390	\$ 24,517	\$ 98	\$ 1,090,542
Accumulated depreciation and impairment losses							
Balance as at January 1, 2008	\$ 116,078	\$ 11,932	\$ 15,666	\$ -	\$ -	\$ 24	\$ 143,700
Depreciation for the period	7,842	6,768	-	-	-	52	14,662
Impairment loss	-	-	313,603	-	-	-	313,603
Foreign exchange movement	(31,017)	(3,907)	(41,832)	-	-	(17)	(76,773)
Balance as at December 31, 2008	\$ 92,903	\$ 14,793	\$ 287,437	\$ -	\$ -	\$ 59	\$ 395,192
Depreciation for the period	5,530	2,272	-	-	-	1	7,803
Foreign exchange movement	19,558	4,012	60,459	-	-	-	84,029
Balance as at June 30, 2009	\$ 117,991	\$ 21,077	\$ 347,896	\$ -	\$ -	\$ 60	\$ 487,024
Carrying amounts							
At January 1, 2008	\$ 157,405	\$ 137,686	\$ 370,687	\$ 121,443	\$ 28,075	\$ 94	\$ 815,390
At December 31, 2008	\$ 227,265	\$ 110,349	\$ 46,025	\$ 101,713	\$ 23,299	\$ 34	\$ 508,685
At June 30, 2009	\$ 286,518	\$ 129,832	\$ 55,223	\$ 107,390	\$ 24,517	\$ 38	\$ 603,518

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

6. Property, plant and equipment (continued)

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

The Company holds directly and indirectly 87.5% of CRM, which is located on the eastern portion of the western limb of the Bushveld Complex. The Maroelabult and Zandfontein sections are currently in production, while development of the Crocette and Kareespriut sections was put on hold in the fourth quarter of 2008 until PGM prices improve.

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

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

(c) *Spitzkop PGM Project and Mareesburg Project*

The Company holds directly and indirectly a 93.4% interest in the Spitzkop PGM Project and a 75.5% interest in the Mareesburg Project. The Company currently acts as the operator of both the Mareesburg Platinum Project and Spitzkop PGM Project, both located on the eastern limb of the Bushveld Complex. The development of these projects was put on hold in the fourth quarter of 2008 until PGM prices improve.

7. Refining Contract

During the year ended June 30, 2006, the Company acquired a 69% interest in Barplats and assigned a portion of the excess of the purchase price over the fair value of the identifiable intangible assets acquired to the off-take contract governing the sales of Barplats' PGM concentrate production. The initial value of the contract was \$17,939. During the year ended June 30, 2007, the Company acquired an additional 5% interest in Barplats resulting in an additional allocation to the contract of \$4,802 for a total aggregate value of \$22,741. During the year ended December 31, 2008, the Company acquired an additional 2.47% interest in Barplats. The acquisition did not affect the aggregate value of the contract. The value of the contract is amortized over the remaining term of the contract which is 10 years.

Cost

Balance as at January 1, 2008	\$ 22,741
Foreign exchange movement	(4,784)
Balance as at December 31, 2008	\$ 17,957
Foreign exchange movement	2,436
Balance as at June 30, 2009	\$ 20,393

Accumulated depreciation

Balance as at January 1, 2008	\$ 4,274
Depreciation for the period	1,353
Foreign exchange movement	(163)
Balance as at December 31, 2008	\$ 5,464
Depreciation for the period	610
Foreign exchange movement	43
Balance as at June 30, 2009	\$ 6,117

Carrying amounts

At January 1, 2008	\$ 18,467
At December 31, 2008	\$ 12,493
At June 30, 2009	\$ 14,276

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

8. Other assets

Other assets consists of a money market fund investment that is classified as held-to-maturity and serves as security for a guarantee issued to the Department of Minerals and Energy of South Africa in respect of the environmental rehabilitation liability (Note 9). Changes to other assets for the six months ended June 30, 2009 are as follows:

Balance, January 1, 2008	\$ 1,247
Additional investment	-
Service fees	(16)
Interest income	122
Foreign exchange movement	(336)
Balance, December 31, 2008	\$ 1,017
Additional investment	350
Service fees	(5)
Interest income	56
Foreign exchange movement	252
Balance, June 30, 2009	\$ 1,670

9. Provision for environmental rehabilitation

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

The liability for the environmental rehabilitation provision at June 30, 2009 is approximately ZAR 53.9 million (\$6,955). The liability was determined using an inflation rate of 5.78% (December 31, 2008 – 5.78%) and an estimated life of mine of 14 years for Zandfontein and Maroelabult (December 31, 2008 – 14 years), and 1 year for Kennedy's Vale (December 31, 2008 – 1 year). A discount rate of 7.09% was used (December 31, 2008 – 7.09%). A guarantee of \$1,670 (December 31, 2008 - \$1,017) has been issued to the Department of Minerals and Energy (Note 8). The guarantee will be utilized to cover expenses incurred to rehabilitate the mining area upon closure of the mine. The undiscounted value of this liability is approximately ZAR121 million (\$15,588).

Changes to the environmental rehabilitation provision during the six months ended June 30, 2009 are as follows:

Balance, January 1, 2008	\$ 6,224
Revision in estimates	554
Unwinding of interest	491
Foreign exchange movement	(1,671)
Balance, December 31, 2008	\$ 5,598
Unwinding of interest	202
Foreign exchange movement	1,155
Balance, June 30, 2009	\$ 6,955

10. Commitments

The Company has committed to capital expenditures on projects of approximately ZAR33 million (\$4,236) as at June 30, 2009.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

11. Issued capital

(a) Authorized

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

(b) Stock options

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

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

The changes in stock options during the six months ended June 30, 2009 and year ended December 31, 2008 were as follows:

	June 30, 2009		December 31, 2008	
	Number of options	Weighted average exercise price Cdn\$	Number of options	Weighted average exercise price Cdn\$
Balance outstanding, beginning of period	64,746,000	1.52	46,360,000	1.94
Options granted	480,000	0.49	19,856,000	0.55
Options exercised	(54,333)	0.32	(845,000)	1.26
Options forfeited	(4,681,667)	2.09	(625,000)	1.76
Balance outstanding, end of period	60,490,000	1.47	64,746,000	1.52

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

11. Issued capital (continued)

(b) Stock options (continued)

The following table summarizes information concerning outstanding and exercisable options at June 30, 2009:

Options outstanding	Options exercisable	Exercise price	Remaining Contractual Life (Years)	Expiry date
		Cdn\$		
187,500	187,500	1.00	0.16	August 26, 2009
6,725,000	6,725,000	1.70	1.90	May 24, 2011
250,000	250,000	1.70	2.41	November 27, 2011
19,987,500	19,987,500	1.82	2.69	March 7, 2012
18,160,000	16,246,667	0.32	4.47	December 18, 2013
60,000	20,000	0.32	4.62	February 11, 2014
400,000	400,000	0.52	5.00	June 30, 2014
14,000,000	13,293,333	2.31	8.27	October 5, 2017
90,000	60,000	2.50	8.46	December 12, 2017
460,000	440,000	3.38	8.65	February 20, 2018
170,000	130,000	3.38	8.74	March 27, 2018
60,490,000	57,740,000		4.51	

(c) Share purchase warrants

The changes in warrants during the six months ended June 30, 2009 and year ended December 31, 2008 were as follows:

	June 30, 2009		December 31, 2008	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		Cdn\$		Cdn\$
Balance outstanding, beginning of period	58,485,996	1.80	71,248,050	1.83
Warrants exercised	-	-	(10,824,077)	1.97
Warrants expired	(58,485,996)	1.80	(1,937,977)	2.00
Balance outstanding, end of period	-	-	58,485,996	1.80

(d) Share-based payments

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:

	June 30, 2009		June 30, 2008	
	(3 months)	(6 months)	(3 months)	(6 months)
Risk-free interest rate	1.84%	1.83%	N/A	3.05%
Expected life	3 years	3 years	N/A	3 years
Annualized volatility	79%	79%	N/A	49%
Dividend rate	0%	0%	N/A	0%
Grant date fair value	Cdn\$0.27	Cdn\$0.27	N/A	Cdn\$1.22

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

12. Related party transactions

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

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

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

	Note	June 30, 2009 (3 months)	June 30, 2008 (3 months)	June 30, 2009 (6 months)	June 30, 2008 (6 months)
Consulting fees	(i)	\$ 45	\$ 25	\$ 76	\$ 42
General and administrative expenses		19	82	19	155
Management fees		238	311	473	669
		\$ 302	\$ 418	\$ 568	\$ 866

- i. The Company paid fees to a private company controlled by a director of the Company for consulting services performed outside of his capacity as a director.
- ii. Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at June 30, 2009 included \$Nil (December 31, 2008 - \$35) which were due to private companies controlled by officers of the Company.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

13. Segmented information

- (a) Operating segment - The Company's operations are primarily directed towards the acquisition, exploration and production of platinum group metals in South Africa.
- (b) Geographic segments - The Company's assets, revenues and expenses by geographic areas for the three and six months ended June 30, 2009 and June 30, 2008 are as follows:

	June 30, 2009 (3 months)		
	South Africa	Canada	Total
Property, plant and equipment	\$ 603,480	\$ 38	\$ 603,518
Refining contract	14,276	-	14,276
Other assets	1,670	-	1,670
Total assets	652,849	16,238	669,087
Property, plant and equipment expenditures	\$ 8,282	\$ -	\$ 8,282
Sale of property, plant and equipment	1,552	-	1,552
Revenues	\$ 24,838	\$ -	\$ 24,838
Production costs	(18,309)	-	(18,309)
Depletion and depreciation	(4,286)	-	(4,286)
General and administrative expenses	(2,359)	(812)	(3,171)
Share-based payments	(110)	(93)	(203)
Interest income	416	79	495
Finance costs	(375)	-	(375)
Foreign exchange gain (loss)	42	(1,414)	(1,372)
Loss before income taxes	\$ (143)	\$ (2,240)	\$ (2,383)

	June 30, 2008 (3 months)		
	South Africa	Canada	Total
Property, plant and equipment expenditures	\$ 34,639	\$ 4	\$ 34,643
Revenues	\$ 49,317	\$ -	\$ 49,317
Production costs	(21,058)	-	(21,058)
Depletion and depreciation	(4,480)	-	(4,480)
General and administrative expenses	(4,111)	(1,198)	(5,309)
Share based payments	(559)	79	(480)
Interest income	1,927	950	2,877
Finance costs	(2,337)	89	(2,248)
Foreign exchange gain	49	22	71
Profit (loss) before income taxes	\$ 18,748	\$ (58)	\$ 18,690

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

13. Segmented information (continued)

(b) Geographic segments (continued)

	June 30, 2009 (6 months)		
	South Africa	Canada	Total
Property, plant and equipment expenditures	\$ 18,999	\$ -	\$ 18,999
Sale of property, plant and equipment	1,552	-	1,552
Revenues	\$ 49,741	\$ -	\$ 49,741
Production costs	(36,194)	-	(36,194)
Depletion and depreciation	(7,803)	-	(7,803)
General and administrative expenses	(3,117)	(1,690)	(4,807)
Share-based payments	(242)	(93)	(335)
Interest income	770	219	989
Finance costs	(827)	-	(827)
Foreign exchange loss	(52)	(1,395)	(1,447)
Profit (loss) before income taxes	\$ 2,276	\$ (2,959)	\$ (683)

	June 30, 2008 (6 months)		
	South Africa	Canada	Total
Property, plant and equipment expenditures	\$ 58,331	\$ 18	\$ 58,349
Revenues	\$ 105,112	\$ -	\$ 105,112
Production costs	(40,808)	-	(40,808)
Depletion and depreciation	(8,874)	-	(8,874)
General and administrative expenses	(6,958)	(2,684)	(9,642)
Share based payments	(1,246)	(583)	(1,829)
Interest income	2,865	2,819	5,684
Finance costs	(2,345)	89	(2,256)
Foreign exchange gain	1,106	22	1,128
Profit (loss) before income taxes	\$ 48,852	\$ (337)	\$ 48,515

	December 31, 2008		
	South Africa	Canada	Total
Property, plant and equipment	\$ 508,648	\$ 37	\$ 508,685
Refining contract	12,493	-	12,493
Other assets	1,017	-	1,017
Total assets	539,816	56,754	596,570

For the three and six months ended June 30, 2009 and June 30, 2008, substantially all of the Company's PGM production was sold to one customer.

14. Accounting estimates and judgments

(a) Useful life of assets

The Company engaged an independent third party engineering company in South Africa to assess the life of mine ("LOM") of Barplats Mines Limited ("Barplats") in December 2007.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

14. Accounting estimates and judgments (continued)

(a) *Useful life of assets (continued)*

At December 31, 2008 the remaining LOM for Barplats was assessed at 153 months (December 31, 2007 – 165 months). This estimate is based on proven and probable ore reserves. The change in remaining mine life will be evaluated each year as the reserves move to the proven and probable category.

(b) *Impairment of property, plant and equipment*

During the year ended December 31, 2008, the significant decline in platinum group metal prices triggered an impairment assessment which resulted in an impairment of \$314 million on Kennedy's Vale. Future cash flows were discounted to present value at the weighted average cost of capital of 9%.

The foreign exchange rate utilized in the model is ZAR9.51 = US\$1.00.

The average forecast prices utilized in the impairment model, in US\$ per ounce, are:

	2009	2010	2011	2012	2013 +
Platinum	950	1,020	1,055	1,155	1,180
Palladium	210	225	305	385	380
Rhodium	1,000	980	2,785	2,895	2,830
Gold	870	815	650	695	680
Iridium	270	295	345	350	340
Ruthenium	190	215	240	250	245
Nickel	13,850	15,875	16,210	16,285	15,915
Copper	5,180	5,550	5,505	4,265	4,170
Chrome	380	382	400	400	400

15. IFRS

IFRS 1 *First-time Adoption of International Financial Reporting Standards* sets forth guidance for the initial adoption of IFRS. Under IFRS 1 the standards are applied retrospectively at the transitional statement of financial position date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The Company has applied the following exemptions to its opening statement of financial position dated January 1, 2008:

(a) *Business Combinations*

IFRS 1 indicates that a first-time adopter may elect not to apply IFRS 3 *Business Combinations* retrospectively to business combinations that occurred before the date of transition to IFRS. The Company has taken advantage of this election and has applied IFRS 3 to business combinations that occurred on or after January 1, 2008.

(b) *Cumulative translation differences*

IFRS 1 allows a first-time adopter to not comply with the requirements of IAS 21 *The Effects of Changes in Foreign Exchange Rates* for cumulative translation differences that existed at the date of transition to IFRS. The Company has chosen to apply this election and has eliminated the cumulative translation difference and adjusted retained earnings by the same amount at the date of transition to IFRS. If, subsequent to adoption, a foreign operation is disposed of, the translation differences that arose before the date of transition to IFRS will not affect the gain or loss on disposal.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

(c) *Share-based payment transactions*

IFRS 1 encourages, but does not require, first-time adopters to apply IFRS 2 *Share-based Payment* to equity instruments that were granted on or before November 7, 2002, or equity instruments that were granted subsequent to November 7, 2002 and vested before the later of the date of transition to IFRS and January 1, 2005. The Company has elected not to apply IFRS 2 to awards that vested prior to January 1, 2008.

(d) *IAS 27 – Consolidated and Separate Financial Statements*

In accordance with IFRS 1, if a company elects to apply IFRS 3 *Business Combinations* retrospectively, IAS 27 *Consolidated and Separate Financial Statements* must also be applied retrospectively. As the Company elected to apply IFRS 3 prospectively, the Company has also elected to apply IAS 27 prospectively.

IFRS 1 also outlines specific guidelines that a first-time adopter must adhere to under certain circumstances. The Company has applied the following guidelines to its opening statement of financial position dated January 1, 2008:

(e) *Assets and liabilities of subsidiaries and associates*

In accordance with IFRS 1, if a parent company adopts IFRS subsequent to its subsidiary or associate adopting IFRS, the assets and the liabilities of the subsidiary or associate are to be included in the consolidated financial statements at the same carrying amounts as in the financial statements of the subsidiary or associate. The Company's principal operating subsidiary, Barplats Investments Limited, adopted IFRS in 2005.

(f) *Estimates*

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous GAAP, unless there is objective evidence that those estimates were in error. The Company's IFRS estimates as of January 1, 2008 are consistent with its Canadian GAAP estimates for the same date.

IFRS employs a conceptual framework that is similar to Canadian GAAP. However, significant differences exist in certain matters of recognition, measurement and disclosure. While adoption of IFRS has not changed the Company's actual cash flows, it has resulted in changes to the Company's reported financial position and results of operations. In order to allow the users of the financial statements to better understand these changes, the Company's Canadian GAAP statement of operations, statement of comprehensive profit, statement of financial position and statement of cash flows for the three and six months ended June 30, 2008 and the year ended December 31, 2008 have been reconciled to IFRS, with the resulting differences explained.

(g) *Revenue and interest income*

The Company settles its metal sales three or five months following the physical delivery of the concentrates.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

(g) *Revenue and interest income (continued)*

The present value of sales revenue expected to be received in three or five months is recognized on the date of sale. The difference between the present value and the future value is recognized as interest revenue over the term of settlement. In its Canadian GAAP financial statements for the year ended December 31, 2008, the Company recorded the future value as sales revenue, as opposed to recognizing the difference between the present value and the future value as interest revenue over the term of settlement. The difference in the treatment of revenue results in a timing difference in the recognition of income and is not material to these financial statements.

(h) *Property plant and equipment*

Due to the adjustments to the provision for environmental rehabilitation discussed in Note 15(j), the cost of property plant and equipment is different in accordance with IFRS than in accordance with Canadian GAAP. As a result, even though depreciation is calculated in the same manner, the amount of depreciation differs.

(i) *Share-based payments*

IFRS

- Each tranche of an award with different vesting dates is considered a separate grant for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches.
- Forfeiture estimates are recognized in the period they are estimated, and are revised for actual forfeitures in subsequent periods.

Canadian GAAP

- The fair value of stock-based awards with graded vesting are calculated as one grant and the resulting fair value is recognized on a straight-line basis over the vesting period.
- Forfeitures of awards are recognized as they occur.

(j) *Provision for environmental rehabilitation*

IFRS

- The provision for environmental rehabilitation must be adjusted for changes in the discount rate.

Canadian GAAP

- The provision for environmental rehabilitation is not adjusted for changes in the discount rate.

(k) *Deferred tax asset/liability*

IFRS

- All deferred tax assets and liabilities must be classified as non-current.

Canadian GAAP

- Deferred tax assets and liabilities can be classified as current or non-current as appropriate.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

(l) *Accounts payable, accrued liabilities and provisions*

IFRS – a provision is a liability of uncertain timing or amount. Provisions are disclosed separately from liabilities and accrued liabilities and require additional disclosure.

Canadian GAAP – Accounts payable, accrued liabilities and provisions are disclosed on the statement of financial position as a single line item.

(m) *Other comprehensive profit (loss)*

Other comprehensive profit (loss) consists of the change in the cumulative translation adjustment (“CTA”). Due to other IFRS adjustments, the balances that are used to calculate the CTA are different in accordance with IFRS than in accordance with Canadian GAAP. As a result, CTA and other comprehensive profit (loss) are different in accordance with IFRS than in accordance with Canadian GAAP.

(n) *Impairment*

IFRS – If indication of impairment is identified, the asset’s carrying value is compared to the asset’s discounted cash flows. If the discounted cash flows are less than the carrying value, the asset is impaired by an amount equal to the difference between the discounted cash flows and the carrying value.

Canadian GAAP - If indication of impairment is identified, the asset’s carrying value is compared to the asset’s undiscounted cash flows. If the undiscounted cash flows are less than the carrying value, the asset is impaired by an amount equal to the difference between the discounted cash flows and the carrying value.

The Company completed an impairment review of its assets at January 1, 2008 and concluded that the assets were not impaired in accordance with IFRS. At December 31, 2008, the carrying value of the Kennedy’s Vale mineral property was less than the property’s undiscounted cash flows, but greater than the property’s discounted cash flows. As a result, the mineral property was concluded to be impaired in accordance with IFRS, but not impaired in accordance with Canadian GAAP. An impairment of \$314 million and an income tax recovery of \$87 million have been recorded relating to the Kennedy’s Vale impairment.

(o) *Presentation*

The presentation of the cash flow statement in accordance with IFRS differs from the presentation of the cash flow statement in accordance with Canadian GAAP.

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The January 1, 2008 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

	Note	January 1, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets				
Cash and cash equivalents		\$ 18,818	\$ -	\$ 18,818
Short-term investments		171,038	-	171,038
Trade receivables	(e)(g)	33,157	(597)	32,560
Inventories		6,888	-	6,888
		229,901	(597)	229,304
Property, plant and equipment	(e)(h)(j)	813,461	1,929	815,390
Refining contract		18,467	-	18,467
Other assets		1,247	-	1,247
		\$ 1,063,076	\$ 1,332	\$ 1,064,408
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	(e)(l)	\$ 22,967	\$ (1,460)	\$ 21,507
Provisions	(e)(l)	-	1,460	1,460
Current portion of long-term liability		3,837	-	3,837
Deferred tax	(k)	6,416	(6,416)	-
		33,220	(6,416)	26,804
Provision for environmental rehabilitation	(e)(j)	2,889	3,335	6,224
Finance leases		9,127	-	9,127
Deferred tax liabilities	(k)	143,616	6,416	150,032
		188,852	3,335	192,187
Capital and reserves				
Issued capital		868,045	-	868,045
Equity reserve		27,428	-	27,428
Currency translation adjustment	(b)	23,481	(23,481)	-
Deficit		(68,132)	21,747	(46,385)
		850,822	(1,734)	849,088
Non-controlling interest		23,402	(269)	23,133
		874,224	(2,003)	872,221
		\$ 1,063,076	\$ 1,332	\$ 1,064,408

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The Canadian GAAP income statement and statement of comprehensive income for the three months ended June 30, 2008 have been reconciled to IFRS as follows:

	Note	3 months ended June 30, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue	(g)	\$ 50,143	\$ (826)	\$ 49,317
Cost of operations				
Production costs		21,058	-	21,058
Depletion and depreciation	(h)	4,450	30	4,480
		25,508	30	25,538
Mine operating earnings		24,635	(856)	23,779
Expenses				
General and administrative		5,309	-	5,309
Share-based payments	(i)	340	140	480
		5,649	140	5,789
Operating profit		18,986	(996)	17,990
Other income (expense)				
Interest income	(g)	1,855	1,022	2,877
Finance costs	(j)	(1,935)	(313)	(2,248)
Foreign exchange gain		71	-	71
Profit before income taxes		18,977	(287)	18,690
Deferred income tax expense	(k)	(5,532)	(1)	(5,533)
Net profit for the period		\$ 13,445	\$ (288)	\$ 13,157
Attributable to				
Non-controlling interest		\$ 740	\$ 269	\$ 1,009
Equity shareholders of the Company		\$ 12,705	\$ (557)	\$ 12,148

	Note	3 months ended June 30, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Net profit for the period		\$ 13,445	\$ (288)	\$ 13,157
Other comprehensive profit - currency translation adjustment	(m)	22,266	(205)	22,061
Comprehensive profit		\$ 35,711	\$ (493)	\$ 35,218
Attributable to				
Non-controlling interest		\$ 740	\$ 269	\$ 1,009
Equity shareholders of the Company		\$ 34,971	\$ (762)	\$ 34,209

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The Canadian GAAP income statement and statement of comprehensive income for the six months ended June 30, 2008 have been reconciled to IFRS as follows:

		6 months ended June 30, 2008		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue	(g)	\$ 106,551	\$ (1,439)	\$ 105,112
Cost of operations				
Production costs		40,808	-	40,808
Depletion and depreciation	(h)	8,812	62	8,874
		49,620	62	49,682
Mine operating earnings		56,931	(1,501)	55,430
Expenses				
General and administrative		9,642	-	9,642
Share-based payments	(i)	1,567	262	1,829
		11,209	262	11,471
Operating profit		45,722	(1,763)	43,959
Other income (expense)				
Interest income	(g)	4,310	1,374	5,684
Finance costs	(j)	(2,162)	(94)	(2,256)
Foreign exchange gain		1,128	-	1,128
Profit before income taxes		48,998	(483)	48,515
Deferred income tax expense		(13,780)	-	(13,780)
Net profit for the period		\$ 35,218	\$ (483)	\$ 34,735
Attributable to				
Non-controlling interest		\$ 2,551	\$ 560	\$ 3,111
Equity shareholders of the Company		\$ 32,667	\$ (1,043)	\$ 31,624

		6 months ended June 30, 2008		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Net profit for the period		\$ 35,218	\$ (483)	\$ 34,735
Other comprehensive loss - currency translation adjustment	(m)	(74,239)	(65)	(74,304)
Comprehensive loss		\$ (39,021)	\$ (548)	\$ (39,569)
Attributable to				
Non-controlling interest		\$ 2,551	\$ 560	\$ 3,111
Equity shareholders of the Company		\$ (41,572)	\$ (1,108)	\$ (42,680)

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The Canadian GAAP income statement and statement of comprehensive income for the twelve months ended December 31, 2008 have been reconciled to IFRS as follows:

	Note	12 months ended December 31, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Revenue	(g)	\$ 116,198	\$ (1,517)	\$ 114,681
Cost of operations				
Production costs		79,961	-	79,961
Depletion and depreciation	(h)	14,599	63	14,662
		94,560	63	94,623
Mine operating earnings		21,638	(1,580)	20,058
Expenses				
Impairment	(n)	-	313,603	313,603
General and administrative	(e)	19,411	30	19,441
Share-based payments	(i)	4,290	335	4,625
		23,701	313,968	337,669
Operating loss		(2,063)	(315,548)	(317,611)
Other income (expense)				
Interest income	(g)	7,081	1,863	8,944
Finance costs	(j)	(3,551)	(174)	(3,725)
Foreign exchange gain		(2,155)	-	(2,155)
Loss before income taxes		(688)	(313,859)	(314,547)
Deferred income tax recovery	(k)	13,623	87,808	101,431
Net profit (loss) for the period		\$ 12,935	\$ (226,051)	\$ (213,116)
Attributable to				
Non-controlling interest		\$ (3,429)	\$ (306)	\$ (3,735)
Equity shareholders of the Company		\$ 16,364	\$ (225,745)	\$ (209,381)

	Note	12 months ended December 31, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Net profit (loss) for the period		\$ 12,935	\$ (226,051)	\$ (213,116)
Other comprehensive loss - currency translation adjustment	(m)	(197,052)	27,475	(169,577)
Comprehensive loss		\$ (184,117)	\$ (198,576)	\$ (382,693)
Attributable to				
Non-controlling interest		\$ (3,429)	\$ (306)	\$ (3,735)
Equity shareholders of the Company		\$ (180,688)	\$ (198,270)	\$ (378,958)

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The Canadian GAAP statement of financial position at June 30, 2008 has been reconciled to IFRS as follows:

	Note	June 30, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets				
Cash and cash equivalents		\$ 90,734	\$ -	\$ 90,734
Short-term investments		104,653	-	104,653
Trade receivables	(g)	42,435	(616)	41,819
Inventories		6,417	-	6,417
		244,239	(616)	243,623
Property, plant and equipment	(h)(j)	778,145	1,346	779,491
Refining contract		15,562	-	15,562
Other assets		1,152	-	1,152
		\$ 1,039,098	\$ 730	\$ 1,039,828
Liabilities				
Accounts payable and accrued liabilities	(l)	\$ 26,664	\$ (1,285)	\$ 25,379
Provisions	(l)	-	1,285	1,285
Deferred tax liability	(k)	9,186	(9,186)	-
Current portion of long-term liability		4,011	-	4,011
		39,861	(9,186)	30,675
Provision for environmental rehabilitation	(j)	2,711	3,030	5,741
Capital leases and other long-term liabilities		3,976	-	3,976
Deferred tax liability	(k)	136,678	8,989	145,667
		183,226	2,833	186,059
Capital and reserves				
Issued capital		889,854	-	889,854
Equity reserve	(i)	28,862	263	29,125
Currency translation adjustment	(m)	(50,759)	(23,545)	(74,304)
Deficit		(35,465)	20,704	(14,761)
		832,492	(2,578)	829,914
Non-controlling interest		23,380	475	23,855
		855,872	(2,103)	853,769
		\$ 1,039,098	\$ 730	\$ 1,039,828

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The Canadian GAAP statement of financial position at December 31, 2008 has been reconciled to IFRS as follows:

	Note	December 31, 2008		
		Canadian GAAP	Effect of transition to IFRS	IFRS
Assets				
Current assets				
Cash and cash equivalents		\$ 25,806	\$ -	\$ 25,806
Short-term investments		35,257	-	35,257
Trade receivables	(g)	9,556	(125)	9,431
Inventories		3,881	-	3,881
Deferred tax asset	(k)	1,178	(1,178)	-
		75,678	(1,303)	74,375
Property, plant and equipment	(h)(j)(n)	783,039	(274,354)	508,685
Refining contract		12,493	-	12,493
Other assets		1,017	-	1,017
		\$ 872,227	\$ (275,657)	\$ 596,570
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	(l)	\$ 36,729	\$ (1,726)	\$ 35,003
Provisions	(l)	-	1,726	1,726
Current portion capital leases		649	-	649
Current loans		2,972	-	2,972
		40,350	-	40,350
Non-current liabilities				
Provision for environmental rehabilitation	(j)	2,846	2,752	5,598
Capital leases		3,261	-	3,261
Deferred tax liabilities	(k)	117,234	(78,408)	38,826
		163,691	(75,656)	88,035
Capital and reserves				
Issued capital		890,049	-	890,049
Equity reserve	(i)	31,491	336	31,827
Currency translation adjustment	(m)	(173,571)	3,994	(169,577)
Deficit		(51,768)	(203,998)	(255,766)
		696,201	(199,668)	496,533
Non-controlling interest		12,335	(333)	12,002
		708,536	(200,001)	508,535
		\$ 872,227	\$ (275,657)	\$ 596,570

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The reconciliation of the statement of cash flows for the three months ended June 30, 2008:

		June 30, 2008 (3 months)		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating activities				
Net profit for the period		\$ 13,445	\$ (288)	\$ 13,157
Adjustments to net profit for non-cash items				
Depreciation	(h)	4,536	(56)	4,480
Refining contract amortization	(o)	-	356	356
Share-based payments	(i)	340	140	480
Interest income	(o)	-	(2,877)	(2,877)
Finance costs	(o)	-	2,248	2,248
Foreign exchange gain		(71)	-	(71)
Deferred income tax expense	(k)	5,532	1	5,533
Adjustments to net profit for cash items				
Interest income received	(o)	-	3,496	3,496
Finance costs paid	(o)	-	(481)	(481)
		23,782	2,539	26,321
Net changes in non-cash working capital items				
Trade receivables	(g)	17,480	(978)	16,502
Inventories		(670)	-	(670)
Accounts payable and accrued liabilities		3,871	-	3,871
		44,463	1,561	46,024
Investing activities				
Maturity of short-term investments	(o)	7,758	25	7,783
Purchase of other assets	(o)	-	(25)	(25)
Property, plant and equipment expenditures		(34,643)	-	(34,643)
		(26,885)	-	(26,885)
Financing activities				
Common shares issued for cash, net of share issue costs		17,452	-	17,452
Repayment of short-term debt	(o)	(88)	(294)	(382)
Other long-term liabilities	(o)	(2,970)	(502)	(3,472)
		14,394	(796)	13,598
Effect of exchange rate changes on cash and cash equivalents		563	(765)	(202)
Increase in cash and cash equivalents		32,535	-	32,535
Cash and cash equivalents, beginning of period		58,199	-	58,199
Cash and cash equivalents, end of period		\$ 90,734	\$ -	\$ 90,734

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The reconciliation of the statement of cash flows for the six months ended June 30, 2008:

		June 30, 2008 (6 months)		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating activities				
Net profit for the period		\$ 35,218	\$ (483)	\$ 34,735
Adjustments to net profit for non-cash items				
Depreciation	(h)	8,978	(104)	8,874
Refining contract amortization	(o)	-	723	723
Share-based payments	(i)	1,567	262	1,829
Interest income	(o)	-	(5,684)	(5,684)
Finance costs	(o)	-	2,256	2,256
Foreign exchange gain		(1,128)	-	(1,128)
Deferred income tax expense		13,780	-	13,780
Adjustments to net profit for cash items				
Interest income received	(o)	-	4,939	4,939
Finance costs paid	(o)	-	(363)	(363)
		58,415	1,546	59,961
Net changes in non-cash working capital items				
Trade receivables	(g)	(13,321)	(28)	(13,349)
Inventories		(356)	-	(356)
Accounts payable and accrued liabilities		6,233	-	6,233
		50,971	1,518	52,489
Investing activities				
Maturity of short-term investments	(o)	62,325	55	62,380
Purchase of other assets	(o)	-	(55)	(55)
Property, plant and equipment expenditures		(58,349)	-	(58,349)
		3,976	-	3,976
Financing activities				
Common shares issued for cash, net of share issue costs		21,676	-	21,676
Repayment of short-term debt	(o)	292	(1,248)	(956)
Other long-term liabilities	(o)	(3,270)	(614)	(3,884)
		18,698	(1,862)	16,836
Effect of exchange rate changes on cash and cash equivalents				
		(1,729)	344	(1,385)
Increase in cash and cash equivalents		71,916	-	71,916
Cash and cash equivalents, beginning of period		18,818	-	18,818
Cash and cash equivalents, end of period		\$ 90,734	\$ -	\$ 90,734

Eastern Platinum Limited

Notes to the condensed consolidated interim financial statements

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

15. IFRS (continued)

The reconciliation of the statement of cash flows for the twelve months ended December 31, 2008:

		December 31, 2008 (12 months)		
	Note	Canadian GAAP	Effect of transition to IFRS	IFRS
Operating activities				
Net profit (loss) for the period		\$ 12,935	\$ (226,051)	\$ (213,116)
Adjustments to net profit (loss) for non-cash items				
Depreciation	(h)	14,877	(215)	14,662
Refining contract amortization		1,353	-	1,353
Impairment	(n)	-	313,603	313,603
Share-based payments	(i)	4,290	335	4,625
Interest income	(o)	-	(8,944)	(8,944)
Finance costs	(o)	2,845	880	3,725
Foreign exchange loss	(o)	5,731	(3,576)	2,155
Realized foreign exchange gain	(o)	-	(1,157)	(1,157)
Deferred income tax recovery	(k)	(13,623)	(87,808)	(101,431)
Adjustments to net profit (loss) for cash items				
Interest income received	(o)	-	10,028	10,028
Finance costs paid	(o)	-	(375)	(375)
		28,408	(3,280)	25,128
Net changes in non-cash working capital items				
Trade receivables	(g)	10,765	3,266	14,031
Inventories		1,391	-	1,391
Accounts payable and accrued liabilities		12,962	-	12,962
		53,526	(14)	53,512
Investing activities				
Acquisitions, net of cash acquired		(39,589)	-	(39,589)
Maturity of short-term investments	(o)	119,318	42	119,360
Purchase of other assets	(o)	-	(42)	(42)
Property, plant and equipment expenditures		(143,373)	-	(143,373)
		(63,644)	-	(63,644)
Financing activities				
Common shares issued for cash, net of share issue costs		22,004	-	22,004
Repayment of short-term debt	(o)	(892)	892	-
Other long-term liabilities	(o)	(3,411)	(898)	(4,309)
		17,701	(6)	17,695
Effect of exchange rate changes on cash and cash equivalents		(595)	20	(575)
Increase in cash and cash equivalents		6,988	-	6,988
Cash and cash equivalents, beginning of period		18,818	-	18,818
Cash and cash equivalents, end of period		\$ 25,806	\$ -	\$ 25,806

16. Subsequent events

From July 1, 2009 to August 13, 2009 there were no subsequent events.