

# Eastplats Announces Restatement of Third Quarter of 2022 Financial Statements and MD&A

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Vancouver, March 20, 2023 - [Eastern Platinum Ltd.](#) (TSX: ELR) (JSE: EPS) ("Eastplats" or the "Company") announced that it has amended and restated its condensed interim consolidated financial statements (the "Amended and Restated Financial Statements") for the three and nine months ended September 30, 2022 and the corresponding management's discussion and analysis ("Amended and Restated MD&A").

The restatement is due to a change in Eastplats' accounting policies and determination from management of when revenue should be recognized in accordance with International Financial Reporting Standards from its contract with Union Goal Offshore Solutions Limited ("Union Goal") and its sales of chrome concentrate previously recognized in the third quarter of 2022. The transactions in question involved the monthly production of chrome concentrate at the Company's Crocodile River Mine. Chrome concentrate revenue is recognized when control is transferred to the offtake party, Union Goal, in accordance with the executed updated Retreatment Project Agreements (the "2021 Updated Retreatment Project Agreements"), which were signed on March 10, 2021 and include the following:

1. The 2021 Revised and Restated Framework Agreement;
2. The 2021 Revised and Restated Offtake Agreement;
3. The 2021 Revised and Restated Eastplats Loan Agreement; and
4. The 2021 Revised and Restated Barplats Equipment and Chrome Plant Agreement.

Previously, and until approximately June 30, 2022, revenue recognition occurred when the chrome concentrate was produced by the chrome processing circuits and related technology equipment, based on the assumption that all chrome concentrate was continually shipped upon production, and that payment from Union Goal was considered probable. However, after re-assessing the probability of future payment by Union Goal, in the third quarter of 2022, Eastplats suspended shipments to Union Goal as a result of continuing non-payment by Union Goal and failure of Union Goal to reduce its significantly long outstanding account. Eastplats began to contract free market sales. As such, these contracts provided transfer of control and revenue recognition as defined by IFRS 15 - Revenue from Contracts with Customers, upon completion of the Company's performance obligations which included delivery of the chrome concentrate off site. Management has concluded that the restatement of its financial results, financial position, and cash flows for the third quarter of 2022 will appropriately address the timing of revenue recognition, along with the related accounts receivable and inventory balances, for these transactions prospectively.

The restatement will reflect the changes in the accounting treatment of these transactions and will result in the reduction of revenues recognized in the third quarter of 2022 and an increase in inventory as at September 30, 2022. Stockpiles at the Crocodile River Mine are surveyed monthly by an independent contractor. Revenue deemed not to have met the re-assessed revenue recognition criteria also results in an adjustment to accounts receivable.

The following table presents the effects of the restatement on the individual line items within the Company's unaudited Condensed Interim Consolidated Statement of Income (Loss), Condensed Interim Statement of Comprehensive Income (Loss) and Condensed Interim Consolidated Statement of Financial Position, expressed in thousands of U.S. dollars, except for per share amounts.

	Three Months Ended September 30, 2022		Nine Months Ended September 30, 2022	
	As previously reported	Adjustment	As restated	As previously reported
Revenue	\$ 17,215	\$(13,623)	\$ 3,592	\$(13,623)

Production costs	(11,064 )	9,357	<del>(1,707,745 )</del>	9,357
Production costs - depreciation	(1,728 )	1,728	- (5,385 )	1,728
Mine operating income	4,423	(2,538 )	<del>1,885,980</del>	(2,538)
Operating income (loss)	1,597	(2,538 )	<del>1942,633</del>	(2,538)
Net income (loss) for the period	(4,065 )	(2,538 )	<del>16,699</del>	(2,538)
Net income (loss) attributable to equity shareholders of the Company	(4,064 )	(2,538 )	<del>16,662</del>	(2,538)
Earnings (loss) per share, basic and diluted	(0.03 )	(0.02 )	<del>10.0500</del>	(0.02)
Comprehensive income (loss) for the period	(1,467 )	(2,407 )	<del>13,87463</del>	(2,407)

As at September 30, 2022

As previously reported	Adjustment	As restated
\$30,848	\$ (7,964 )	\$ 22,884
Inventory	10,509	12,021
Other (current)		
Receivables	(1,366 )	3,282
Deferred taxes	6,325	10,850
Payables		
Other (current)		

The Company has been in discussions with its advisors about its plan to file the Amended and Restated Financial Statements. Eastplats expects it will file its annual financial statements and MD&A for the year ended December 31, 2022 by the filing deadline of March 31, 2023.

The Company has a primary listing on the Toronto Stock Exchange and a secondary listing on the JSE Limited.

The Company has filed the following documents, under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com):

- Amended and Restated condensed interim consolidated financial statements for the three and nine months ended September 30, 2022; and
- Amended and Restated MD&A for the three and nine months ended September 30, 2022.

The Amended and Restated Financial Statements and the Amended and Restated MD&A are available for download at <https://www.eastplats.com/investors/quarterly-reports/F2022/> and are also available on the JSE's website at: <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/EPS/Q322.pdf>.

#### About Eastern Platinum Limited

Eastplats owns directly and indirectly a number of PGM and chrome assets in the Republic of South Africa. All of the Company's properties are situated on the western limb of the Crocodile River Mine and eastern limb of Kennedy's Vale, Spitzkop and Mareesburg projects within the Bushveld Complex, the geological environment that hosts approximately 80% of the world's PGM-bearing ore.

Operations at the Crocodile River Mine currently include re-mining and processing its tailings resource to produce PGM and chrome concentrates from the Barplats Zandfontein tailings dam.

[www.eastplats.com](http://www.eastplats.com)

For further information, please contact:

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#### Cautionary Statement Regarding Forward-Looking Information

This press release contains "forward-looking statements" or "forward-looking information" (collectively referred to herein as "forward-looking statements") within the meaning of applicable securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "will", "plan", "intends", "may", "could", "expects", "anticipates" and similar expressions. Further disclosure of the risks and uncertainties facing the Company and other forward-looking statements are discussed in the Company's most recent Annual Information Form available under the Company's profile on [www.sedar.com](http://www.sedar.com).

In particular, this press release contains, without limitation, forward-looking statements pertaining to filing its financial statements and MD&A for the year ended December 31, 2022 before the filing deadline of March 31, 2023. These forward-looking statements are based on assumptions made by and information currently available to the Company. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties and readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the beliefs, plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, unanticipated problems that may arise in our production processes, commodity prices, lower than expected grades and quantities of resources, need for additional funding and availability of such additional funding on acceptable terms, economic conditions, currency fluctuations, competition and regulations, legal proceedings and risks related to operations in foreign countries.

All forward-looking statements in this press release are expressly qualified in their entirety by this cautionary statement, the "Cautionary Statement on Forward-Looking Information" section contained in the Company's most recent Management's Discussion and Analysis available under the Company's profile on [www.sedar.com](http://www.sedar.com). The forward-looking statements in this press release are made as of the date they are given and, except as required by applicable securities laws, the Company disclaims any intention or obligation, and does not undertake, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

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