

Eastern Platinum Limited Reports Results for the Second Quarter of 2023

11.08.2023 | [Newsfile](#)

Vancouver, August 11, 2023 - [Eastern Platinum Ltd.](#) (TSX: ELR) (JSE: EPS) ("Eastplats" or the "Company") is pleased to report that it has filed its condensed interim consolidated financial statements for the three and six months ended June 30, 2023 and the corresponding management's discussion and analysis. Below is a summary of the Company's financial results for the second quarter of 2023 ("Q2 2023") and for the six months ended June 30, 2023 ("YTD 2023") (all amounts in USD unless specified) in comparison to the same respective period in 2022 ("Q2 2022" and "YTD 2022"):

- Revenue for Q2 2023 increased to \$36.6 million (Q2 2022 - \$20.5 million), representing a 78.5% increase. Revenue for YTD 2023 increased to \$58.7 million (YTD 2022 - \$37.9 million), representing a 54.9% increase.
- Mine operating income increased by \$9.1 million (or 216.7%) to \$13.3 million in Q2 2023 (Q2 2022 - \$4.2 million), resulting in an improved gross margin of 36.2% in Q2 2023 from 20.3% in Q2 2022. Mine operating income in YTD 2023 increased by \$10.9 million (or 143.4%) to \$18.5 million (YTD 2022 - \$7.6 million), resulting in an improved gross margin of 31.5% in YTD 2023 from 19.9% in YTD 2022.
- Operating income was \$10.4 million in Q2 2023 compared to \$0.9 million in Q2 2022. Operating income improved by \$12.9 million to \$13.9 million in YTD 2023 from an operating income of \$1.0 million in YTD 2022.
- Net income attributable to equity shareholders was \$7.7 million (\$0.04 earnings per share) in Q2 2023 versus net income attributable to equity shareholders of \$1.2 million (\$0.01 earnings per share) in Q2 2022. The increase in Q2 2023 net income was largely attributable to the significant increase in third party chrome sales as well as lower overall operating costs in the quarter.
- Net income attributable to equity shareholders increased to \$9.0 million (\$0.06 earnings per share) in YTD 2023 compared to net income attributable to equity shareholders of \$4.2 million (\$0.03 earnings per share) in YTD 2022. The improvement during YTD 2023 is mainly attributable to the increased revenue and positive gross margins generated by the significant increase in third party chrome sales at the Crocodile River Mine ("CRM") as mentioned above.
- The Company had a working capital deficit (current assets less current liabilities) of \$16.1 million as at June 30, 2023 (December 31, 2022 - working capital deficit of \$39.5 million) and short-term cash resources of \$11.9 million (consisting of cash, cash equivalents and short-term investments) (December 31, 2022 - \$2.4 million).

Wanjin Yang, Chief Executive Officer and President commented, "We are pleased to show strong financial and operating performance during the second quarter, which has been supported by chrome market prices. We continue to move towards a soft restart of the Zandfontein underground section of the Crocodile River Mine and expect the initial processing of UG2 chromitite ore to begin later this year."

Operations

The Company continues to produce chrome concentrate from its Retreatment Project at Barplats Mines (Pty) Limited's tailings facility (the "Retreatment Project") located at the CRM in South Africa.

The majority of the Company's revenue (approximately 94% for Q2 2023) is generated from chrome concentrate sales. Until July 2022, this revenue was based on the Union Goal Offshore Solutions Limited ("Union Goal") offtake agreement entered into between the Company's subsidiary Barplats Mines (Pty) Limited and Union Goal. Previously, and until the end of the second quarter of 2022, the Retreatment Project produced revenue based on tons of material made available for processing by remining and processing the tailings, recovery of certain operational costs and allocation of the upfront cash payment for the offtake of

chrome concentrate to Union Goal. Although the Union Goal Offtake Agreement remains in place, Union Goal stopped taking shipments of chrome concentrate in June 2022. Chrome revenue after this point has been generated only through third-party sales of chrome concentrate.

The Company also derives revenue from platinum group metals ("PGM") concentrate sales under a PGM offtake agreement with Impala Platinum Limited ("Impala"). The Company produces PGMs from further processing tailings material following the production of chrome concentrates.

Summary of chrome production for the three and six months ended June 30, 2023 and 2022:

	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Total Tailings Feed (Tons)	615,060	664,721	1,247,014	1,238,973
Average grade Cr concentrate	39.0%	38.7%	38.8%	38.8%
Tons of Cr concentrate	127,122	169,839	274,221	290,961

While PGM prices have decreased, chrome prices have increased, which has driven revenue growth and gross margin improvement for the Company. However, chrome sales are expected to wind down for the remainder of 2023 and into early 2024 as the Retreatment Project approaches its completion date. When that occurs, the PGM Circuit D and PGM Main Circuit B (collectively, the "PGM Circuits") will become the main source of revenue as the Company executes its soft restart of the Zandfontein underground section of the CRM by ramping up production as capital availability permits.

Summary of PGM production for the three and six months ended June 30, 2023 and 2022:

	Q2 2023	Q2 2022	YTD 2023	YTD 2022
Tons of PGM concentrate	959	1,868	2,115	2,747
PGM ounces produced (6E)*	1,965	2,650	4,099	4,013

*PGM 6E ounces are estimates until final exchanges and umpire results have been concluded, which can take up to three months.

Outlook

The Company's targets for 2023 remain as follows:

- Operate and optimize the PGM Circuits (ongoing);
- Raise additional capital to support the full re-opening of Zandfontein underground operations at the CRM (ongoing);
- Operate and optimize the Retreatment Project (ongoing);
- Complete the optimization of the chrome recovery plant for the Retreatment Project (ongoing);
- Assess the value for continued use of the chrome recovery plant after optimization (initiated);
- Complete the second phase of the tailings storage facility ("TSF") capital works program (ongoing);
- Advance the Mareesburg project (located on the eastern limb) environmental work to complete the legal analysis on the Environmental Impact Assessment ("EIA") and other environmental studies and amendments (ongoing);
- Continue prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies (ongoing);
- Commission main plant circuit A for underground operations; and
- Update other capital assessments upon completion of additional capital fundraising.

Care and maintenance with respect to the underground portion of the CRM will continue while the Company

continues to raise additional funds to support the full re-opening of underground operations. Eastplats completed a life-of-mine study and underground mine design for Zandfontein (see news release of May 20, 2022) and the Board of Directors supported carrying out the Zandfontein underground restart business plan, subject to final evaluation and funding arrangements. Care and maintenance will also continue for the Company's Kennedy's Vale, Spitzkop, and Mareesburg (the "Eastern Limb") projects for 2023. The Company is actively looking at opportunities for its other assets including continuing to explore options to utilize or monetize these assets.

Whistleblower Special Committee Update

The Board has formed a special committee (the "Committee") comprised of two independent directors to conduct an investigation, review and analysis of unproven whistleblower allegations, including allegations of undisclosed related party transactions pertaining to the sale of chrome concentrate at discounted prices (the "Allegations") as previously announced (see news release of April 24, 2023). Further to the news releases dated May 12, 2023 and June 20, 2023, the Company reports that the Committee's investigation is ongoing. The Committee's work in retrieving and reviewing relevant documents, with the assistance of independent counsel and a third party e-discovery specialist, continues. The Committee anticipates conducting further interviews with material persons, consistent with the Committee's mandate. A report of the Committee's findings will be provided to the Board.

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.sedarplus.ca:

- Condensed interim consolidated financial statements for the three and six months ended June 30, 2023; and
- Management's discussion and analysis for the three and six months ended June 30, 2023.

The condensed interim consolidated financial statements for the three and six months ended June 30, 2023 are available for download at <https://www.eastplats.com/investors/quarterly-reports/F2023/> and are also available on the JSE's website at: <https://senspdf.jse.co.za/documents/2023/JSE/ISSE/EPS/Q223.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 (Crocodile River Mine) and eastern limb (Kennedy's Vale, Spitzkop, Mareesburg) of 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.

For further information, please contact:

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Cautionary Statement Regarding Forward-Looking Information

This news 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.sedarplus.ca.

In particular, this news release contains, without limitation, forward-looking statements pertaining to: the Company's targets for 2023 including operating and optimizing the PGM circuits, raising additional capital to support the full re-opening of Zandfontein underground operations at the CRM, the ability of the Company to raise such funds, operating and optimizing the Retreatment Project, completing the optimization of the chrome recovery plant for the Retreatment Project, assessing the value of the chrome recovery plant after optimization, completing the second phase of the TSF capital works program, advancing the Mareesburg project environmental work to complete the legal analysis on the EIA and other environmental studies and amendments, prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies, commissioning main plant circuit A for underground operations and updating other capital assessments upon completion of additional capital fundraising, the ability of the Company to implement the Zandfontein underground restart business plan, continuing care and maintenance of the Company's Eastern Limb projects for 2023, finding and completing opportunities for its other assets including continuing to explore options to utilize or monetize these assets, successful execution of the Zandfontein underground restart plan and initial processing of UG2 chromitite ore to begin later in 2023, the wind down of the Retreatment Project and expected chrome sales for the remainder of 2023 and into early 2024, the PGM Circuits becoming the Company's main source of revenue, and any outcome of the investigation, review and analysis of unproven whistleblower allegations or timing of the same. 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 the Company's 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 news 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.sedarplus.ca. The forward-looking statements in this news 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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