

- **Eastplats' has the right strategy and a cash balance to support it**
- **Eastplats' has no debt and has never diluted shareholders with an equity raise at distressed prices**
- **Eastplats' performance is in the top tier of platinum producers**
- **Eastplats' incumbent Directors are more experienced, better qualified and collectively own more shares than the dissident nominees**

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 31, 2016) - [Eastern Platinum Ltd.](#) ("Eastplats" or the "Company") (TSX:ELR)(JSE:EPS) today filed on SEDAR and mailed to shareholders a Management Information Circular, a letter and related voting materials for the Annual General Meeting ("AGM") to be held in Vancouver on July 5, 2016. The Circular and Letter urge shareholders to vote FOR Eastplats' nominees for election to the Board of Directors.

"At the AGM, shareholders may face a contested election for the Board of Directors," said David Cohen, Eastplats' Chairman, President and CEO. "The strategy set by the incumbent Board has preserved our assets and balance sheet in an extremely challenging market, avoiding dilution and delivering one of the best share price performances in the sector. For these and other reasons, Eastplats shareholders should support the incumbent Board."

Eastplats urges shareholders to vote the YELLOW proxy FOR management's nominees prior to the proxy voting deadline of 10:00 AM (Vancouver Time) on Thursday, June 30, 2016.

The letter to shareholders, as mailed with the management information circular, is provided below:

Dear fellow Eastplats shareholder:

At the upcoming Annual General Meeting ("AGM") on July 5, 2016 you have an important decision to make.

We understand that the election of the Board of Directors at the AGM may be contested. This election will have significant implications for the value of your Eastern Platinum ("Eastplats" or "the Company") shares. Accordingly, we are writing you this letter to outline the issues at hand, and to underscore the reasons why we believe you should vote the YELLOW proxy to re-elect the incumbent Board of Directors.

WHAT'S AT STAKE

Ka An Development Co. Limited ("Ka An"), a recently incorporated Hong Kong-based company previously unknown to Eastplats, says it intends to nominate six new directors to replace the incumbent Board. K2 Principal Fund L.P. ("K2"), a Toronto-based hedge fund, has advised the Company it reserves the right to nominate six new directors to replace the incumbent Board. K2 has not stated if it will actually proceed with the nomination.

Neither of the dissident shareholders, nor their nominees, have formally engaged with Eastplats, and as a result, we are not aware of any change in strategic direction that either of these dissidents might propose. Based on a preliminary review, Eastplats believes that the dissidents' nominees are not as qualified as the incumbent Board of directors. In particular, none of the dissidents' nominees has disclosed experience directly relevant to the mining of platinum in South Africa.

Eastplats believes the objective of both dissidents is to benefit themselves by seizing control of the Company's valuable assets and treasury, without paying other shareholders a premium for control.

This strategy of self-interest seems particularly true in Ka An's case: in May 2016, Ka An was willing to pay a 39% premium¹ to one shareholder in order to establish a significant toe-hold in Eastplats, but is now seeking control without offering anything at all to other shareholders.

The value of your investment in Eastplats is at stake unless you vote FOR the incumbent directors by using the YELLOW proxy enclosed with this letter and related documents.

REASONS TO SUPPORT EASTPLATS' INCUMBENT BOARD OF DIRECTORS:

There are four principal reasons we believe you should vote for Eastplats' current Board of directors:

(1) We have the right strategy and a cash balance to support it

Facing a challenging global platinum environment over the last number of years, Eastplats has taken a number of proactive decisions that have ensured Eastplats remains well-positioned to benefit when conditions for the mining of platinum improve, and give the Company the flexibility to consider strategic value-creation alternatives.

- Preserving capital - Platinum prices have declined precipitously in recent years and in 2013 the incumbent Board made the difficult but necessary decision to halt development and production, with the objective to preserve the Company's capital position and avoid the destruction of shareholder value. Since that decision, prices have declined up to 42% further. The Board's timely decisions protected the Company and its balance sheet from the further deterioration. Also, unlike other platinum producers, Eastplats has no long-term debt and has never diluted shareholders with an equity raise at distressed prices.
- Cost reduction - With its assets under Care and Maintenance, Eastplats has reduced its expenditures to the minimum required to maintain the assets in good condition, and the Company continues to reduce business costs, for example: reducing the CEO's 2016 compensation by 64% from the prior year; paying no cash bonuses for the last 5 years; selling non-essential hard assets, and further reducing general and administrative ("G&A") costs by approximately 27% in Q1 2016 compared to Q1 2015.²
- Flexibility, optionality and openness to alternatives - The Eastplats Board and management have ensured that the Company has the flexibility to respond when market conditions improve, and is well-positioned to attract and consider shareholder value-enhancement alternatives which may arise. The Board is continually assessing opportunities to enhance shareholder value. In November 2014, the Board negotiated a transaction that, had it been successfully concluded, would have offered shareholders a 258% all-cash premium to Eastplats' market capitalization on the day prior to the announcement.³ However, as a result of a dispute among shareholders of the prospective acquirer, the transaction was not in a position to proceed.

¹ Premium to the closing trading price of Eastplats' shares on May 4, 2016, the last trading day prior to the announcement of their share acquisition.

² Excluding a one-time expenditure outlined in the accompanying circular.

³ See Eastern Platinum's Management Information Circular dated January 5, 2016.

(2) Eastplats has no debt and has never diluted shareholders with an equity raise at distressed prices

Eastplats has more than US\$52 million in cash, cash equivalents and short-term investments in (as of March 31, 2016). Furthermore, unlike other PGM producers, Eastplats has no long-term debt and has not issued equity since 2010. In contrast, during the last two years alone all but one of Eastplats' peer group of PGM producers have diluted their existing shareholders by issuing new shares.

(3) Our performance is in the top tier of platinum producers

Eastplats' share price performance is among the top-tier of platinum producers.

While platinum prices have deteriorated markedly since 2013 when the Board placed the Company's assets on Care and Maintenance, the Company's shares have remained stable, supporting the Board's decision.

(4) The Incumbent Directors are More Experienced, Better Qualified and Collectively Own More Shares than the Dissident Nominees

Unlike the dissidents, the members of Eastplats' Board have deep experience in international and specifically South African mining - a jurisdiction that features significant regulatory and operational challenges. In 2013, the incumbent Board correctly anticipated the trajectory of the market for platinum, and set the right strategic course.

Furthermore, the incumbent Eastplats directors collectively have skin in the game, with substantial shareholdings in the Company. The dissident Ka An nominees hold ZERO shares, and only one of the six K2 nominees holds any Eastplats shares.

VOTE FOR MANAGEMENT'S NOMINEES USING THE YELLOW PROXY

Eastern Platinum and its shareholders have been well-served by the incumbent Board of Directors.

Eastplats' nominees have set and overseen a strategy which has sustained the Company's share price in the face of persistently low platinum prices, and the Board has also continually explored alternatives to enhance shareholder value. The

Board's interests are aligned with shareholders.

I urge you to carefully review the enclosed Management Information Circular and vote the YELLOW proxy now FOR management's nominees.

Sincerely,

David Cohen, Chairman, President and CEO

[Eastern Platinum Ltd.](#)

How to Vote

The proxy voting deadline is 10:00 AM (Vancouver Time) on Thursday, June 30, 2016.

For assistance voting your shares contact Eastplats' proxy solicitation agent Laurel Hill Advisory Group toll free in North America at 1-877-452-7184 (+1-416-304-0211 collect outside of North America) or by email at assistance@laurelhill.com.

About Eastern Platinum Ltd.

Formed in 2003, [Eastern Platinum Ltd.](#) is a Canadian platinum group metals (PGM) company with a strong balance sheet and with assets on both the western and eastern limbs of South Africa's Bushveld Complex. Eastplats' projects are well-positioned to benefit from improved conditions for the mining of PGMs.

Eastplats is based in Vancouver, Canada and listed on the Toronto Stock Exchange (TSX:ELR) and the Johannesburg Stock Exchange (JSE:EPS). The Company has four platinum group metals assets in South Africa's Bushveld Complex: the Crocodile River Mine on the western limb of the Bushveld; the Kennedy's Vale project located on the eastern limb of the Bushveld; the Spitzkop project adjacent to Kennedy's Vale; and the Maresburg open-pit project, close to Spitzkop and Kennedy's Vale.

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

Contact

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