

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 28, 2016) - [Eastern Platinum Ltd.](#) (TSX:ELR) (JSE:EPS) ("Eastplats" or the "Company") today announced that it has reached a definitive agreement with Hebei Zhongheng Tianda Platinum Co. Limited ("HZT"), a private company incorporated in the People's Republic of China ("PRC"), whereby HZT will acquire the Company's South African subsidiary, Barplats Mines Limited, which holds the Crocodile River Mine, and associated intercorporate investments and loans, for total consideration of US\$50 million payable in cash on closing (the "Acquisition"). The consideration received by Eastplats will be net of transaction costs, including amounts payable to certain minority interests, which amounts remain to be determined.

Closing of the Acquisition is subject to certain conditions, including approvals by the necessary regulatory bodies and governmental departments or ministries of South Africa. The parties have agreed that certain events, including the failure of both parties to perform certain obligations under the Acquisition agreement, will trigger the payment of break fees of up to US\$10 million in the case of HZT failing to meet its obligations, and US\$5 million in the case of Eastplats failing to meet its obligations.

The Acquisition will be carried out in a manner compliant with South Africa's mining laws, and environmental and socio-economic requirements. Upon closing, HZT will assume operating responsibility for the Crocodile River Mine and ownership of Barplats Mines Limited. Eastplats will continue to maintain ownership of its Eastern Limb projects, which include the Mareesburg, Spitzkop and Kennedy's Vale projects.

"We are pleased that HZT's plans to inject foreign capital and the creation of much needed jobs will stimulate socio-economic development in areas surrounding the CRM mine," said David Cohen, President and CEO of Eastplats. "We will retain our large and shallow eastern limb PGM project base. While the PGM sector remains under pressure, closing the transaction will leave Eastplats extremely well capitalized."

The Company's financial advisor, Paradigm Capital Inc., has delivered a positive opinion to the Company's board of directors as to the fairness of the transaction from a financial point of view to Eastplats. The transaction is expected to close within 6 months.

HZT has represented and warranted to Eastplats that it is not connected with Hebei Zhongbo Platinum Co. Ltd., the company which had a previous arrangement to acquire all of Eastplats' South African assets (as disclosed in the Company's press release dated November 7, 2014). That transaction was not completed due to ongoing shareholder disputes within Hebei Zhongbo Platinum Co. Ltd.

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

Cautionary Statement Regarding Forward-Looking Information

This press release contains 'forward-looking information' within the meaning of Canadian securities legislation. Forward-looking information in this press release includes information about the completion, timing and potential benefits of the proposed transaction between Eastplats and HZT. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those anticipated, including, the contemplated transaction not being completed as a result of a number of factors including, without limitation, the shareholders of Eastplats not approving the transaction or required regulatory approvals not being obtained; and other risks and uncertainties. Readers should not place undue reliance on the forward-looking information contained in this news release. Eastplats does not undertake to update any forward-looking information, except as required by applicable securities laws.

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