

Trading Symbol: ELR (TSX); EPS (JSE)

VANCOUVER, May 16, 2017 /CNW/ - [Eastern Platinum Ltd.](#) ("Eastplats" or the "Company") is pleased to provide this summary update with respect to status of its financial statements and associated filings, operational activities and certain legal proceedings involving the Company.

Status of Annual Financial Statements and Q1 Interim Financial Statements Filings

As required by the reporting requirements under the temporary management cease trade order (the "MCTO") issued to the Company under National Policy 12-203 ("NP 12-203") as discussed in our press release of April 5, 2017, the Company reports that this stage of the investigation into certain transactions entered into by former management of the Company is nearing completion. The Company anticipates that it will be able to file its 2016 Audited Consolidated Financial Statements and associated filings ("2016 Annual Filings") within the next two weeks.

As a result of the delay in filing its 2016 Annual Filings, the Company will also be delayed in filing its condensed interim consolidated financial statements for the period ended March 31, 2017 and associated Management's Discussion and Analysis (collectively, the "Q1 Filings") which were otherwise required to be filed by May 15, 2017. It is anticipated that the Q1 Filings will be made shortly after the filing of the 2016 Annual Filings.

The Company reports that, except as otherwise disclosed in the Company's news releases of April 13, May 2, May 12, 2017 and this news release, there have been no material changes required to be disclosed under NP 12-203. The Company confirms there have been no failures by it in fulfilling its stated intentions with respect to satisfying the provisions of the alternative information guidelines under NP 12-203, and there has not been, nor, except with respect to the Q1 Filings, is there anticipated to be, any specified default subsequent to the default announced in the Company's news release of April 5, 2017.

Operational update on Crocodile River Mine

Crocodile River mine ("CRM") comprises the Company's PGM mineral rights located on the eastern portion of the western limb of the Bushveld Complex, in the North West Province, South Africa.

During the previous months, the Company has enacted its 2017 capital plan for a portion of the CRM processing plant as well as work on the resource and reserve determination of the CRM tailings storage area. The Company is investigating options for re-mining the tailings storage area at the CRM which includes both metallurgical and mining test work and engineering design and refurbishing of the CRM processing facility.

The work of mineral resources and reserves estimation of CRM tailings storage area is in progress under the direction of SRK Consulting. The Company will provide further updates on the above program as more information is available. Diana Hu, President and Chief Executive Officer of the Company stated "We are very pleased to be developing CRM and look forward to updating the shareholders on all our operational activities and progress during 2017."

Summary Financial Update

Despite the delay in the filing of its financial statements, the Company continues to manage its principal properties on a care and maintenance basis pending improvement in the market outlook or further development opportunities arising based on the Company's ongoing re-assessment of its portfolio of properties. The Company has continued to manage its care and maintenance costs resulting in an overall reduction during 2016. Care and maintenance cost in 2016 were US\$7,064,000 compared to US\$11,392,000 for the prior year. The Company also remains well-financed to continue with its current operations with cash, cash equivalents and short term investments as of March 31, 2017 of US\$23,909,000 and current liabilities of US\$1,734,000. Further details regarding the Company's financial results and condition will be available at the time it files its 2016 Annual Filings and Q1 Filings.

Litigation updates

On March 20, 2017, the Company filed an Amended Response to the legal proceeding initiated in the British Columbia Supreme Court by Hebei Zhongheng Tianda Platinum Co. Limited ("HZZT"). In its Amended Response, the Company continues to reserve the right to challenge the validity and enforceability of the Share Purchase Agreement dated June 28, 2016 (the "Share Purchase Agreement") with respect to the Crocodile River Mine ("CRM"). In the alternative, the Company asserted, among other things, that in light of the failure to obtain approval of the shareholders of Barplats Investments Limited, the conditions precedent to completion of the transactions contemplated under the Share Purchase Agreement, cannot be met and will not be

waived by the Company, and as a result the transactions contemplated under that agreement cannot proceed. The Company also asserted that it did not consider it had continuing obligations to take steps in furtherance of the transactions contemplated in the Share Purchase Agreement. In addition, Responses were also filed by the Company's subsidiaries which were also served by HZT in the above action asserting, among other things, that the BC Supreme Court did not have or is not the proper jurisdiction for any claim against them and otherwise adopted the position taken by the Company in its Amended Response. Pending a further ruling of the Court or other resolution, the Company and its subsidiaries will continue to vigorously defend the claim filed by HZT.

On May 12, 2017, the Company also served its response to the claim filed by Alpha Global Capital Inc. ("Alpha Global") in the High Court of South Africa. In its claim, Alpha Global is seeking relief under a unique provision of South African company legislation contemplating that a South African court may make an order to wind up an "external company" registered in South Africa on the basis that it is just and equitable to do so or that it is unable to pay its debts. Alpha Global has asserted that it is entitled to bring its action on the basis that an alleged default occurred under a promissory note originally issued in 2007 and that it is now entitled to approximately ZAR 31 million plus default interest.

In its response, the Company has denied Alpha Global's allegations, in particular as to the Company's solvency or the state of its business. The Company also refuted that Alpha Global has legal standing to bring its action under the above provision since, even based on the facts as asserted by Alpha Global, the claim under the Note has prescribed and no amount is currently owing to it. The Company has also asserted that if there is any dispute as to Alpha Global's status as a creditor of the Company to whom money is owed, that this is a matter for the Courts of the British Virgin's Island to decide, being the law under which the parties agreed the Note was to be governed and interpreted. The Company has asked in its papers for Alpha Global's claim to be dismissed with costs.

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", "will", "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 Annual Information Form and Management's Discussion and Analysis which are available under the Company's profile on www.sedar.com.

In particular, this press release contains forward-looking statements pertaining to: the filing of the 2016 Annual Filings and Q1 Filings, the development of CRM, the HZT agreement and claim and the Alpha Global claim. 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, commodity prices, economic conditions, currency fluctuations, competition and regulations, legal proceedings and risks related to operations in foreign countries.

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 to publicly 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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Contact
[Eastern Platinum Ltd.](http://EasternPlatinumLtd.com), Rowland Wallenius, Chief Financial Officer, rwallenius@eastplats.com (email), (604) 800-8200 (phone)