

Eastern Platinum Limited Reports Q2 2020 Results

07.08.2020 | [CNW](#)

VANCOUVER, Aug. 7, 2020 - [Eastern Platinum Ltd.](#) ("Eastplats" or the "Company") is pleased to report that it has filed its Q2 2020 condensed interim consolidated financial statements and management's discussion and analysis for the three and six months ended June 30, 2020. Below is a summary of the Company's financial results for Q2 2020 (See COVID-19 below) (all amounts in USD):

- Revenue for the six months ended June 30, 2020 increased to \$23.5 million (Q2 2019 - \$15.8 million) – 49% increase;
- Operating loss for the six months ended June 30, 2020 remained flat at \$2.2 million (Q2 2019 - \$2.2 million), even with the lost production due to COVID-19;
- Net loss to equity shareholders of \$11.2 million (loss of \$0.12 per share) during six months ended June 30, 2020 compared with \$0.2 million (loss of \$0.00 per share) in the same period of 2019 – the large increase resulting from a \$7.5 million change in foreign exchange losses due to a significant devaluation in the South African Rand to the US\$ as a result of COVID-19 and the settlement of a legal dispute with AlphaGlobal;
- Strong financial position with cash of \$4.7 million and net working capital (excluding non-cash deferred revenue) of \$8.0 million as at June 30, 2020; and
- Net operating cash flows generated of \$3.3 million during the first six months of 2020 compared with \$8.0 million used during the same period of 2019.

Operations

Barplats Mines (Pty) Ltd. ("Barplats"), a subsidiary of Eastplats, is in full operation with its tailings retreatment project located at the Crocodile River Mine (the "Retreatment Project") following the South Africa government imposed lockdown which continued into April 2020 and a further brief temporary shutdown in June 2020 both as a result of COVID-19.

Additionally, a PGM scavenger plant operating from the feed following the chrome plant was restarted in late July 2020.

A summary of chrome recovery production during the three months of Q2-2020:

Average grade Cr concentrate	Tons of Cr concentrate
38.51%	214,994

A summary of chrome recovery production during the three months of Q2-2019:

Average grade Cr concentrate	Tons of Cr concentrate
38.72%	114,446

Settlement of AlphaGlobal legal dispute

As previously announced (Press Release June 26, 2020) the Company closed and signed a settlement agreement with AlphaGlobal Capital Inc. ("AlphaGlobal") to dismiss all claims against the Company and its subsidiaries and to release the Company from any and all claims that AlphaGlobal may have against the Company or its subsidiaries, in exchange for the issuance of 8,000,000 common shares of the Company

(each a "Common Share") at a deemed subscription price of \$0.235 CDN (CDN\$1,880,000), 6,000,000 common share purchase warrants exercisable at \$0.24 CDN each entitling the holder to acquire one Common Share of the Company for a period of two years, and the payment of South African Rand ("ZAR") 9,000,000 (ZAR5,000,000 (paid) and ZAR1,000,000 each quarter end starting on September 30, 2020) (CDN\$720,000).

Diana Hu the CEO of Eastplats stated "this settlement closes a long-standing chapter and eliminates a significant contingency for the Company, created years ago by the previous management of the Company." Ms. Hu further added "current management continues to focus on operations of the Retreatment Project and other potential projects and opportunities to create value for all stakeholders."

Outlook

The Company is pleased to have its workforce returned and the Retreatment Project in full operations and also the start-up during July of the PGM scavenger plant.

The Company will update its forecasts following the completion of the Optimization Program, which is currently not known. The effects of COVID-19 are changing rapidly and could have material effects on the Company's 2020 outlook and its ability to attain targets.

The Company's targets for 2020 subject to capital availability include:

- Completion of the Optimization Program for the Retreatment Project;
- Maximize operating results of the Retreatment Project;
- Establishment and execution of the appropriate TSF phase II capital works program;
- Commissioning and operation of the PGM scavenger plant;
- Assessment of the Circuit H Project;
- Assessment and decision regarding the larger scale PGM production for the tailings resource;
- Assessment of the CRM Zandfontein underground operations;
- Ensure appropriate care and maintenance on all resource properties; and
- Assessment and decision regarding Mareesburg project.

The Company is actively looking at opportunities for its other assets and properties and exploring options to utilize or monetize these assets.

The Company has filed the following documents, under the Company's profile on SEDAR at www.sedar.com:

- Condensed interim consolidated financial statements for the three and six months ended June 30, 2020; and
- Management's discussion and analysis for the three and six months ended June 30, 2020.

COVID-19

On March 27, 2020, South Africa began a government directed nation-wide lock-down to fight COVID-19 and as a result the Company temporarily ceased its operations at CRM, until an essential services permit was issued by the government on April 8, 2020. Accordingly, the Company began to recall certain of its workers and following some additional maintenance and after a short ramp-up the Company began operating at 50% of the workforce until May 1, 2020. During May the Company then began to recall its remaining workforce who were on paid leave back to the mine, so that at June 1, 2020 all staff were back at work.

On June 13, 2020 the Company temporarily halted production for several days at CRM due to positive COVID-19 cases, but after full scale deep cleaning and testing, resumed operations at CRM.

The effects of COVID-19 are evolving and changing and the consequences of a further temporary shutdown of the CRM or other related issues cannot be reasonably estimated at this time but could potentially have material adverse effects on the Company's business, liquidity and cashflows.

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 most recent Annual Information Form available under the Company's profile on www.sedar.com.

In particular, this press release contains, without limitation, forward-looking statements pertaining to: the 2020 targets and objectives; the Company's ability to find opportunities for its other assets and properties and to maintain a safe workplace for its employees; the effects of the lockdown imposed by the Government of South Africa; any future measures taken by the Government of South Africa the Company's ability to test and assess PGM recovery opportunities in connection with the Retreatment Project. 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. 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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<https://www.rohstoff-welt.de/news/358500--Eastern-Platinum-Limited-Reports-Q2-2020-Results.html>

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