

# **Eastern Platinum Limited Reports Record Annual Full Year Revenue For 2023, Announces Restatement Of Comparatives, And Provides Its Targets For 2024**

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VANCOUVER, May 3, 2024 - [Eastern Platinum Ltd.](#) (TSX: ELR) (JSE: EPS) ("Eastplats" or the "Company") is pleased that it has filed its Audited Consolidated Financial Statements for the fiscal year ended December 31, 2023 and the corresponding Management's Discussion and Analysis and Annual Information Form. Below is a summary of the Company's financial performance for the fourth quarter of 2023 ("Q4 2023") and for the fiscal year ended December 31, 2023 ("FY2023") (all amounts in US\$ unless specified) in comparison to the restated periods in 2022 ("Restated Q4 2022" and "Restated FY2022", respectively):

- Revenue for Q4 2023 increased to \$30.5 million (Restated Q4 2022 - \$12.4 million), representing a 146.0% increase. Revenue for FY2023 increased to \$106.9 million, a record full year high (Restated FY2022 - \$53.9 million), representing a 98.3% increase.
- Mine operating income increased by \$9.6 million to \$7.8 million in Q4 2023 (Restated Q4 2022 mine operating income of -\$1.8 million), resulting in a gross margin of 25.5% in Q4 2023 as compared to -14.5% in Restated Q4 2022. Mine operating income for FY2023 increased by \$24.0 million to \$31.6 million (Restated FY2022 - \$7.6 million), resulting in a gross margin of 29.5% in FY2023 as compared to 14.2% in Restated FY2022.
- Operating income was \$2.8 million in Q4 2023 compared to an operating loss of -\$4.8 million in Restated Q4 2022. Operating income for FY2023 increased by \$23.2 million to \$18.5 million in FY2023 from an operating loss of -\$4.7 million in Restated FY2022, representing a 493.6% increase in operating income.
- Net income attributable to shareholders was \$3.3 million (\$0.02 earnings per share) in Q4 2023 versus \$1.4 million (\$0.01 earnings per share) in Restated Q4 2022. The increase in net income was largely attributable to the significant increase in third-party chrome concentrate sales in the period offset by pre-production costs of \$2.1 million as the Company initiated the restart of the Zandfontein underground section at the Crocodile River Mine ("CRM"). The Restated Q4 2022 net income was attributable to a restated operating loss offset by other income of \$6.6 million, which was mainly related to the change in the Company's loans payable.
- Net income attributable to shareholders increased to \$13.8 million (\$0.08 earnings per share) in FY2023 compared to a net loss attributable to shareholders of -\$0.9 million (\$0.01 loss per share) in Restated FY2022. The increase in net income for FY2023 is mainly attributable to the increased revenue and gross margins generated by remining and processing the Company's tailings resources at the CRM to produce chrome concentrate and platinum group metals ("PGM") concentrates, respectively, offset by pre-production costs incurred in Q4 2023 as described in the previous point. The Restated FY2022 net loss was attributable to an operating loss offset by other income of \$7.9 million, which mainly related to the change in the Company's loans payable.
- The Company had a working capital deficit (current assets less current liabilities) of \$15.5 million as at December 31, 2023 (Restated December 31, 2022 - working capital deficit of \$37.8 million) and short-term cash resources of \$21.3 million as at December 31, 2023 (Restated December 31, 2022 - \$2.4 million).

Wanjin Yang, Chief Executive Officer and President of Eastplats commented, "We are proud of the results that our chrome and PGM businesses have achieved. The team continues to work hard as the Retreatment Project comes to an end, turning it into a profitable operation by ramping up underground tonnages in the Zandfontein underground section at the Crocodile River Mine. Eastplats remains committed to continuing its operational and cost efficiency initiatives while being mindful of PGM market price movements."

#### Prior Year Error - Restatement of Comparatives

Certain 2022 comparative numbers in the FY2023 Audited Consolidated Financial Statements and corresponding Management's Discussion and Analysis have been restated to correct an error in the Fiscal 2022 consolidated financial statements that was identified subsequent to the 2022 year-end and is discussed below.

In connection with the preparation of the Company's consolidated financial statements for the year ended December 31, 2023, an error was identified in the recognition of revenue related to a chrome concentrate sales transaction in the fourth quarter of 2022 which impacts the Company's previously filed audited consolidated financial statements for the year ended December 31, 2022 and its unaudited interim consolidated financial statements for the three months ended March 31, 2023 ("Restated Q1 2023"). Revenue from chrome concentrate revenue is recognized when control is transferred to the buyer and payment is considered probable. A sale of chrome concentrate transaction that was included in deferred revenue at the end of 2022 and recognized as revenue in the first quarter of 2023 should have been recognized in the fourth quarter of 2022 based on the fact that the Company had met all of its required performance obligations at the time, as supported by the underlying contract and bill of lading. Previously reported revenue from 2022 was understated by \$4.0 million, with associated errors in production costs, inventories and deferred revenue.

The following table presents the effects of the restatement on the individual line items within the Company's Consolidated Statement of Income (Loss), Statement of Comprehensive Income (Loss) and Statement of Financial Position, expressed in thousands of U.S. dollars, except for per share amounts. The corrected prior period error had no impact on cash flows.

	Year Ended December 31, 2022		
	As previously reported		
	As previously reported	Adjustment	As restated
	\$	\$	\$
Revenue	49,834	4,049	53,883
Production costs	(39,739)	(2,339)	(42,078)
Mine operating income	5,930	1,710	7,640
Operating income (loss)	(6,453)	1,710	(4,743)
Net income (loss) for the year	(2,504)	1,710	(794)
Net (loss) attributable to equity shareholders of the Company	(2,648)	1,710	(938)
Earnings (loss) per share, basic and diluted	(0.02)	0.01	(0.01)
Comprehensive income (loss) for the year	(8,947)	1,766	(7,181)

	As at December 31, 2022		
	As previously reported		
	As previously reported	Adjustment	As restated
	\$	\$	\$
Inventories (current)	11,320	(2,418)	8,902
Deferred revenue (current)	17,300	(4,184)	13,116

The Restated Q1 2023 comparatives will be presented in the interim consolidated financial statements for the three months ended March 31, 2024, which are due to be filed by May 15, 2024.

The consolidated financial statements and related financial information for the affected period contained in the Company's filings filed prior to May 3, 2024 should no longer be relied upon.

## Operations

The Company generated revenue from processing PGM and chrome concentrates during Q4 2023 and FY2023. Eastplats' majority of revenue (approximately 96% and 95% for Q4 2023 and FY2023, respectively) is from chrome concentrate sales. Until July of 2022, this revenue was based on the Union Goal offtake agreement (the "Union Goal Offtake Agreement") entered into between the Company's subsidiary Barplats Mines (Pty) Limited ("Barplats") and Union Goal Offshore Solution Limited ("Union Goal") in relation to chrome concentrate production from the Retreatment Project. 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.

Additional non-cash deferred revenue was recognized based on tons made available for processing from the discounting of the chrome equipment debt and the construction loan based on an effective discount rate. Although the Union Goal Offtake Agreement remains in place, Union Goal stopped taking shipments of chrome concentrate in June 2022. Since July 1, 2022, chrome revenue has been recognized only through third-party sales of chrome concentrate. The Company also derives PGM revenue under a PGM offtake agreement with Impala Platinum Limited ("Impala") from further processing of tailings materials following the

production of chrome concentrates. The Retreatment Project is expected to continue operating into late 2024 when the original CRM tailings from the tailings storage facility ("TSF") are expected to be fully processed. The Company has initiated the restart of the Zandfontein underground section and is expected to process underground Run-of-Mine ("ROM") ore in May or June of 2024.

Summary of chrome production for the three months and year ended December 31, 2023 and 2022:

	Q4 2023	Q4 2022	FY2023	FY2022
Total Tailings Feed (Tons)	480,777	655,011	2,247,705	2,548,785
Average grade Cr concentrate	38.7 %	38.6 %	38.7 %	38.7 %
Tons of Cr concentrate	109,056	156,738	486,166	602,111

Summary of PGM production for the three months and year ended December 31, 2023 and 2022:

	Q4 2023	Q4 2022	FY2023	FY2022
Tons of PGM concentrate(dry) 900	1,337	3,869	5,616	
PGM ounces produced (6E)*	1,366	2,232	6,660	8,742

\*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 2024 are as follows:

- Resolve the outstanding receivables and related matters with Union Goal (ongoing);
- Ramp-up the Zandfontein underground operations (ongoing);
- Confirm capital plans to support the full re-opening of Zandfontein underground operations at the CRM from external sources (ongoing);
- Complete the second phase of the TSF capital works program and confirm the TSF dam space for new ROM tailings (ongoing);
- Optimize Main Plant Circuit B for underground operations (initiated);
- Renovate Circuit D to high energy flotation cells for better ROM processing recovery rate to 82% or higher (initiated);
- Advance the Maresburg and Spitzkop project environmental work to complete the Environmental Impact Assessment and other environmental studies and amendments (ongoing); and
- Continue prospecting and assessment work in relation to Zandfontein, Crocette and Kareespruit sections of the C Kennedy's Vale and Spitzkop mines at the eastern limb of the Bushveld Complex (ongoing).

Eastplats completed a life-of-mine study and underground mine design for Zandfontein in 2022 and the Board of Directors supported carrying out the Zandfontein underground restart business plan, subject to final evaluation and funding arrangements. During 2024, the Company is focusing on ramping up operations at the Zandfontein underground, subject to capital availability and profitability of its chrome operations. If successful, PGM production is expected to increase in 2024. There are no other expected changes to the business in 2024.

Care and maintenance will continue for the Company's previously developed eastern limb projects for 2024. The Company is actively looking at opportunities for its other assets including continuing to explore options to utilize or monetize these assets.

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](http://www.sedarplus.ca):

- Audited Consolidated Financial Statements for the fiscal year ended December 31, 2023;
- Management's Discussion and Analysis for the fiscal year ended December 31, 2023; and
- Annual Information Form at December 31, 2023.

The audited consolidated financial statements for the fiscal year ended December 31, 2023 is available for download at <https://www.eastplats.com/investors/quarterly-reports/F2023/> and is also available on the JSE's website at:

<https://senspdf.jse.co.za/documents/2023/JSE/ISSE/EPS/FY23.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, Maresburg) 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 from the Barplats Zandfontein tailings dam and mining and processing ore from the Zandfontein underground section to both produce PGM and chrome concentrates.

#### 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", "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](http://www.sedarplus.ca).

In particular, this press release contains, without limitation, forward-looking statements pertaining to: the length of operations of the Retreatment Project into late 2024; processing of the CRM tailings from the TSF; timing for the processing of underground ROM in May or June 2024; the Company's targets for 2024 including resolving the outstanding receivables and related matters with Union Goal; ramping-up the Zandfontein underground operations; confirming capital plans to support the full re-opening of Zandfontein underground operations at the CRM; completing the second phase of the TSF capital works program and confirming the TSF dam space for new ROM tailings; optimizing Main Plant Circuit B for underground operations; renovating Circuit D to high energy flotation cells for better ROM processing recovery rate to 82% or higher; advancing the Maresburg project environmental work to complete the EIA and other environmental studies and amendments; continuing prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies of the CRM and Kennedy's Vale and Spitzkop mines at the eastern limb of the Bushveld Complex; PGM production for 2024; care and maintenance will continue for the Company's eastern limb projects for 2024; and other potential changes during 2024. 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 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.sedarplus.ca](http://www.sedarplus.ca). 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.

SOURCE [Eastern Platinum Ltd.](#)

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