

Eastern Platinum Limited Reports Results For The Second Quarter Of 2024

13.08.2024 | [CNW](#)

VANCOUVER, Aug. 13, 2024 - [Eastern Platinum Ltd.](#) (TSX: ELR) (JSE: EPS) ("Eastplats" or the "Company") is pleased that it has filed its condensed interim consolidated financial statements for the three and six months ended June 30, 2024, along with the corresponding management's discussion and analysis ("MD&A"). Below is a summary of the Company's financial results for the second quarter of 2024 ("Q2 2024") and for the six months ended June 30, 2024 ("YTD 2024") in comparison to the same respective period in 2023 ("Q2 2023" and "YTD 2023") (all amounts in USD unless specified):

- Revenue for Q2 2024 decreased to \$18.8 million (Q2 2023 - \$36.6 million), representing a \$17.8 million or 48.6% decrease. Revenue for YTD 2024 decreased to \$34.5 million (YTD 2023 - \$54.7 million), representing a \$20.2 million or 36.9% decrease.
- Mine operating income decreased by \$8.9 million (or -66.9%) to \$4.4 million in Q2 2024 (Q2 2023 - \$13.3 million). Mine operating margin declined to 23.6% in Q2 2024 from 36.2% in Q2 2023. Mine operating income in YTD 2024 decreased by \$10.1 million (or -42.3%) to \$9.7 million (YTD 2023 - \$16.8 million), resulting from a reduced gross margin of 28.2% in YTD 2024 compared to 30.7% in YTD 2023.
- Operating income was \$1.6 million in Q2 2024 compared to \$10.4 million in Q2 2023. Operating income was \$1.6 million in YTD 2024 compared to \$12.2 million in YTD 2023.
- Net income attributable to equity shareholders was \$3.5 million (\$0.02 earnings per share) in Q2 2024 versus net income attributable to equity shareholders of \$7.7 million (\$0.04 earnings per share) in Q2 2023. The decrease in Q2 2024 net income was largely attributable to lower chrome sales in the quarter offset by a decrease in finance costs and a foreign exchange gain in the period due to the strengthening of the South African Rand.
- Net income attributable to equity shareholders was \$2.6 million (\$0.01 earnings per share) in YTD 2024 compared to net income attributable to equity shareholders of \$7.3 million (\$0.05 earnings per share) in YTD 2023. The decrease in net income was mainly attributable to lower gross margins earned on year-to-date chrome sales offset by a decrease in finance costs.
- The Company had a working capital deficit (current assets less current liabilities) of \$17.0 million as at June 30, 2024 (December 31, 2023 - working capital deficit of \$15.5 million) and short-term cash resources of \$17.4 million (consisting of cash, cash equivalents and short-term investments) (December 31, 2023 - \$21.3 million).

Wanjin Yang, Chief Executive Officer and President of Eastplats commented, "We continue to focus our efforts on ramping up chrome production in the Zandfontein underground section at the Crocodile River Mine and expect to process the run-of-mine chrome ore. We are all working hard to improve chrome recoveries from the remaining tailings resource."

Operations

The Company derived revenue from the processing of PGM and chrome concentrates at the Crocodile River Mine ("CR Mine"). Eastplats' majority of revenue (approximately 96% and 95% for Q2 2024 and YTD 2024, respectively) is from chrome concentrate sales to third parties.

Summary of chrome production for the three and six months ended June 30, 2024 and 2023:

	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Total Tailings Feed (Tons)	281,867	615,060	667,166	1,247,014
Average grade Cr concentrate	38.4 %	39.0 %	38.5 %	38.8 %
Tons of Cr concentrate	72,305	127,122	152,187	274,221

The Company continues the tailings storage facility ("TSF") wall building program, utilizing waste rock and paddocking, to raise the wall to facilitate continued depositing of reprocessed tailings. The reprocessing of the original CRM tailings (the "Retreatment Project") is expected to be completed by the end of 2024.

Summary of PGM production for the three and six months ended June 30, 2024 and 2023:

	Q2 2024	Q2 2023	YTD 2024	YTD 2023
Tons of PGM concentrate	808	959	1,753	2,115
PGM ounces produced (6E)*	1,060	1,973	2,548	4,108

*PGM 6E ounces are estimates until final exchanges and umpire results have been concluded, which can take up to three months

Year-over-year production decreased between Q2 2023 and Q2 2024 due to inclement weather and operational challenges incurred in the current period, as lower grade sections of the TSF, containing vegetation and other impediments, were not processed.

As the end of the Retreatment Project approaches, Eastplats continues underground blasting activities at the CRM and raise and stockpile run-of-mine ("ROM") ore at the surface for processing. The commissioning of the processing plant is to be completed by the end of August or early September of 2024, which will mitigate revenue decreases at the CRM. At a normalized run rate, this soft restart phase is expected to produce 40,000 tons of ROM ore per month for processing by 2024. The next phase will see operations ramp up to 70,000 tons of ROM ore for processing by the end of 2025, operating at a steady state rate of 70,000 to 80,000 tons monthly by 2026.

Prior Period Restatement of Comparatives

Certain 2023 comparative numbers in the condensed interim consolidated financial statements and corresponding MD&A have been restated to show the impact of an error that was identified and reported during the 2023 year end process, as discussed below.

As discussed in the previous news release of May 3, 2024, 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 impacted the Company's previously filed audited consolidated financial statements for the year ended December 31, 2022 and its unaudited condensed interim consolidated financial statements up to and including the three and nine months ended September 30, 2023.

A sales 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 for the first quarter of 2023 was overstated by \$4.0 million, with associated adjustments in production costs, accumulated other comprehensive loss and deficit. These adjustments carried forward into the year-to-date figures reported as comparative Company's quarterly financial statements.

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

	Six months ended June 30, 2023		
	As previously reported	Adjustment	As restated and reported in the interim financial statements
	\$	\$	\$
Revenue	58,694	(4,021)	54,673
Production costs	(36,820)	2,324	(34,496)
Mine operating income (loss)	18,493	(1,697)	16,796
Operating income (loss)	13,898	(1,697)	12,201
Net income (loss) for the period	8,999	(1,697)	7,302
Net income (loss) attributable to equity shareholders of the Company	9,007	(1,697)	7,310
Earnings (loss) per share, basic and diluted	0.06	(0.01)	0.05
Comprehensive income (loss) for the period	1,211	(1,766)	(555)

As at June 30, 2023

	As previously reported	Adjustment	As restated and reported in the interim financial statements
	\$	\$	\$
Accumulated other comprehensive loss	(325,586)	(13)	(325,599)
Deficit	(843,237)	13	(843,224)

The Company's audited consolidated financial statements for the year ended December 31, 2023 reflected these changes. The unaudited interim consolidated financial statements and related financial information for the affected period contained in the Company's unaudited interim filings prior to May 13, 2024 should no longer be relied upon.

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:

- Condensed interim consolidated financial statements for the three and six months ended June 30, 2024; and
- Management's discussion and analysis for the three and six months ended June 30, 2024.

The condensed interim consolidated financial statements for the three and six months ended June 30, 2024 are available for download at <https://www.eastplats.com/investors/quarterly-reports/F2024/> and are also available on the JSE's website at: <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/EPS/Q224.pdf>.

About Eastern Platinum Limited

Eastplats owns directly and indirectly a number of platinum group metals ("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, Mareesburg) 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 news 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.

In particular, this press release contains, without limitation, forward-looking statements pertaining to: completion of the original CRM tailings, timing of the completion of the commissioning of the processing plant, mitigation of revenue decreases at the CRM, the monthly ROM ore tonnage ramp up at the Zandfontein underground operations, and timing of expected monthly production rates of ROM ore. These forward-looking statements are made as of the date of this news release and are 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 this Forward-Looking Statement. 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.

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All forward-looking statements in this news 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. The forward-looking statements in this news 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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