

EASTERN PLATINUM LIMITED

(Incorporated in Canada)

(Canadian Registration number BC0722783)

(South African Registration number 2007/006318/10)

Share Code TSX: ELR ISIN: CA2768555096

Share Code JSE: EPS ISIN: CA2768555096

(‘Eastplats’ or the ‘Company’)



March 25, 2022

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

NEWS RELEASE

EASTERN PLATINUM LIMITED REPORTS ANNUAL FINANCIAL RESULTS FOR 2021 AND PROVIDES ITS TARGETS FOR 2022

March 25, 2022, Vancouver, British Columbia – Eastern Platinum Limited (“**Eastplats**” or the “**Company**”) is pleased to report that it has filed its Audited Consolidated Financial Statements for the fiscal year ended December 31, 2021 and the corresponding Management’s Discussion and Analysis and Annual Information Form. Below is a summary of the Company’s financial results for the fourth quarter of 2021 (“**Q4 2021**”) and for the fiscal year ended December 31, 2021 (“**FY2021**”) (all amounts in USD unless specified) in comparison to the same respective periods in 2020 (“**Q4 2020**” and “**FY2020**”, respectively):

- Revenue for Q4 2021 decreased to \$15.6 million (Q4 2020 - \$15.8 million), representing a 1.3% decrease. Revenue for FY2021 increased to \$68.2 million (FY2020 - \$56.1 million), representing a 21.5% increase.
- Mine operating income increased by \$1.4 million (or 93.8%) to \$3.0 million in Q4 2021 (Q4 2020 - \$1.5 million), resulting in an improved gross margin of 19.1% in Q4 2021 from 9.7% in Q4 2020. Mine operating income in FY2021 increased by \$4.1 million (or 73.1%) to \$9.6 million (FY2020 - \$5.6 million), resulting in an improved gross margin of 14.1% in FY2021 from 9.9% in FY2020.
- Operating income was \$0.2 million in Q4 2021 compared to an operating loss of \$0.7 million in Q4 2020. Operating loss improved by \$2.5 million to \$1.2 million in FY2021 from \$3.7 million in FY2020, a 67.2% decrease in operating loss.
- Net loss attributable to shareholders was \$1.9 million (\$0.01 loss per share) in Q4 2021 versus earnings attributable to shareholders of \$3.0 million (\$0.03 earnings per share) in Q4 2020. The Q4 2021 net loss was largely attributable to the foreign exchange loss due to the depreciation of the South African Rand relative to the U.S. Dollar in Q4 2021 while in Q4 2020, the Rand had strengthened.
- Net loss attributable to shareholders decreased to \$1.2 million (\$0.01 loss per share) in FY2021 compared to a loss of \$8.0 million (\$0.08 loss per share) in FY2020. The improvement during FY2021 is mainly attributable to the increased revenue and positive gross margins generated by remining and processing the Company’s tailings resources at the Crocodile River Mine (“**CRM**”) to produce chrome concentrate and platinum group metals (“**PGM**”) concentrate, respectively; and a gain of \$3.3 million to settle and dismiss certain outstanding lawsuits (see press release of June 21, 2021 for further information). The improvement was offset by increased care and maintenance costs due to a rise in labour and electricity costs in South Africa and work on the Zandfontein underground at the CRM.
- The Company had positive working capital (current assets less current liabilities) of \$14.6 million as at December 31, 2021 (December 31, 2020 - \$4.1 million).

Operations

The Company continues its Retreatment Project at Barplats Mines (Pty) Limited's tailings facility located at the Company's CRM in South Africa.

Summary of chrome production for the three months and year ended December 31, 2021 and 2020:

	Q4 2021	Q4 2020	FY2021	FY2020
Total Tailings Feed (Tons)	597,814	671,162	2,504,777	2,328,732
Average grade Cr concentrate	39.38%	38.46%	38.71%	38.56%
Tons of Cr concentrate	149,943	202,225	773,274	987,003

The majority of the Company's revenue (approximately 89% and 92% for Q4 2021 and FY2021, respectively) is generated from the offtake agreement with Union Goal Offshore Solution Limited ("**Union Goal**") in relation to chrome concentrate production from the Retreatment Project. The remaining amount of the Company's revenue was from PGM concentrate sales to Impala Platinum Limited ("**Impala**"). There were no PGM revenues generated during the comparable periods in 2020.

The completion of the reconfiguration and optimization of the small-scale PGM circuit ("**PGM Circuit D**") in Q1 2021 continued to successfully utilize the feed, following the recovery of chrome concentrate, to produce PGM concentrate under the respective offtake agreements in Q4 2021. Refurbishment work commenced on the PGM main plant circuit ("**PGM Main Circuit B**") during April 2021 and the circuit was commissioned in October 2021 (see press release of October 29, 2021 for further information). PGM Circuit D and PGM Main Circuit B (collectively, the "**PGM Circuits**") are both operating, which continue to drive revenue growth and gross margin improvement for the Company.

Summary of PGM production for the three months and year ended December 31, 2021:

	Q4 2021	Q4 2020	FY2021	FY2020
Tons of PGM concentrate	905	32	1,853	32

During the year, the Company continued work to close the Maroelabult resource project sale with Eland Platinum (Pty) Limited. Eastplats announced the completion of the sale (see press release of March 22, 2022 for further information). Total cash consideration of R20 million (approximately \$1.3 million) was received on March 9, 2022 after the transfer of legal title and various regulatory obligations required in South Africa were completed.

Diana Hu, President, Chief Executive Officer, and Director of Eastplats commented, "We continue to be encouraged by the positive results as the Company's revenue growth and profitability improves from the Retreatment Project and PGM capacity increases from the PGM circuits. We have initiated efforts to raise funds to restart the Zandfontein underground operations at the Crocodile River Mine and if successful, look forward to the opportunity to generate additional revenue streams for the Company."

Outlook

The Company's targets for 2022 are as follows:

- Optimize the operations of the Retreatment Project and maximize returns (ongoing)
 - Completion of the Optimization Program for the Retreatment Project (ongoing)
 - Assess the value of the chrome recovery plant after optimization (initiated)
- Operate and optimize the PGM Circuits (ongoing);
- Capital raise to restart Zandfontein underground operations at the Crocodile River Mine (initiated);
- Completion of the second phase of the tailings storage facility ("**TSF**") capital works program (ongoing);

- Maresburg project environmental work to complete the legal analysis on the Environmental Impact Assessment (“EIA”) and other environmental studies and amendments (ongoing);
- Prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies (ongoing);
- EIA and assessment work regarding a vertical furnace and pelletizer of chrome concentrate (ongoing); and
- Update other capital assessments upon completion of capital fundraising.

Care and maintenance with respect to the underground portion of the CRM will continue while the Company assesses the Zandfontein underground operations for restart.

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.sedar.com:

- Audited Consolidated Financial Statements for the fiscal year ended December 31, 2021;
- Management’s Discussion and Analysis for the fiscal year ended December 31, 2021; and
- Annual Information Form at December 31, 2021.

The audited consolidated financial statements for the fiscal year ended December 31, 2021 is available for download at <https://eastplats.com/investors-2/reports/> and is also available on the JSE’s website at: <https://senspdf.jse.co.za/documents/2022/JSE/ISSE/EPS/FY21.pdf>.

Covid-19

There were no changes to the alert levels in South Africa, and they remain at alert level 1 regarding COVID-19. The Company continues to follow the health guidelines of the Government of South Africa. The chrome and PGM production and delivery remains in full operation. The effects of COVID-19 are uncertain and the consequences of a further increase in the alert level in South Africa, temporary shutdown of any operations or other related issues cannot be reasonably estimated at this time, but could potentially have material adverse effects on the Company’s business, operations, liquidity and cashflows.

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 and eastern limbs 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 to produce PGM and chrome concentrates from the Barplats Zandfontein tailings dam.

For further information, please contact:

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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.sedar.com.

In particular, this press release contains, without limitation, forward-looking statements pertaining to: profitability; revenue growth and gross margin improvements derived from the PGM Circuits; the Company’s targets for 2022 including optimization of the Retreatment Project operations; completion of the Optimization Program for the Retreatment Project, assessment of the value of the chrome recovery plant; operations and optimization of the PGM Circuits; capital raise to restart Zandfontein underground operations at the Crocodile River mine; completion of the second phase of the TSF capital works program; Maresburg project environmental work to complete the legal analysis on the EIA and other environmental studies and amendments; prospecting and assessment work in relation to Zandfontein, Crocette and Spitzkop ore bodies; EIA and assessment work regarding a vertical furnace and pelletizer of chrome concentrate; the update of other capital assessments upon completion of capital fundraising; care and maintenance with respect to the underground portion of the CRM; and the potential effects of COVID-19 and any future measures taken by the Government of South Africa and their impact on the Company and its business, operations, liquidity and cashflows. 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.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.

The Company has a primary listing on the Toronto Stock Exchange and a secondary listing on the JSE Limited.

25 March 2022

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