



**August 17, 2016**

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

All amounts expressed in US dollars.

## **NEWS RELEASE**

### **EASTERN PLATINUM LIMITED REPORTS SECOND QUARTER 2016 RESULTS**

August 17, 2016, Vancouver, British Columbia – Eastern Platinum Limited (“**Eastplats**” or the “**Company**”) is pleased to provide an update on its second quarter of 2016 results, as follows:

- Eastplats reported a net loss of \$25.5 million (\$0.24 per share) for the second quarter, after taking a \$23.3 million impairment charge on its Crocodile River Mine.
- Excluding the one-time impairment charge, net loss for the second quarter was \$2.1 million (\$0.02 per share) compared to a net loss of \$3.2 million (\$0.03 per share) in the same quarter of prior year, due to a significant reduction in care and maintenance costs in the Company’s South African operations.
- The Company’s balance sheet as the end of second quarter of 2016 was strong, with cash and short -term investments totalling \$45.8 million and a net working capital of \$52.4 million.
- The Company is looking at a further reduction of its care and maintenance cost in its South African operations and its general and administrative costs.
- The new management is reviewing the Company’s strategic plans and its global footprints in platinum group metals (“**PGM**”).

#### **Operating Highlights and Outlook**

The Company appointed a new President and Chief Executive Officer on July 27, 2016. On August 1, 2016, the Company hired Read, Swatman & Voigt (Pty) Ltd (RSV) to conduct an independent review of its mineral assets in South Africa with the intention of preparing a technical feasibility report (in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects) by the end of September 2016.

While the Company is still in the process of reviewing its strategic plan, the Company believes that, given the continued stagnation of the global economy and the European car market (which consumes approximately 50% of South Africa’s platinum production) the industry will be contending with a continuation of stagnant PGM prices which are hovering near 10-year lows, despite indications of some meaningful production cuts from the larger PGM producers. At the same time, the South African PGM industry continues to experience a number of adverse economic factors, particularly ongoing labour unrest, operating cost inflation, and concerns with respect to reliable power delivery. Ongoing cost pressures and decreasing productivity in South Africa may continue to significantly reduce free cash flow for the industry.

Subject to adequate funding being available, development of the Mareesburg open pit mine and Kennedy’s Vale concentrator project, which was suspended in mid-2012, may be restarted once market and operating conditions support such recommencement.

Additional funding will be required to bring the project into production, and to bring the rest of the Eastern Limb Projects (including Spitzkop and Kennedy’s Vale) into production, and such funding may include a financing package, joint venture or other third party participation in one or more of these projects, or the public or private sales of equity or debt securities of the Company.

Diana Hu, President and Chief Executive Officer, stated, "Overall, Eastplats is continuing its commitment in developing and advancing its platinum group metal projects in South Africa. Under the leadership of new management and the board of directors, the Company believes it is in a strong position to enter a new development stage."

The Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2016 (unaudited) and the management's discussion and analysis of financial conditions and results of operations for the three and six months ended June 30, 2016 are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Cautionary Statement on Forward-Looking Information**

*This press release contains certain "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 "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. This press release contains forward-looking statements, pertaining to, among other things, the following: future reductions of the Company's costs, the review of the Company's strategic plans and its global footprints in the PGM industry, the Company's intention to accomplish a resource and reserve report by end of September 2016, the board's belief that it is in a strong position to enter a new development stage, the future funding of the Company's projects, the future development and advancement of the Company's projects, the Company's belief that the platinum production industry will have to face a continuation of stagnant PGM prices, the continuing impact of adverse economic factors on the South African PGM industry, the assertion that ongoing cost pressure and decreasing productivity in South Africa will continue to reduce free cash flow for the PGM industry, the possibility of restarting the development of the Maresburg open pit mine and Kennedy's Vale concentrator projects, the insufficiency of adequate funding when the project is restarted, the requirement of additional funding to bring the project into production and how that funding will be attained.*

*With respect to forward-looking statements contained in this press release, assumptions have been made regarding, among other things, market conditions, economic outlook, the price of PGMs, fluctuations in currency markets, inflation, productivity levels, litigation, the regulatory framework in the jurisdictions in which the Company conducts its business, operating costs and the Company's ability to obtain financing on acceptable terms.*

*Forward-looking statements are subject to all of the risks and uncertainties normally incident in the mining and development of PGMs that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These risks include, but are not limited to, the risk of fluctuations in the assumed exchange rates of currencies that directly impact the Company, such as the Canadian dollar, South African Rand and U.S. dollar, the risk of fluctuations in the assumed prices of PGM and other commodities, the risk of changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, South Africa, or Barbados or other countries in which the Company carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, assumed quantities or grades of reserves and certain other known and unknown risks detailed from time to time in the Company's public disclosure documents, copies of which are available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*Although the Company believes that the material factors, expectations and assumptions expressed in such forward-looking statements are reasonable based on information available to it on the date such statements were made, no assurances can be given as to future results, levels of activity and achievements and such statements are not guarantees of future performance. The Company's actual results may differ materially from those expressed or implied in forward-looking statements and readers should not place undue importance or reliance on the forward-looking statements. Statements including forward-looking statements 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 publically update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

**For further information, please contact:**

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***No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.***