DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (the Group) consisting of Sylvania Platinum Limited (the Company or Sylvania) and the entities it controlled at the end of, or during, the financial year ended 30 June 2020. Sylvania is a limited company incorporated and domiciled in Bermuda. Unless otherwise stated, the consolidated financial information contained in this report is presented in USD.

Directors

The names of the Directors who held office during, or since the end of, the financial year and until the date of this report, are as follows:

SA Murray	*(Independent Non-executive Chairman)*
TM McConnachie	*(Chief Executive Officer)- retired effective 29 February 2020*
RA Williams	*(Independent Non-executive Director)*
E Carr	*(Independent Non-executive Director)*
JJ Prinsloo	*(Chief Executive Officer) – effective 1 March 2020*
L Carminati	*(Chief Financial Officer) – effective 1 March 2020*

The Directors of Sylvania were in office from 1 July 2019 unless otherwise stated.

Information on Directors

SA Murray

Mr Murray has over 30 years of executive experience in the Southern African platinum sector, commencing his career at Impala Platinum's Refineries in 1984. He held a number of positions at Impala Platinum, Rhodium Reefs, Barplats, and Middelburg Steel and Alloys, before joining Aquarius Platinum Limited in 2001 as Chief Executive Officer, holding that position until 2012. He was a non-executive director of Talvivaara Mining Company Plc, the former Finnish nickel miner, and is the Chairman of Imritec Limited, an aluminium by-products recycler.

Special responsibilities

Independent Non-executive Chairman of the Board
Member of the Remuneration Committee

RA Williams

Mr Williams is a Chartered Accountant with over 20 years' international experience in mining finance and holds an honours degree in French and Spanish. After joining Randgold Resources in 1997, he was appointed Group Finance Director in 2002. Mr Williams went on to become Chief Financial Officer of JSE-listed AECI Limited. He has served on a number of boards in the mining and mining services sectors and is currently a non-executive director of AfriTin Mining Limited and Digby Wells Environmental and part-time CFO of a privately-owned mining company.

Special responsibilities

Chairman of the Audit and Remuneration Committees

E Carr

Ms Carr, who joined the Board of Sylvania Platinum Limited on 1 May 2015, is a Chartered Certified Accountant with an MSc in Management from London University and is a SLOAN Fellow of London Business School. Ms Carr has over 30 years of experience within the resources sector having worked worldwide on a host of large-scale mining operations. She was appointed Finance Director of Cluff Resources in 1993 and has, since that time, held several executive directorships in the resources sector, including CFO for Monterrico Metals plc, the AIM-listed copper exploration company developing the Rio Blanco project in Peru. Her first non-executive role was for Banro Corp in 1998 and, more recently, she has been a non-executive director for Talvivaara Mining Co, the Finnish nickel company. Currently, Ms Carr is a non-executive director of Bacanora Lithium plc.

Special responsibilities

Member of the Audit Committee

JJ Prinsloo
Mr Prinsloo has been appointed as CEO and admitted to the Sylvania Board since March 2020. Since January 2012, he has served in senior positions at Sylvania, initially as Executive Officer: Operations and as Managing Director of the South African Operations from March 2014, until his appointment to his current position. Prior to joining Sylvania, Jaco was principal metallurgist at Anglo American for Anglo Operations Limited, which followed eight years at Anglo American Platinum Limited from 2002 in various senior metallurgical positions across the group. During the past 20 years in the mining industry he has been exposed to various operational and technical aspects of both the South African as well as international mining landscape and he has gained experience in both the precious and base metals sectors.

Jaco is a metallurgical engineer and holds a Bachelors of Engineering in Metallurgy from Pretoria University, a Postgraduate Diploma in Business Administration and an MBA from the Gordon Institute of Business Science (UP).

Special responsibilities
Chief Executive Officer – appointed effective 1 March 2020

L Carminati
Ms Carminati is a qualified Chartered Accountant and holds a Postgraduate Certificate in Mining Tax. She joined Sylvania in 2009 and in 2011 was appointed as Executive Officer: Finance for the South African operations before being appointed CFO and admitted to the Sylvania Board since March 2020. She has gained substantial and diverse experience in the various aspects of financial management at a senior level, with a particular focus on compliance, governance and financial reporting. She has also taken a leadership role in corporate finance transactions.

Special responsibilities
Chief Financial Officer – appointed effective 1 March 2020

Company secretary
The Company Secretary role is held by Conyers Corporate Services (Bermuda) Limited (previously known as Codan Services Limited) and they are assisted by Ms Carr.

Principal activities
The principal activity of the Group is the low-cost extraction of PGMs from chrome dumps and current arisings, as well as investment in mineral exploration. Further information is provided in the CEO's review.

Business review
Principal risks and uncertainties
Risk management is the responsibility of all employees, guided by the Board of Directors and Audit Committee. Sylvania is exposed to risks in the mining and exploration industry as well as a variety of other risks not specific to the industry. The Board and Management assess the ongoing risks on a regular basis including the impact of short-term risks with potential long-term impacts on the Group such as the coronavirus pandemic. Risk assessments are undertaken on a regular basis. Internal and external risks are identified and the impact thereof considered on the Group business model.

Risks identified are linked to the Group deliverables in order to ensure continuous mitigation of these risks, which is aligned with corporate strategic objectives.

Principal risk factors that the Board feel may affect the performance of the Group are detailed below. The risks described below are not exhaustive and do not take into account risks the Board are unaware of. Immaterial risks are not disclosed below.

The risks below are not presented in any order of priority.

COVID-19
Risk and impact:
At the time of release of this report, the coronavirus pandemic is considered a risk with great uncertainty and possible long-term effects on the Group. Employee safety and wellbeing, group cashflows and sustainable operations are all potentially affected by the spread of COVID-19 and cannot be fully quantified at this stage. The impact is further felt by the South African government implemented State of Disaster and the constantly changing regulations aimed at safeguarding its citizens and rebuilding the economy.

There is little that can be done to control risks of this nature and managing the risk is more about an adequate response process.

Mitigation

As the cash generating operations are in South Africa, much of the planning is guided by the government-imposed regulations with strict protocols from the DMRE for the mining industry as well as the procedures and practices required to be adhered to at our host mine and the smelters.

The safety and wellbeing of our employees is our first priority. The supply and wearing of protective equipment and adherence to strict hygiene rules are mandatory. Social distancing is required on all operations and all corporate and administrative employees are still encouraged to work from home where possible.

The Group's strong liquidity has enabled it to continue to operate through these unprecedented times and prudent cash management should allow the Group to continue as a going concern for the foreseeable future.

Sustained Resources

Risk and impact:

The retreatment of dump material has a finite life and the processing of current arisings alone is not sustainable. It is essential for the long-term continuation of the SDO that additional feed material is found and committed to the plants or the mining assets are further explored for development.

Mitigation:

The majority of operations have dump resources which will still provide several years of production. The risk is partly mitigated by the addition of current arisings from the host mines which are fed through the SDO. These feed sources will be available to the Group for the life of the mine and are currently not at risk. The Project Echo expansion project will extend the life of the SDO and maintain ounce production for the coming years. Technologies and production improvements for optimisation and improved efficiencies are investigated and implemented where considered beneficial.

Opportunities to acquire additional dump resources and the ability to extend the life of the SDO are being investigated continuously by the Board and Senior Management. The research and development project undertaken so far is yielding promising results and if successful will enable the Group to diversify into other areas and commodities.

Capital management

Risk and impact:

The selection of capital projects must provide investors with the required returns and strategic outcomes. Incorrect decision making and large capital overruns could have a significant impact on the sustainability of the Group.

Mitigation:

Detailed analysis and due diligence are performed on all potential capital projects and are only considered where the Internal Rate of Return (IRR) is at least 20%.

Any capital expansion projects are funded out of surplus cash although pipeline finance is an option.

The current PGM prices have allowed the Board to reconsider the possible development of its mining assets. These projects will be carefully considered and must meet the required returns before being pursued. The Board is taking a phased approach to these projects and will be reassessing their potential on an on-going basis.

Cyber security

Risk and impact:

Cyber threats are growing rapidly as the digital landscape grows. These range from business interruptions, data breaches to cyber fraud and ransomware. A cyber incident could be malicious or unintentional, but the impact can be the same. This risk has increased since the outbreak of the coronavirus pandemic as employees are encouraged to work from home where possible.

Mitigation:

Cyber vulnerability assessments are carried out on a regular basis. The Group has invested in improved cyber security and continues to upgrade all systems where necessary. Focus is placed on continued education for all employees as to the risks as well as physical security measures.

Country and Infrastructure Risk
Risk and impact:
The Group's operations are all in South Africa. The socio-economic environment as well as community unrest in South Africa continues to be a concern for the sector in general. The spread of COVID-19 may contribute even further to low growth in South Africa. Reliance on third party providers for the availability and access to power and water continue to be limiting factors in some of the areas in which the Company operates. In addition, the regulatory, political and legal environment in which the Company operates poses risks and challenges to the sustainability of the mining industry in South Africa, and therefore may impact the sustainability of the Company.

Mitigation:
Directors and Management place great emphasis on maintaining constructive relations with labour and communities through ongoing communication, engagement and awareness within the footprint of which the Group operates. The increased risk of power cuts which the country is currently facing has necessitated management to investigate alternate power sources where not already installed to ensure plant uptime is maintained and capital projects are not placed at further risk. Boreholes have been drilled at operations where water supply is constrained and alternate water supplies identified where possible. The Board monitors the political environment and regulatory changes closely, considers the impact on the Company and takes the necessary action when required.

Commodity price and exchange rate fluctuations
Risk and impact:
Metal prices are subject to high levels of volatility and are impacted by a number of factors that are outside the control of the Board and Management. Cash generation, profitability and future growth of the Group is linked to the PGM price and the USD/ZAR exchange rate. The PGM basket price has been favourable over the past financial year, but any downturn in the price could have a significant impact on the Group's cashflows. As the Group's operations are all South Africa based, the majority of the operating and capital expenditure is incurred in ZAR, while revenues and reporting are USD based, exposing the Group to the volatility of ZAR/USD exchange rate.

Mitigation:
The Board and management monitor the market in which the Group operates closely. Long term financial planning is undertaken and production is carefully planned and focussed on the extraction of low-cost ounces through production efficiencies and recovery optimisation. Operational costs are carefully monitored and managed. Cost saving strategies are investigated and reviewed regularly.

Retention of key staff
Risk and impact:
The Group relies on a small team of experienced professionals with specific skills for its success. The loss of key personnel and the failure to attract appropriate employees may cause unnecessary disruption to the business.

Mitigation:
The Company looks to incentivise key employees through the granting of bonus share awards, review peer group structures and benchmarking to ensure salaries are competitive, provide a safe and rewarding working environment and provide training and development programmes. Succession planning is also on the agenda at Board and Remuneration Committee meetings.

Group financial results
Results for the year

		2020	2019	+- % Change
Gross basket price	$/oz	**2,015**	1,277	58%
Net Revenue	$ 000	**114,092**	70,538	62%
Group cash cost	ZAR/oz	**9,901**	7,885	26%
Group cash cost	$/oz	**636**	556	14%
Gross profit	$ 000	**66,062**	25,683	157%
General administration costs	$ 000	**(2,169)**	(2,003)	8%
Profit before income tax expense	$ 000	**55,947**	24,394	129%
Adjusted Group EBITDA	$ 000	**69,589**	30,242	130%

Group financial results
Results for the year (continued)

Cash generated from operations (before working capital changes)	$ 000	**71,372**	29,928	138%
Changes in working capital	$ 000	**(381)**	(5,349)	-93%
Net finance income received	$ 000	**1,788**	694	158%
Taxation paid	$ 000	**(14,756)**	(8,093)	82%
Net increase/(decrease) in cash and cash equivalents	$ 000	**40,642**	7,810	420%
Cash and cash equivalents, end of year	$ 000	**55,877**	21,797	156%
Production				
Plant feed	T	**2,341,452**	2,328,352	1%
Total 3E and Au	Oz	**69,026**	72,090	-4%
PGM plant recovery	%	**57%**	49%	16%
Capital expenditure				
Property, plant and equipment	$ 000	**5,200**	8,042	-35%
Exploration and evaluation assets	$ 000	**212**	253	-16%
Total capital expenditure	$ 000	**5,412**	8,295	-35%

Net Revenue
Net Revenue increased 62% year-on-year mainly due to the higher gross basket price of $2,015/ounce against $1,277/ounce recorded in the prior year.

Operating costs
Operating costs for the Group increased 26% year-on-year to ZAR9,901/ounce compared to ZAR7,885/ounce in the previous year. The all-in sustaining cost (AISC) for the Group was ZAR10,181/ounce and an all-in cost (AIC) of ZAR11,103/ounce for the financial year. This compares to the AISC and AIC for 30 June 2019 of ZAR8,201/ounce and ZAR9,534/ounce respectively.

Impairment of exploration and evaluation assets
An amount of $9,504,774 was impaired on the Aurora project (part of the Northern Limb projects) during the financial year.

General and administration
These costs relate mainly to listing costs, share registry costs, advisory and public relations costs and consulting fees. General and administrative costs are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs increased 8% year-on-year in the reporting currency.

Mining and income tax
Income tax paid for the financial year amounted to ZAR229.7 million ($14.8 million) compared to ZAR114.9 million ($8.1 million) for the previous financial year, as a result of increased taxable profits at the operations and after mining capital allowances. Income tax is paid in ZAR on taxable profits generated at the South African operations.

Profit
The consolidated profit before tax of the Group at 30 June 2020 was $55.9 million (FY2019: $24.4 million), a 129% improvement on the prior year. Strict cost controls at the operations and the increased revenue contributed to the increase in profits. Adjusted Group EBITDA improved 130% to $69.6 million.

Capital
Capital spend decreased during the current financial year from ZAR117.7 million ($8.3 million) in the prior year to ZAR84.2 million ($5.4 million). Capital was spent on the Lannex plant life-extension project, Lesedi upgrades and stay in business capital (SIB).

Cash
The cash balance at 30 June 2020 was $55.9 million, including $0.8 million in financial guarantees (FY2019: $1.0 million). Cash generated from operations before working capital movements was $71.4 million, with net changes in working capital resulting in a reduction of $0.4 million. Net finance income amounted to $1.8 million and $14.8 million

was paid in income taxes during the year. Major spend items include $0.2 million spent on exploration activities (FY2019: $0.3 million), $5.2 million on capital projects and SIB for the SDO plants (FY2019: $8.0 million). At corporate level, $2.9 million was paid out in dividends and 14.9 million shares were bought back at a cost of $8.5 million. The impact of exchange rate fluctuations on cash held at year end was $6.6 million loss (FY2019: $0.04 million loss).

For more details on the financial performance of the Group please refer to the financial statements.

Review of operations and exploration
A detailed review of operations and exploration activities has been included in the CEO's review.

Corporate matters

Dividend Approval and Payment

During the first quarter of the financial year, the Company announced that the Directors of Sylvania recommended the payment of a cash dividend of 1.00 US cent (0.78 pence) per Ordinary$0.01 Share in the Company, which was tabled at the Company's AGM held in November 2019 and paid on 29 November 2019.

The Board has furthermore recommended the payment of a cash dividend for FY2020 of 1.6 pence (~2.00 US cents) per Ordinary Share, which will be tabled at the next AGM to be held on Friday 27 November and paid thereafter on 4 December 2020. Payment of the dividend will be made to shareholders on the register at the close of business on 30 October 2020 and the ex-dividend date is 29 October 2020.

Transaction in Own Shares

One of the Company's strategic goals is to return capital to shareholders and continue to review opportunities to do so, as and when they arise.

At the close of FY2019, shares in the Company were valued at 30.25 pence per Ordinary Share and at the close of FY2020, this appreciated 36% to 41.00 pence per Ordinary Share.

As announced in the Company's interim results report released in February 2020, the Company had bought back 3,000,000 shares from the market, as well as 1,175,848 shares from employees under the Share Buyback Programme, all of which were kept in Treasury.

275,000 shares were issued to the directors of the Company and 1,000,000 shares were issued to a former director following the exercise of share options under the Company's Share Option Plan (the Plan). The Plan was cancelled in December 2017 and these were the last outstanding options under the Plan.

Share buybacks continued in HY2 and 10,090,000 shares were repurchased comprising 4,875,000 shares from the market at an average price of 45.95 pence per Ordinary Share and 5,215,000 from a former director of the Company at the 30-day value weighted average price (VWAP) as at the close of business on 30 March 2020 of 49.00 pence per Ordinary Share.

The Company also relaunched the share buyback programme (the Programme) for all certificated non-UK shareholders who hold 175,000 shares or less in the Company which has run from 3 March 2020 and will conclude, after an extension to the programme was announced to 30 September 2020. As of the date of this report, a total of 878,905 Ordinary Shares have been bought back.

During the course of the financial year, a total of 2,879,115 shares were cancelled and approximately 7,500,000 of the Ordinary Shares acquired under the various Share Buyback Programmes were allocated to a new Group employee share trust for South African operational and support employees (Employee Dividend Entitlement Scheme).

Following the above transactions and as of the date of this report, the Company's issued share capital amounts to 286,845,657 Ordinary Shares of which a total of 15,200,273 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights in Sylvania is 271,645,384 Ordinary Shares.

Directorship Change

As was announced in the Company's interim results report, the Company welcomed two new Directors to the Sylvania Board. Jaco Prinsloo was appointed as Managing Director (MD) and Chief Executive Officer (CEO) of the Company, and Lewanne Carminati as the Finance Director (FD) and Chief Financial Officer (CFO) effective 1 March 2020. Jaco Prinsloo's appointment followed the retirement of Terry McConnachie effective 29 February 2020.

Media Allegations

During the first quarter, the Company became aware of references in the media to the Company and its relationship with Samancor Chrome Limited (Samancor) emerging from a court application by the Association of Mineworkers and Construction Union (AMCU) which sought to compel Samancor to produce accounting records for a number of transactions entered into over a period of time. Details relating to these transactions were fully disclosed at the time and Sylvania has provided all available information to Samancor to assist them in their internal investigation.

Likely developments and expected results

Additional comments on production forecasts and operating cash costs are included in the operational performance and outlook section in the CEO's review.

Environmental legislation

The Group is subject to significant environmental legal regulations in respect of its exploration and evaluation activities in South Africa. There have been no known significant breaches of these regulations and principles by the Group and its operations.

Meetings of Directors

During the financial year under review, there were three formal Directors' meetings, a budget review meeting and four information/strategy sessions. All other matters that required formal Board resolutions were dealt with via written circular resolutions and through the holding of conference calls. In addition, the directors met on an informal basis at regular intervals during the year to discuss the Group's affairs

The number of formal meetings of the Group's Board of Directors attended by each Director was:

	Board Meetings		**Audit Committee Meetings**		**Remuneration Committee Meetings**		**Information/strategy Meetings**	
	Number of meetings eligible to attend	**Number of meetings attended**	**Number of meetings eligible to attend**	**Number of meetings attended**	**Number of meetings eligible to attend**	**Number of meetings attended**	**Number of meetings eligible to attend**	**Number of meetings attended**
TM McConnachie	3	3	-	-	-	-	1	1
SA Murray	3	3	-	-	3	3	5	5
RA Williams	3	3	4	4	3	3	5	5
E Carr	3	3	4	4	3	3	5	5
JJ Prinsloo[1]	3	3	4	4	-	-	5	5
L Carminati[1]	3	3	4	4	-	-	5	5

[1] Meetings prior to 1 March 2020 were attended as invitees.

Directors' interest in shares and options
The following relevant interests in the shares and options of the Company or related body corporate were held by the Directors as at the reporting date:

Shares and options

2020	Common Shares
SA Murray	1,025,000
RA Williams	1,092,000
E Carr	25,000
JJ Prinsloo	959,894
L Carminati	862,081

Directors and key management personnel
The key management personnel of the Group are the Directors of the Company and those Executives that report directly to the Chief Executive Officer or as determined by the Board. Details of directors and key personnel remuneration is as follows:

Directors and key management remuneration

2020	Short Term Benefits			Share-based payment	Total
	Cash salary/ Consulting fees	Bonus[1]	Directors' fees	Equity shares/share options[2]	
	$	$	$	$	$
Directors					
TM McConnachie	336,669	-	-	99,590	**436,257**
JJ Prinsloo	80,340	-	25,000	23,198	**128,538**
SA Murray	-	-	125,000	12,449	**137,449**
RA Williams	-	-	85,000	12,449	**97,449**
E Carr	24,000	-	75,000	12,449	**111,449**
L Carminati	73,489	-	25,000	21,345	**119,834**
Sub-total	**514,498**	**-**	**335,000**	**181,480**	**1,030,978**
Other key management	827,299	184,574	-	181,252	**1,193,125**
Total	**1,341,797**	**184,574**	**335,000**	**362,732**	**2,224,103**

1 Cash bonuses were awarded to Directors and key personnel based on individual performance.
2 Share-based payments include shares issued and bonus shares granted – refer to note 27.

Indemnification and insurance of Directors and Officers
During the year, the Company paid premiums in respect of a contract insuring all Directors and Officers of the Company against liabilities incurred as Directors or Officers. Due to confidentiality clauses in the contract the amount of the premium has not been disclosed. The Company has no insurance policy in place that indemnifies the Company's auditors.

Going concern
The Group identified the principal risk and uncertainties related to the COVID-19 pandemic. Management has produced forecasts and budgets that have been sensitised to reflect plausible downside scenarios as a result of COVID-19 and its impact on the global economy.

The Group has sufficient cash reserves and resources to continue to meet its obligations even if operations were to be placed on care and maintenance for 12 months.

Although the COVID-19 pandemic has had widespread economic impact across the globe, the Group is in the fortunate position to operate in an essential industry and have a lower risk business model that has allowed for continued operations. Management monitors the government announcements, the industry, markets and operations to ensure any risk is monitored and mitigated where possible.

After reviewing the effects of COVID-19, the financial position, operational performance, budgets and forecasts as well as the timing of cash flows and sensitivity analyses, the directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from date of signing the financial statements.

Events after the reporting period
The directors are not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Group or the results of its operations.

Statement as to disclosure of information to auditors
The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Signed in accordance with a resolution of the Directors.

Jaco Prinsloo
Chief Executive Officer

8 September 2020