

Sylvania Platinum Limited  
AIM (SLP)  
Issued shares: 298,231,896

12 December 2012

**Sylvania Platinum Limited**  
**("Sylvania Platinum", "Sylvania" or the "Company")**  
**(AIM: SLP)**

**Operations Update**

Sylvania Platinum, the low cost Platinum Group Metal processor and developer, is pleased to announce that production from operations has recovered well following the recent strike action. The Company is also pleased to announce various initiatives aimed at improving the outlook for the year to June 2013.

As reported on 24th October, the mainly third party strike action had a major impact on operations resulting in a revised full year production forecast of over 50,000 oz. Since that announcement, management has reviewed various strategies to offset the effects of lost production and have looked at both austerity initiatives as well as production opportunities. The board has approved the following austerity measures and thanks the affected employees for their sacrifices and their demonstration of solidarity with the shareholders of the Company.

- The CEO and deputy CEO will sacrifice a third of their basic remuneration from January to June 2013.
- The Perth office will be closed and in recognition of the reduced workload, the executive director based in Perth will sacrifice half of his salary.
- All bonus targets remain unchanged as per the beginning of the year effectively eliminating any bonus payments to corporate staff for the first half year with full year payments dependant on the actual annual performance.
- All production bonus targets for plant employees will remain unchanged, thus ensuring bonuses are only paid when plants achieve their constituent part of the 15,000 oz per quarter company objective.

The Tweefontein plant commenced production during September 2012 and is showing good progress towards achieving its design production capacity of +800 oz per month, having achieved 479 oz in November, its first full production month after the strike action.

The operations at both Mooinooi plants have been scrutinised by senior management who have identified issues requiring attention. These key issues are being implemented and senior management are happy that good progress has been made at the Mooinooi plants and that they are confident that the plants will achieve design capacity before financial year end.

Production in the November month has shown the expected production improvement. Accordingly, the previously announced full year forecast remains at over 50,000 oz and the Company remains focussed on achieving 15,000 oz per quarter from Q3 onwards.



*Terry McConnachie, Chief Executive, commented:*

“I am pleased that my fellow Sylvania employees are supporting the austerity initiatives as well as getting the production machine back up to speed. This, in my view, sets Sylvania apart from most other companies in the sector and will ensure we remain strongly profitable in this depressed pricing environment and are well placed to benefit from a strengthening pricing environment. In addition to these measures, the Board is well advanced in the process of appointing a new Chairman of the Board to replace Richard Rossiter, whom we expect will bring invaluable expertise in helping drive the Company forward. I am convinced that with the strategies in place at Sylvania, our margins will continue to improve in relation to our peers”

**Ends**

## **CORPORATE INFORMATION**

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