

14 February 2017

Sylvania Platinum Limited
(“Sylvania”, “the Company” or “the Group”)
AIM (SLP)

Interim financial results for the period ended 31 December 2016

Excellent Operational Performance, guidance raised to between 63,000 to 65,000 ounces for FY2017

The Directors are pleased to present the interim financial results for the period ended 31 December 2016. Unless otherwise stated, the consolidated financial information contained in this report is presented in US Dollars.

Financial highlights

- Group EBITDA has increased to \$9.22 million from \$3.61 million in H1 FY2016 (H2 FY2016: \$7.19 million);
- Net profit increased to \$4.52 million from \$0.28 million in H1 FY2016 (H2 FY2016: \$3.21 million);
- Revenue has increased 32% to \$24.55 million from \$18.53 million in H1 FY2016 (H2 FY2016: \$20.66 million);
- General and Administration costs are down 27% to \$0.88 million from \$1.20 million in H1 FY2016 (down 17% from \$1.06 million H2 FY2016);
- Group cash balance increased to \$12.68 million under-pinning the forth-coming capital expenditure for Project ECHO;
- Business remains cash generative after tax and capital expenditure;
- Company remains debt free.

Operations highlights

- SDO production for the period totalled 35,819 ounces, (H1 FY2016: 29,519 ounces; H2 FY2016: 31,124 ounces);
- Group cash costs decreased 16% to \$425/ounce period-over-period (H1 FY2016: \$508/ounce; H2 FY2016: \$432/ounce);
- Project ECHO commences and aims to deliver a further 10 years of sustainable production;
- Steelpoort operation achieved the significant milestone of nine years Lost Time Injury (“LTI”) free during the period.

Commenting on the period, Sylvania's CEO Terry McConnachie said:

“I am once again delighted to report another excellent period in which we exceeded operational expectations and delivered two consecutive quarterly production records.

A consistent focus on our strategic objectives of improving operational stability and ounce production, disciplined cost control, and good progress in executing Project ECHO, has delivered robust results, despite a backdrop of depressed commodity prices and challenging macro industry conditions. Group revenue increased 32% to \$24.55 million while unit costs decreased 16% to \$425/ounce. This is to the credit of our employees whose commitment and dedication is key to reaching our goals.

As previously announced, the first phase of Project ECHO commenced during the period which will lead to several more years of sustainable production, and we look forward to the remainder of the year with confidence.”



SYLVANIA REVIEW

The main operational focus during the six months to 31 December 2016 was on maintaining and improving production stability and ounce production, disciplined operational cost control, and executing strategic capital projects aimed at lower production unit costs and sustaining the current production profiles into the future. The Board is pleased with the results delivered against these strategic objectives, with the first two quarters of the financial year having marked successive Company records in terms of quarterly production. This is particularly pleasing in the light of subdued commodity prices and challenging macro industry conditions that characterised the period. The SDO produced 35,819 ounces for the six months to 31 December 2016 up 21% from the 29,519 ounces in the six months to 31 December 2015 and a 15% increase from the 31,124 ounces in the six months to 30 June 2016.

The Group Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) for the reporting period was \$9.22 million compared to \$3.61 million for the corresponding period to 31 December 2015, and up 28% from \$7.19 million in H2 FY2016. The H1 FY2017 gross basket price was very close to that realised in H2 FY2016, but increased 7% from \$829/ounce in H1 FY2016 to \$883/ounce. Revenue has increased 32% to \$24.55 million from \$18.53 million recorded in the prior year, due mainly to the increase in the basket price and increased ounces. SDO cash costs are furthermore 14% lower than H1 FY2016 at \$405/ounce from \$471/ounce but increased marginally by 1% from the \$402/ounce for H2 FY2016.

General and Administration costs are down 27% to \$0.88 million from \$1.20 million in H1 FY2016 and down 17% from \$1.06 million in H2 FY2016. SDO capital expenditure increased 17% year-on-year to \$0.84 million from \$0.72 million due to the first phase of Project ECHO that commenced during the period. Group cash costs decreased 16% to \$425/ounce in comparison to the \$508/ounce for the same period in FY2016 and a 2% decrease from \$432/ounce for the six months to 30 June 2016.

As at 31 December 2016, the Company’s cash and cash equivalents amounted to \$12.68 million. The Group cash balance increased by \$5.98 million (89%) from \$6.70 million at 30 June 2016 and 148% from \$5.11 million at 31 December 2015. Cash generated from operations was \$5.88 million for the reporting period, which includes an outflow of \$2.70 million for working capital changes and \$1.07 million paid for income tax. The Company spent \$0.48 million on share buy backs to fill the final requirements of the Share Option Plan, and \$0.81 on capital expenditure. A net amount of \$0.48 million was received after the review of the underlying investment for the rehabilitation insurance guarantee, and \$0.57 million was received from Ironveld Holdings in terms of the revised facility agreement. With the majority of the cash generated and held in South African Rand, the appreciation of the Rand against the USD also had an impact on the cash balance since 30 June 2016 (\$0.50 million).

A. SYLVANIA DUMP OPERATIONS

Health, safety and environment

The SDO again had a good safety performance for the six months ended 31 December 2016, with Steelpoort operation achieving nine years LTI free, and Tweefontein, Doornbosch and Millsell remaining LTI free for more than four, three and two years respectively. The Mooinooi operation unfortunately recorded one LTI during the period. The Company recorded no significant health or environmental incidents during the period.

The Company continues to focus on health, safety and environmental compliance as a key priority, and through the collaborative efforts of management and all employees across the operations, we are able to maintain high safety standards and plant conditions at the respective operations.

Operations

During the past two quarters of the financial year the Company has achieved successive Company records, and as a result, the combined PGM production for the operations for the six months ended 31 December 2016 of 35,819 ounces, is a 15% increase from the 31,124 ounces in the six months to 30 June 2016, and a 21% increase on the 29,519 ounces during H1 FY2016.

The operations performed exceptionally well during the past six months, with Lannex, Mooinooi and Tweefontein achieving the best quarterly PGM ounce production figures in the history of the operations during the period, to contribute toward the new half-year production record.



The higher PGM ounces during the period can be attributed primarily to higher PGM recoveries, while the PGM plant feed tons and feed grades were only marginally higher than both the previous period (H2 FY2016) and the corresponding first six months of FY2016 (H1 FY2016). The higher PGM recovery efficiency was due to a combination of improved plant stability at Steelpoort and Lannex and floatation and mass pull optimisation at Doornbosch, Tweefontein and Moinooi operations during the period, as well as higher recovery efficiencies at Moinooi associated with improved floatation residence times due to lower PGM feed tons during the first quarter of FY2017.

Based on solid year to date performance and the outlook for the remainder of the year, the SDO expects to exceed the previously stated guidance of 60,000 ounces by approximately 3,000 to 5,000 ounces.

SDO cash costs are down 14% for the reporting period to \$405/ounce from \$471/ounce in the corresponding period to 31 December 2015 (H2 FY2016: \$402/ounce), primarily due to a combination of higher PGM ounce production, lower operating cost expenditure and a higher ZAR/US\$ exchange rate during the period.

Project ECHO

Project ECHO, the secondary milling and flotation program which was announced by the company during August 2016, has commenced during the past six months and the company is on track to deliver on the PGM ounce profile as communicated. This secondary milling and flotation technology (MF2) roll-out will lead to improved PGM recovery efficiencies, lower PGM production unit costs, increased cash generation, and enable the SDO to extend its profitable operating life together with sustaining its production profile of about 55,000 ounces to 60,000 ounces going forward.

B. EXPLORATION AND OPENCAST MINING PROJECTS

Volspruit Platinum Exploration

As reported in the Annual Report of FY2016, the Company submitted an appeal in the fourth quarter of the previous financial year to set aside the decision of the Limpopo Department of Economic Development, Environment and Tourism ("LEDET") to refuse the Company's application for Environmental Authorisation ("EA") for the Volspruit Platinum project. Sylvania continues to await a decision by the Member of the Executive Council for Economic Development, Environment and Tourism in this regard and will keep shareholders apprised of any developments.

The Mining Right Application ("MRA") to mine PGMs is furthermore still pending and it is believed that a decision by the Department of Mineral Resources ("DMR") will only become available upon finalisation of the EA Appeal process.

Once a decision is given on the EA Appeal and the awaited MRA, the Company will need to commence detail design of civil infrastructure as called for in the National Water Act and commence with its Integrated Waste and Water Use License Application ("IWWULA") for this project.

Grasvally Chrome Exploration

The Company continues to await the MRA to mine chrome at the Grasvally project, however the DMR granted an amendment to the existing prospecting right to include the processing of the old waste rock dumps during the first quarter of the financial year. The IWWULA for processing the waste rock dumps applied for in the fourth quarter of the previous financial year continues to be awaited and the Company remains positive this will be finalised shortly.

Sylvania was pleased to receive word that the EA for the project had been approved during the reporting period. An appeal by Interested and Affected Parties ("I&AP's") was however received in January 2017 and together with the consultants, the Company is preparing a response to be submitted shortly.

Harriet's Wish, Aurora and Cracouw Exploration

The notarial cession of the right to mine iron ore, vanadium and heavy minerals in favour of a subsidiary of Ironveld Plc was registered in the Mining Titles Office during the reporting period.



C. CORPORATE ACTIVITIES

Shares held in Treasury

As announced during the first half of the financial year, the Company has repurchased a number of Ordinary Shares in Sylvania Platinum Limited in a total of five transactions. The shares were repurchased and held in treasury as follows:

Date	Number of Shares	Pence per Ordinary Share	Par Value
1 September 2016	830,000	7.5563	US\$0.01
2 September 2016	409,300	7.8774	US\$0.01
9 September 2016	1,260,700	8.4960	US\$0.01
13 September 2016	1,635,000	8.7761	US\$0.01
28 December 2016	600,000	7.6705	US\$0.01

The purchase of shares was motivated by the need to fulfil the Sylvania Platinum Limited Share Option Plan (“the Plan”) as approved at the Annual General Meeting on 29 December 2011 to avoid dilution of existing Shareholders investments. At the AGM 10% of issued Share Capital was approved to be issued as Share Options. The Company however disclosed that it did not intend to issue more than 5% of issued Share Capital, based on the number of Ordinary Shares in issue at the time of the AGM held on 29 December 2011. The full 5% has been granted and the Board does not intend to issue any further Options under the Plan.

Following these transactions, the Company’s issued share capital is 297,981,896 Ordinary Shares of which a total of 8,105,887 Ordinary Shares are held in treasury. The total number of Ordinary Shares with voting rights in Sylvania is thus 289,876,009 Ordinary Shares.



CONSOLIDATED INCOME STATEMENT
For the six months ended 31 December 2016

		31 December 2016	31 December 2015
	Note	\$	\$
Revenue	1	24,550,903	18,532,296
Cost of sales	2	(17,276,120)	(16,763,400)
Gross profit		7,274,783	1,768,896
Other income		18,171	8,652
Foreign exchange gain		330	210,622
Impairment of exploration and evaluation assets		-	(8,794)
General and administrative costs	3	(876,851)	(1,194,172)
Finance income		375,620	139,924
Finance costs		(129,945)	(107,893)
Profit before income tax expense		6,662,108	817,235
Income tax expense		(2,141,151)	(536,213)
Net profit for the period		4,520,957	281,022
Profit per share attributable to the ordinary equity holders of the Company:		Cents	Cents
Basic earnings per share		1.56	0.10
Diluted earnings per share		1.52	0.09

1. The revenue for the six months to 31 December 2016 has increased 32% on the comparative prior period due to a slight increase in the gross basket price and increased ounces produced.
2. Cost of production (including indirect and general and administration and non-cash items) increased by 3%.
3. General and administration costs have decreased by 27%. These costs include those required to ensure regulatory compliance, further new and existing business development as well as legal, tax and financial advisory.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 December 2016

		31 December 2016	31 December 2015
		\$	\$
Net cash inflow/(outflow) from operating activities	4	5,881,593	(317,161)
Net cash inflow/(outflow) from investing activities	5	232,637	(1,008,397)
Net cash outflow from financing activities	6	(648,456)	(969,355)
Net increase/(decrease) in cash and cash equivalents		5,465,774	(2,294,913)
Cash and cash equivalents at the beginning of reporting period		6,707,022	8,416,342
Effect of exchange fluctuations on cash held		502,508	(1,011,697)
Cash and cash equivalents at the end of the reporting period		12,675,304	5,109,732

4. Net cash inflow from operating activities includes a net operating cash inflow of \$6,724,312, net finance revenue of \$229,689 and taxation paid of \$1,072,408.
5. Net cash inflow from investing activities includes payments for property, plant and equipment of \$692,829, exploration and evaluation assets of \$118,489, a net amount of \$475,925 received after the review of the underlying investment for the rehabilitation insurance guarantee and \$568,030 received from Ironveld Holdings in terms of the revised facility agreement.
6. The net cash outflow from financing activities consists of the repayment of instalment sale purchases of \$166,230, \$23,750 spent on the exercise of share options and bonus shares and the cost of the purchase of the Company's own shares which have been placed in treasury of \$458,476.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	31 December 2016 \$	31 December 2015 \$
ASSETS			
Non-current assets			
Other financial assets	7	295,077	560,377
Exploration and evaluation assets	8	54,949,663	54,281,364
Property, plant and equipment	9	30,374,574	30,372,479
Total non-current assets		85,619,314	85,214,220
Current assets			
Cash and cash equivalents		12,675,304	5,109,732
Trade and other receivables	10	17,711,663	12,486,795
Other financial assets	11	973,065	1,470,820
Inventories	12	1,792,219	782,489
Current tax asset		1,467	-
Total current assets		33,153,718	19,849,836
Total assets		118,773,032	105,064,056
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital		2,979,819	2,979,819
Reserves		68,625,951	64,433,422
Retained profits		25,685,082	17,711,612
Total equity		97,290,852	85,124,853
Non-current liabilities			
Interest-bearing loans and borrowings	13	246,395	117,158
Provisions	14	3,262,406	2,394,046
Deferred tax liability		12,144,644	12,087,951
Total non-current liabilities		15,653,445	14,599,155
Current liabilities			
Trade and other payables		4,134,530	4,899,758
Interest-bearing loans and borrowings	13	174,799	208,673
Current tax liability		1,519,406	231,617
Total current liabilities		5,828,735	5,340,048
Total liabilities		21,482,180	19,939,203
Total liabilities and shareholders' equity		118,773,032	105,064,056

7. Rehabilitation guarantee investment.
8. Includes exploration and evaluation costs of Volspruit, Grasvally and all other Northern Limb exploration projects.
9. Comprises mainly of the SDO plants and the properties previously acquired.
10. The trade and other receivables is mainly debtors receivable on concentrate sales.
11. Loan to Ironveld Holdings (Pty) Ltd.
12. Inventory held is finished goods in transit, consumables and spares for the SDO.
13. Interest bearing loans and borrowings are secured over various motor vehicles, plant and equipment and computer equipment.
14. Provision is made for the present value of closure, restoration and environmental rehabilitation costs in the financial period when the related environmental disturbance occurs.



The financial information contained in this announcement does not comprise full consolidated interim financial report. The full consolidated interim report can be viewed on the Company's website, www.sylvaniaplatinum.com.

The consolidated interim financial report has been prepared on a historical cost basis, except for available-for-sale investments, embedded derivatives, and investments carried at fair value through profit or loss, which have been measured at fair value.

CORPORATE INFORMATION

Registered office: Sylvania Platinum Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Postal address: PO Box 976
Florida Hills, 1716
South Africa

Sylvania Website: www.sylvaniaplatinum.com

CONTACT DETAILS

For further information, please contact:

Terence McConnachie (Chief Executive Officer) +44 777 533 7175

Nominated Advisor and Broker

Liberum Capital Limited +44 (0) 20 3100 2000
Richard Crawley / Neil Elliot

Communications

Alma PR Limited +44 (0) 77 8090 1979
Josh Royston / Hilary Buchanan / Helena Bogle

