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

Fourth Quarter Report to 30 June 2017

"Another excellent quarter's production of 17,954 ounces bringing total annual production to 70,869 ounces – a new Company record."

28 July 2017

Sylvania Platinum Limited, the low cost Platinum Group Metal ("PGM") processor and developer, today announces its results for the quarter ended 30 June 2017 ("Q4" or the "quarter") from its PGM production and development operations in the Bushveld region of South Africa.

SNAPSHOT

- Consistently strong production throughout the year sees another strong quarter with 17,954 ounces produced by the Sylvania Dump Operations ("SDO");
- SDO costs decreased 11% from R6,236/oz to R5,572/oz quarter-on-quarter (10% reduction in costs from $471/oz to $422/oz)
- Revenue increased 4% in US dollar terms to $13.2 million (Q3: $12.7 million) and increased 3% in Rand terms to R174.4 million (Q3: R168.8 million);
- Group EBITDA improved 22% from $4.1 million to $5.0 million quarter-on-quarter; and
- Group cash costs down 11% quarter-on-quarter to $446/oz (Q3: $501/oz).

SYLVANIA OVERVIEW

The SDO has consistently achieved strong production for the year, with the fourth quarter producing 17,954 ounces which is a 5% increase on the previous quarter's production of 17,096 ounces. This also supersedes Q1 production as the second highest quarterly production achieved by the Company. Consequently, the SDO has exceeded the upper end of the revised guidance range of 65,000 ounces by achieving 70,869 ounces for the financial year – a new annual record for the Company.

The cash costs for the SDO in Dollar and Rand terms have decreased 10% and 11% respectively from $471/oz (R6,236/oz) in Q3 to $422/oz (R5,572/oz), due to a combination of higher PGM ounce production and disciplined cost control during the period. The exchange rate of the Rand against the US Dollar remained stable over the period and Revenue increased marginally by 4% in US dollar terms to $13.2 million (Q3: $12.7 million) as well as 3% in Rand terms to R174.4 million (Q3: R168.8 million). SDO capital expenditure decreased 5% in line with the project schedule for Project Echo which is currently in progress to ensure a sustainable PGM production profile going forward.

Cash generated from operations before working capital movements was $2 million, despite an income tax payment of $3.2 million at the end of the quarter. However, the Group cash balance at 30 June 2017 was $15.3 million (including guarantees), a $1.3 million decrease on the previous quarter's $16.6 million. This decrease in cash is due to a net decrease in working capital amounting to $1.4 million, a further $1.4 million spent on stay-in-business capital for the SDO plants, $0.6 million expenditure on exploration assets, $0.05 million paid for rehabilitation insurance guarantee and $0.1 million spent on an investment in a Joint Venture R&D project. The exchange rate fluctuations on cash held at the quarter end was $0.3 million.

The cash balance allows the Company to not only fund Project Echo, its internal growth project but also the acquisition of Phoenix Platinum which was announced today, should that acquisition proceed successfully.

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

"I am exceptionally proud of our management and production teams in their achievement of yet another strong quarter for the Company and exceeding guidance for the year. This is testament to the strong competency and skills of our employees and I am proud to be a part of this remarkable achievement and noteworthy period for the Company.

Project Echo is progressing well and it is pleasing to note that Group cash costs have decreased 11% for the quarter. From a production perspective I am confident we will see the fruits of our labour as the production profile is supplemented and offsets potential losses as a result of the planned closure of the Steelpoort plant. The acquisition of Phoenix will further strengthen Sylvania's position in tailings retreatment.

In a market where the gross basket price has not moved significantly for some time, our measures of prudent cost controls and focus on ounce production is paying off and is further evidenced by these strong results.

The Company plans to release its annual results to the market on or before 30 August 2017. A notification will also be sent to those registered for notifications through the Company website: www.sylvaniaplatinum.com."

GROUP PERFORMANCE

Unaudited – Group	**Unit**	**June 2017 Quarter**	**March 2017 Quarter**	**% Change**
Financials				
Revenue	$'000	13,202	12,754	4%
Capital Expenditure[1]	$'000	1,780	1,599	11%
Ave R/$ rate	R/$	13.21	13.23	0%
EBITDA[2]	$'000	5,072	4,141	22%
Production				
PGM Plant Feed	T	305,757	288,359	6%
Total 3E and Au	Oz	17,954	17,096	5%
Group Cash Cost[3]				
Per 3E & Au oz	$/oz	446	501	-11%

[1] Capital expenditure on SDO and exploration and evaluation assets.
[2] EBITDA is Earnings before interest, foreign exchange gains and losses, taxation, depreciation and amortisation.
[3] Group cash costs include plant operating costs and group general and administration costs, but are exclusive of depreciation, amortisation, reclamation capital, project development and administration costs and share-based payments.

A. SYLVANIA DUMP OPERATIONS

Health, safety and environment

There were no significant health or environmental incidents during the quarter, and Tweefontein and Doornbosch operations both reached five years Lost Time Injury (LTI) free during the period. Unfortunately Steelpoort and Mooinooi operations had one LTI each, after being LTI-free for nine and a half years and 11 months respectively. Lannex and Millsell both remain more than two years LTI-free.

Despite the incidents at Steelpoort and Mooinooi, the dump operations remain focused on safety and the respective management teams continue to work diligently towards ensuring that the Company remains compliant in terms of health, safety and environmental systems and legislation.

Operations

The Company is pleased to present the quarter's SDO production of 17,954 PGM ounces, a 5% increase on the previous quarter's performance of 17,096 ounces and surpasses Q1 production as the second highest quarterly production for the Company.

While the PGM feed grades were approximately 2% lower for the quarter, based on the blend of material treated, the PGM feed tons and recovery efficiencies were 6% and 5% higher respectively than the previous quarter and contributed significantly towards the higher PGM ounce production. Overall the SDO continued to perform very well and delivered results better than forecast which contributed towards the new annual production record of 70,869 ounces for FY2017.

The cash costs for the SDO in Dollar and Rand terms have decreased 10% and 11% respectively from $471/oz (R6,236/oz) in Q3 to $422/oz (R5,572/oz), due to a combination of higher PGM ounce production and disciplined cost control during the period.

Operational and Financial Summary

Unaudited – SDO	Unit	June 2017 Quarter	March 2017 Quarter	+- % Quarter on Quarter	12 months to June 2017
Revenue					
Revenue	$'000	13,202	12,754	4%	50,497
Revenue	R'000	174,380	168,776	3%	687,325
Gross Basket Price[1]	$/oz	963	951	1%	897
Gross Cash Margin - SDO	%	43%	37%	16%	40%
Capital Expenditure	$'000	1,474	1,545	-5%	3,794
Capital Expenditure	R'000	19,474	20,447	-5%	51,648
Ave R/US$ rate[2]	R/$	13.21	13.23	0%	13.61
EBITDA	$'000	5,535	4,628	20%	20,098
EBITDA	R'000	73,103	61,249	19%	273,562
SDO Cash Cost[3]					
Per PGM Feed ton	$/t	25	28	-11%	26
Per PGM Feed ton	R/t	327	370	-12%	351
Per 3E & Au oz	$/oz	422	471	-10%	425
Per 3E & Au oz	R/oz	5,572	6,236	-11%	5,785
Production					
Plant Feed	T	544,281	529,576	3%	2,137,007
Feed Head Grade	g/t	2.67	2.83	-6%	2.65
PGM Plant Feed Tons	T	305,757	288,359	6%	1,168,912
PGM Plant Grade	g/t	4.02	4.12	-2%	4.06
PGM Plant Recovery	%	47.2%	43.7%	8%	46.4%
Total 3E and Au	Oz	17,954	17,096	5%	70,869

[1] The gross basket price reported is the total estimated price for deliveries made in the quarter and does not include any penalties or smelting costs. The actual net basket price received is only determined in the invoicing month which is three months after the delivery month, prior quarter adjusted for actual prices received if necessary.

[2] The functional currency for SDO is SA Rand and the exchange rate shown is the average over the period indicated.

[3] Cash costs include plant operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of depreciation, amortisation, reclamation, capital, project development and exploration costs.

Project Echo

Project Echo progresses well with both the Millsell and Doornbosch secondary milling and flotation technology ("MF2") modules under construction as the first phase of the program and will be commissioned during the next 6 months to fill the ounce gap after the planned closure of the Steelpoort operation that reached its end of life during June 2017.

This 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 operating life and to sustain its production profile above 60,000 ounces going forward.

B. EXPLORATION AND OPENCAST MINING PROJECTS

Volspruit Platinum Exploration

The Company is pleased to announce that it received notification from the DMR that the Mining Right ("MR") to mine PGM's, gold, copper, nickel and chrome was granted on 28 June 2017. Sylvania will now take steps to execute and register the right at the Mining Titles Office.

Mining activities for the project cannot commence until the Company receives a decision by the Member of the Executive Council for Economic Development, Environment on the Company's appeal against the initial refusal of the Environmental Authorisation ("EA"). Once this is received the next step will be the application for a Water Use License ("WUL").

Grasvally Chrome Exploration

The Company received communication from the DMR that the appeal against the granting of the EA, lodged by interested and affected parties ("I&AP's") was set aside on 20 June 2017. Accordingly the EA for processing the waste rock dumps stands but activities cannot yet commence until such time as the approval of the WUL from the Department of Water and Sanitation ("DWS") is received and a MR is granted.

The bulk sampling of a planned 15,000 tons of Run of Mine ("ROM") is well underway. A total of five bulk sample open-pits has been blasted with total excavated ROM stockpiles currently measuring 6,167 tons. The extraction of the remaining tonnage has been halted pending the beneficiation testing of the initial 6,167 tons. Initial tests completed at a beneficiation plant has indicated good results with a combined concentrate of >50% Cr_2O_3 and a Cr:Fe ratio above 2.2:1. Although the plant was not tailored to process the ore typical of the Grasvally deposit, these initial results look positive. A sample of more than 6,000 tons will be beneficiated in a more suitable plant at Steelpoort to better liberate the chrome from the ore. Following the beneficiation testing, a further 9,000 tons will be extracted from the already blasted and stripped open-pits to complete phase 1 of the Grasvally Bulk Sample.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

CORPORATE INFORMATION

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