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

Initial Mineral Resource estimate and operations update at the Grasvally Chrome Project

31 March 2015

Sylvania Platinum Limited, the low cost Platinum Group Metal ("PGM") processor and developer, is pleased to announce an initial mineral resource estimate ("Mineral Resource Estimate") following work done on the southern section at its Grasvally chrome project ("Grasvally Chrome Project"). The Mineral Resource Estimate is reported in accordance with the South African Code for the reporting of Exploration Results, Mineral Resources and Mineral Reserves ("SAMREC Code").

Highlights

- Initial Mineral Resource of 64,900 tons of high grade chromitite with an in-situ grade of 40.70% Cr_2O_3 and a chrome to iron ratio of 2.19:1, all of which is accessible by small and shallow open pits.

- Total initial Mineral Resource of 144,516 tons of chromite mineralisation with an in-situ grade of 29.19% Cr_2O_3 and a chrome to iron ratio of 1.74:1.

- Scope to increase the Mineral Resource in the coming months as exploration of the northern section and deeper portions of the lease area is concluded.

- Bulk sample to be recovered pursuant to the terms of the section 20 permission granted by the Department of Mineral Resources, of which up to 15,000 tons of chrome may be recovered.

- Handpicked lumpy chrome ore recovered and as sampled by ALS Inspection South Africa confirms Cr_2O_3 average grade of 43.08% with a chrome to iron ratio of 2.52:1 recovered from the Upper Massive Layer.

Commenting on the resource estimate and update, Sylvania CEO Terry McConnachie said:

"Sylvania is pleased with the initial results observed from the exposure of trenching on strike on the southern portion of the resource. This exploration has been achieved with minimal exploration costs and it indicates that this is some of the highest grade chrome ore being recovered in South African chrome mines.

The exploration has to date concentrated on proving the feasibility for recovering the ore via open cast methods, however there is also potential for a substantial amount of this high grade ore to be mined underground.

Regular announcements on this valuable Grasvally chrome deposit will be made public as soon as relevant future results become available."

Summary

The Grasvally Chrome Project is held by a subsidiary of the Company, Grasvally Chrome Mine (Pty) Ltd ("GCM"). The Company holds 74% of the issued shares in GCM, while the remaining 26% is held by empowerment partners. The project is situated adjacent to Sylvania's existing Volspruit PGM project in the Limpopo Province.

The defunct Grasvally chrome ore mine, which is located in the Lower Zone of the Bushveld Igneous Complex, operated between 1966 and 1988 and enjoyed some of the highest chrome grades recorded in South African chrome mines.

Following exploration of the southern side of the lease area, Sylvania is pleased with an initial Mineral Resource of 64,900 tons of high grade chromitite with an in-situ grade of 40.70% Cr_2O_3 and a chrome to iron ratio of 2.19:1, all of which is accessible by small and shallow open pits. It should be noted that this initial Mineral Resource is likely to increase as the exploration of the northern section and deeper portions of the lease area is concluded over the next few months.

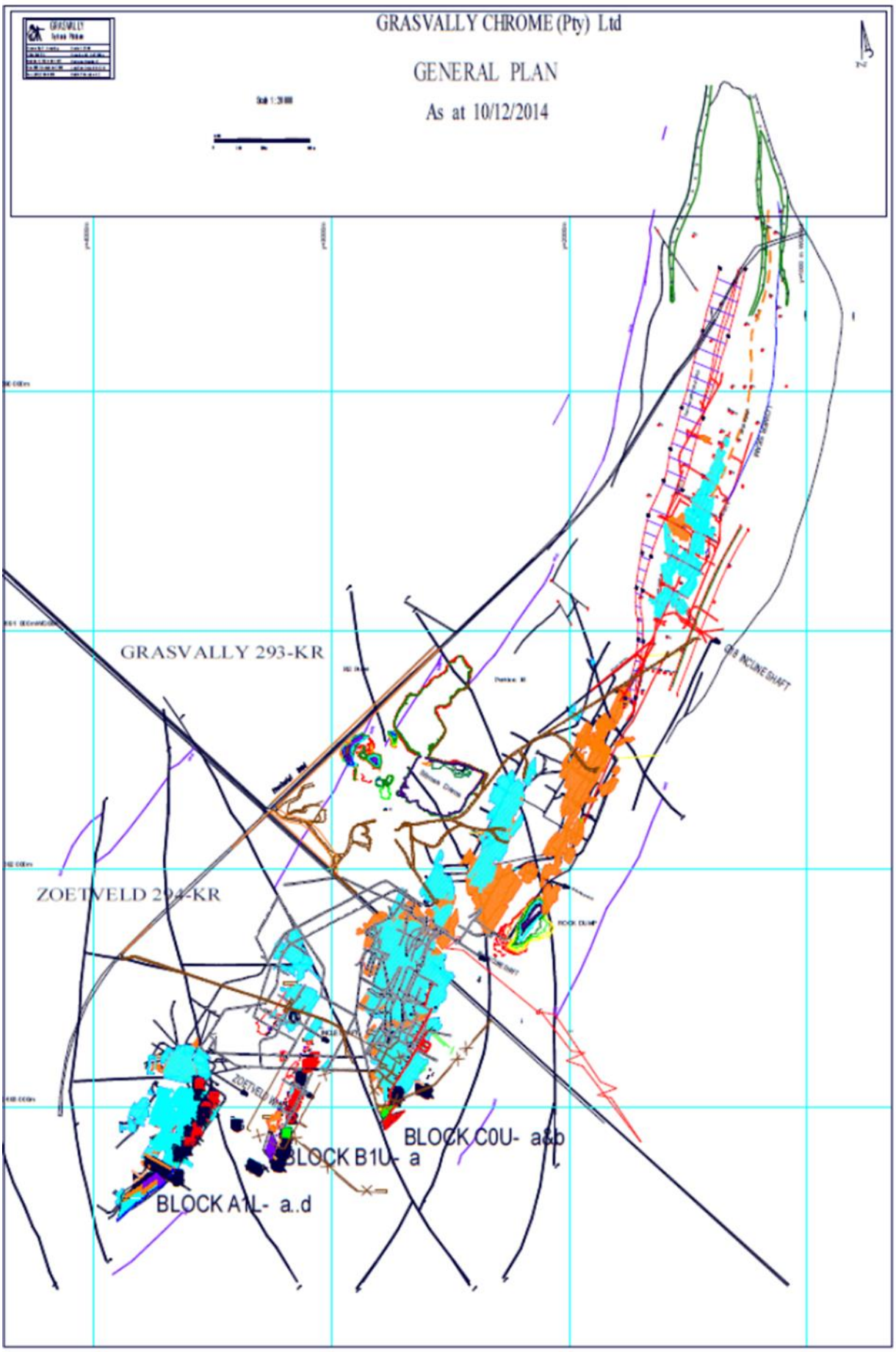
The total cost of the project to date is R35.9 million, comprising R22 million to purchase the chrome and platinum prospecting rights, as well as R5 million in securing the chrome dumps. A further R8.9 million has been spent to December 2014 on trenching and rehabilitation, with a further R2.7 million planned for exploration of the Northern section of the surface outcrop of the ore body over the next six months.

Technical detail

The chromitite mineralisation occurs within two tabular deposits, the Upper Chromitite and Lower Chromitite Layers, which have a stratigraphic separation of between 50 meters and 60 meters. The mineralisation is hosted in serpentinised dunites and harzburgites of the Lower Zone of the Bushveld Complex.

The Mineral Resource Estimate currently covers a strike length of 2,310 meters located in the southern section of the lease area. Exploration is currently underway in the northern section and results will be published in due course.

Image 1: Mineral Resource plan of chromite-bearing seams



The Upper Chromitite Layer, from top to bottom, comprises an upper "four inch" marker of massive chromitite (about 9cm thick), a layer of disseminated mineralisation (about 40cm thick), the main massive chromitite layer (about 37cm thick) and a lower disseminated mineralisation (about 27cm thick).

The Lower Chromitite Layer comprises a main massive chromitite layer (about 61cm thick) underlain by a disseminated layer (about 22cm thick).

The grades of the disseminated layers vary and are described in the tables below, however current recovery test results have indicated that economic recovery of chrome from these disseminated layers is possible.

Accordingly, the Mineral Resource Estimates for the Upper Chromitite Layer have been reported based on a "three seam model" to a cut-off grade of nil% Cr_2O_3:

- Seam 1 comprises the upper "four inch" marker and upper disseminated seam ("UD");
- Seam 2 comprises the massive seam ("UML"); and
- Seam 3 comprises the lower disseminated seam ("ULD").

The Mineral Resource Estimates for the Lower Chromitite Layer has been reported based on a "two seam model" to a cut-off grade of nil% Cr_2O_3:

- Seam 1 comprises the massive seam ("LML"); and
- Seam 2 comprises the underlying disseminated seam ("LLD").

The Mineral Resource Estimate for the modelled mineralized zones at the Grasvally Chrome Project is classed as "Indicated" and "Inferred". This is based primarily on the confidence in, and continuity of, the results of a trenching programme supported by a limited percussion drilling programme.

The layers have been previously mined at depth by the now defunct Grasvally Chrome Mine. In areas where no mining has taken place, the depth was taken to the 25 meter highwall of the proposed pits.

The results of the Mineral Resource Estimate are provided in Table 1 and 2 below:

Table 1: Mineral Resource estimate for the chromite-bearing seams*.

Category	Layer	Lithology	Tonnes	Cr_2O_3%	Fe_2O_3%	Cr:Fe
Indicated	UPPER LAYER	4" Marker & Upper Disseminated	5819	19.32	13.67	1.37
		Upper Massive Layer	5858	45.45	18.12	2.46
		Upper-Lower Disseminated	3332	23.85	13.91	1.67
		Total / Weighted Average	***15009***	***28.73***	***15.16***	***1.79***
	LOWER LAYER	Lower Massive Layer	0			
		Lower-Lower Disseminated	0			
		Total / Weighted Average	***0***	***N/A***	***N/A***	***N/A***
*Inferred 2**	UPPER LAYER	4" Marker & Upper Disseminated	33792	18.72	13.89	1.32
		Upper Massive Layer	32397	41.36	18.93	2.16
		Upper-Lower Disseminated	23185	23.08	15.33	1.50
		Total / Weighted Average	***89374***	***26.71***	***15.84***	***1.63***
	LOWER LAYER	Lower Massive Layer	21803	37.74	17.46	2.11
		Lower-Lower Disseminated	5200	8.67	12.08	0.66
		Total / Weighted Average	***27003***	***30.03***	***16.00***	***1.73***
*Inferred 1***	UPPER LAYER	4" Marker & Upper Disseminated	5051	19.60	13.35	1.42
		Upper Massive Layer	4842	43.80	17.25	2.48
		Upper-Lower Disseminated	3237	22.65	12.95	1.71
		Total / Weighted Average	***13130***	***27.44***	***14.36***	***1.81***
	LOWER LAYER	Lower Massive Layer	0			
		Lower-Lower Disseminated	0			
		Total / Weighted Average	***0***	***N/A***	***N/A***	***N/A***

*Applying a cut-off grade of nil% Cr2O3

Table 2: Mineral Resource estimate by grade category*.

			Tonnes	WtAverage Cr_2O_3%	WtAverage Fe_2O_3%	WtAverage Cr:Fe
TOTAL RESOURCE EXPLORED (Composite package of the UCL and the LCL)			144516	29.19	15.96	1.74
HIGH GRADE RESOURCE	Composite: **Upper Massive Layer** and the **Lower Massive Layer**	**INDICATED**	5858	45.45	18.12	2.46
		INFERRED 2*	54200	39.90	18.34	2.14
		INFERRED 1**	4842	43.80	17.25	2.48
		Total / Weighted Average	**64900**	**40.70**	**18.24**	**2.19**
LOW GRADE RESOURCE	Composite: **4" Marker & Upper Disseminated**, **Upper-Lower Disseminated**, and the **Lower-Lower Disseminated**	**INDICATED**	9151	20.97	13.76	1.48
		INFERRED 2*	62177	19.51	14.28	1.33
		INFERRED 1**	8288	20.79	13.19	1.53
		Total / Weighted Average	**79616**	**19.81**	**14.10**	**1.37**

*Applying a cut-off grade of nil% Cr2O3

Notes for Table 1 & 2:
**Inferred 2: The seam has been adequately exposed along strike in trenches and has been sampled at surface, but the grade and density has not been adequately verified at depth.*
***Inferred 1: Limited exposure and sampling of seams at surface.*

Competent Person

Peter Harrison has reviewed and approved the technical information that relates to Exploration Results or Mineral Resources contained within this announcement in his capacity as a qualified person, as required under the AIM rules. Mr Harrison is a Geological Consultant working on behalf of the Company, is a member of The South African Council for Natural Scientific Professions (Reg. No 400046/00) and has sufficient experience of the style of mineralization and type of deposit under consideration to qualify as a competent person. Mr Harrison was assisted by Mr Robert Steen, the Company's geologist.

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 Joint Broker
Liberum Capital Limited
Richard Crawley/Tom Fyson
+44 (0) 20 3100 2000

Joint Broker
GMP Securities Europe LLP
Richard Greenfield/ Alexandra Carse
+44 (0) 20 7647 2800

Communications
Newgate
Tim Thompson / Adam Lloyd / Ed Treadwell / Helena Bogle
+44 (0) 20 7653 9850