29 April 2019

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

Third Quarter Report to 31 March 2019

The Directors are pleased to present the results for the quarter ended 31 March 2019 (“Q3” or the “quarter”). Unless otherwise stated, the consolidated financial information contained in this report is presented in USD.

Achievements

- 16,256 4E PGM ounces produced in Q3;
- SDO PGM plant recoveries improved 3% to 48%;
- Gross basket price increased 15% to $1,383/ounce quarter-on-quarter;
- Net revenue increased 23% to $18.3 million;
- Group EBITDA improved 55% to $8.2 million in Q3;
- Group net profit up 33% to $5.0 million for the quarter; and
- Cash balance increased 17% from $20.2 million to $23.7 million.

Challenges

- The water supply to Lesedi operation improved during Q3, but intermittent shortages still continued to disrupt production during the period;
- Power outages and loadshedding at various SDO operations resulted in unplanned downtimes; and
- Temporary disruption in higher grade current arisings from host mine at Doornbosch impacted on grade delivered to PGM plant.

Opportunities

- Mooinooi Project Echo MF2 module commissioned earlier than planned;
- Additional new water boreholes, an additional storage dam and water supply line were commissioned at Lesedi during March and early April 2019 to improve running time going forward;
- Doornbosch to commence a new million-ton tailings dam during Q4 and current arisings from Doornbosch host mine expected to return to normal after repairs and improvements to their circuits;
- Lesedi spiral section is progressing well and on track for commissioning late Q4 FY2019; and
- Company continues to generate free cash.

Commenting on the Q3 results, Sylvania's CEO Terry McConnachie said:

"I am pleased to report that after a challenging Q2, the SDO performed significantly better and delivered 16,256 ounces in Q3. With the increase in production and gross basket price, as well as the decrease in cash costs, the Company has once again generated positive cash flows enabling us to continue to internally fund our Project Echo and expansion projects and still grow our cash in the bank.

We are forecasting ~21,800 ounces for Q4, up marginally on the Q4 FY2018, provided there are no unforeseen disruptions. We are revising our production guidance to 72,000 ounces for FY2019, which would mean record production being attained in Q4. With Mooinooi MF2 now added, grade improvement at Doornbosch and more consistent production at Lesedi, this should be achievable."

USD			Unit	Unaudited	Unit	ZAR		
Q2 FY2019	Q3 FY2019	% Change				% Change	Q3 FY2019	Q2 FY2019
				Production				
560,855	527,693	-6%	T	Plant Feed	T	-6%	527,693	560,855
2.21	2.40	9%	g/t	Feed Head Grade	g/t	9%	2.40	2.21
278,891	297,489	7%	T	PGM Plant Feed Tons	T	7%	297,489	278,891
3.56	3.54	-1%	g/t	PGM Plant Feed Grade	g/t	-1%	3.54	3.56
46.75%	48.00%	3%	%	PGM Plant Recovery	%	3%	48.00%	46.75%
14,907	16,256	9%	Oz	Total 4E PGMs	Oz	9%	16,256	14,907
20,003	22,224	11%	Oz	Total 6E PGMs	Oz	11%	22,224	20,003
1,204	1,383	15%	$/oz	Average gross basket price	R/oz	16%	19,868	17,146
				Financials				
12,301	15,739	28%	$'000	Revenue (4E)	R'000	25%	219,425	176,122
1,388	1,726	24%	$'000	Revenue (by products)	R'000	21%	24,061	19,874
1,188	882	-26%	$'000	Sales adjustments	R'000	-28%	12,295	17,005
14,877	18,347	23%	$'000	Net revenue	R'000	20%	255,781	213,001
9,016	9,774	8%	$'000	Operating costs	R'000	6%	136,262	129,106
585	434	-26%	$'000	General & administration	R'000	-28%	6,052	8,376
5,269	8,172	55%	$'000	Group EBITDA	R'000	51%	113,933	75,451
194	260	34%	$'000	Net Interest	R'000	30%	3,629	2,781
3,742	4,960	33%	$'000	Net profit	R'000	29%	69,145	53,584
2,626	2,119	-19%	$'000	Capital Expenditure	R'000	-21%	29,548	37,605
20,220	23,725	17%	$'000	Cash Balance	R'000	14%	330,753	289,556
			R/$	Ave R/$ rate	R/$	-3%	13.94	14.32
				Unit Cost/Efficiencies				
606	599	-1%	$/oz	SDO Cash Cost Per 4E PGM oz	R/oz	-4%	8,353	8,672
451	438	-3%	$/oz	SDO Cash Cost Per 6E PGM oz	R/oz	-5%	6,110	6,463
635	624	-2%	$/oz	Group Cash Cost Per 4E PGM oz	R/oz	-4%	8,699	9,094
473	456	-4%	$/oz	Group Cash Cost Per 6E PGM oz	R/oz	-6%	6,363	6,777
657	644	-2%	$/oz	All-in sustaining cost (4E)	R/oz	-4%	8,981	9,402
821	756	-8%	$/oz	All-in cost (4E)	R/oz	-10%	10,536	11,757

1 The Sylvania cash generating subsidiaries are incorporated in South Africa with the functional currency of these operations being ZAR. Revenues from the sale of PGMs are incurred in USD and then converted into ZAR. The Group's reporting currency is USD as the parent company is incorporated in Bermuda. Corporate and general and administration costs are incurred in USD, GBP and ZAR.

A. OPERATIONAL OVERVIEW

Health, safety and environment

The SDO operations performed well during the quarter without any safety, health or environmental incidents during the period. Lannex achieved the milestone of four years without a Lost Time Injury ("LTI") during January 2019. Lesedi remains LTI-free for more than seven years, Tweefontein and Doornbosch plants remain more than six years LTI-free, while Millsell remains more than four years LTI-free.

Operational performance

The SDO delivered 16,256 ounces for the quarter, a 9% increase on Q2's 14,907 ounces. The increased production was due to a combination of a 7% improvement in PGM feed tons and 3% improvement in recovery efficiencies, while the PGM feed grade was similar to the previous period.

The total SDO cash costs for the period decreased 4% in ZAR terms to ZAR 8,353/ounce and decreased 1% in USD terms to $599/ounce. The capital expenditure was ZAR 29.5 million for the quarter, a 21% decrease quarter-on-quarter and is aligned with the planned and forecast Project Echo roll-out and project schedule.

Operational focus areas

The abnormal drought conditions continued to impact water availability and supply to the Western operations, particularly Lesedi. Measures to mitigate the impact, such as additional boreholes and water transfer from neighbouring operations have helped improve supply, but Lesedi still experienced significant downtime during the quarter. The final upgrades to the water supply system were completed during the final week of March 2019 and the plant has since been running well with limited downtime.

Management continued to focus on the Doornbosch re-mining operation at the current dump, which is at the end of its life. This improved PGM feed tons but the significantly lower than planned current arisings feed from the host mine still impacted negatively on the PGM feed grade during the quarter. The overall chrome mining and treatment rate of the host mine did not deteriorate, but the specific ratio of current arisings to other products reduced, which lead management to investigate and implement process improvements at the host mine operation. As a result, since late March, current arisings tons and PGM feed grades have been improving.

Optimisation of the enhanced process circuit modifications that utilise improved fine screening technology needed for more efficient upgrading of PGMs at Doornbosch, Millsell and Tweefontein, was commissioned during the previous quarter and will also help improve PGM feed grades and ounce production.

Operational opportunities

The Mooinooi MF2 module, which is part of Project Echo, was commissioned earlier than planned during the last week of March 2019. It is currently being optimised and is expected to boost PGM ounces in Q4 and beyond.

The construction of the Lesedi chrome plant project, comprising of the dismantling and relocation of the redundant Steelpoort chrome circuit, is progressing well and is on track to be completed in the second half of the calendar year. This will enable chrome removal at Lesedi's PGM plant, in line with the standard SDO operating model employed at the Group's existing operations, and will contribute towards higher PGM feed grades and ounce production at the operation.

B. FINANCIAL OVERVIEW

Financial performance

The higher basket price, coupled with the increase in ounce production, were the main contributors to the increase in net revenue of 23% from $14.9 million to $18.3 million for the quarter. The gross basket price improved 15% to $1,383/oz quarter-on-quarter as a result of the continued upward trend of Palladium and Rhodium.

The total operating costs increased 6% in ZAR terms (the SDO functional currency) to ZAR 136.3 million, compared to the ZAR 129.1 million in Q2. This is due mainly to the increase in electricity costs following a rebate received from the host mine in the previous quarter and planned transport costs in the East to transport dump material to the Lannex operation. General and administrative costs are incurred in USD, GBP and ZAR. These costs decreased 26% quarter-on-quarter from $0.6 million to $0.4 million.

Group cash costs decreased from ZAR 9,094/oz to ZAR 8,699/oz due to higher ounce production and in dollar terms the Group cash costs decreased 2% from $635/oz to $624/oz.

The all-in sustaining cost (“AISC”) and all-in cost (“AIC”) also decreased as a result of the decrease in capital expenditure and higher ounce production in Q3. The Group AISC decreased 4% to ZAR 8,981/ounce against Q2’s ZAR 9,402/ounce and the AIC decreased 10% to ZAR 10,536/ounce from ZAR 11,757/ounce recorded in Q2. In dollar terms the Group AISC decreased 2% from $657/ounce to $644/ounce and the Group AIC decreased 8% to $756/ounce from $821/ounce.

The EBITDA increased 55% from $5.3 million to $8.2 million for Q3. The increase can be attributed to the higher ounce production as well as the higher basket price.

The Group cash balance at 31 March 2019 was $23.7 million (including guarantees), a $3.5 million increase on the previous quarter’s cash balance of $20.2 million. Cash generated from operations before working capital movements was $8.2 million with net changes in working capital amounting to a decrease of $2.6 million due mainly to the increase in trade debtors which have a four-month payment pipeline. An amount of $2.1 million was spent on capital and the impact of exchange rate fluctuations on cash held at the quarter end was an increase of $0.01 million.

The Company remains committed to funding all planned capital projects and expansion from internal cash reserves.

C. MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

The Company has continued to upgrade the value of its mineral asset development activities during the quarter, so as to be able to continue to defend title. However, until an improvement in market conditions occurs, this will result in very limited spend.

Grasvally Chrome Project

The execution and registration of the Mining Right has now been completed. The process of rehabilitation of the surface dumps on the mine continues, with Grasvally Chrome Mine completing the final stages of compliance with the Mining Health and Safety Act before rehabilitation operations commence.

CORPORATE INFORMATION

Registered and postal address: Sylvania Platinum Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

SA Operations 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 / Chris Britton

Communications
Alma PR Limited +44 (0) 7580 216 203
Josh Royston / Helena Bogle

This announcement is released by Sylvania Platinum Limited and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("**MAR**"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Terence McConnachie.

ANNEXURE

GLOSSARY OF TERMS FY2019

The following definitions apply throughout the period:

4E PGMs	4E PGM ounces include the precious metal elements Platinum, Palladium, Rhodium and Gold
6E PGMs	6E ounces include the 4E elements plus additional Iridium and Ruthenium
AGM	Annual General Meeting
AIM	Alternative Investment Market of the London Stock Exchange
All-in sustaining cost	Production costs plus all costs relating to sustaining current production and sustaining capital expenditure.
All-in cost	All-in sustaining cost plus non-sustaining and expansion capital expenditure
ASX	Australian Securities Exchange
Current risings	Fresh chrome tails from current operating host mines processing operations
DMR	Department of Mineral Resources
EBITDA	Earnings before interest, tax, depreciation and amortisation
EA	Environmental Authorisation
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
GBP	Great British Pound
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
I&APs	Interested and Affected Parties
Lesedi	Phoenix Platinum Mining Proprietary Limited, renamed Sylvania Lesedi
LSE	London Stock Exchange
LTI	Lost time injury
MF2	Milling and flotation technology
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
MTO	Mining Titles Office
NOMR	New Order Mining Right
NWA	National Water Act 36 of 1998
Option Plan	Sylvania Platinum Limited Share Option Plan
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PAR	Pan African Resources Plc
Phoenix	Phoenix Platinum Mining Proprietary Limited, renamed Sylvania Lesedi
Pipeline ounces	6E ounces delivered but not invoiced
Pipeline revenue	Revenue recognised for ounces delivered, but not yet invoiced based on contractual timelines
Pipeline sales adjustment	Adjustments to pipeline revenues based on the basket price for the period between delivery and invoicing
Programme	Sylvania Platinum Share Buyback Programme
Project Echo	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install additional new additional fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein and Mooinooi.
Revenue (by products)	Revenue earned on Ruthenium, Iridium, Nickel and Copper
RoM	Run of mine
SDO	Sylvania dump operations
Shares	Common shares
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
USD	United States Dollar
WIP	Work in progress
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand