28 October 2020

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

First Quarter Report to 30 September 2020

Sylvania (AIM: SLP) is pleased to announce the results for the quarter ended 30 September 2020 (“Q1” or the “quarter”). Unless otherwise stated, the consolidated financial information contained in this report is presented in United States Dollars (“USD”).

Achievements
- Sylvania Dump Operations (“SDO”) declared 17,972 4E PGM ounces in Q1 (Q4 FY2020: 9,055 ounces; Q1 FY2020: 20,797 ounces);
- The SDO recorded $41.5 million net revenue for the quarter (Q4 FY2020: $13.2 million; Q1 FY2020: $31.2 million);
- Group cash costs per 4E PGM ounce decreased to ZAR11,021/ounce and $652/ounce quarter-on-quarter (Q4 FY2020: ZAR17,636/ounce and $983/ounce; Q1 FY2020: ZAR8,420/ounce and $573/ounce);
- EBITDA of $29.7 million (Q4 FY2020: $4.2 million; Q1 FY2020: $19.2 million);
- Net profit of $21.0 million (Q4 FY2020: $2.2 million; Q1 FY2020: $12.5 million) due to the increased production in the quarter;
- Cash balance of $60.9 million (Q4 FY2020: $55.9 million; Q1 FY2020: $26.6 million).

Challenges
- The global COVID-19 pandemic remains an area of concern and management continue to sustain the various implemented measures to ensure both the health and safety of all employees and to limit any impact on production. Although the country remains in Level-1 Lockdown which does not hinder production, a resurgence of COVID-19 and subsequent return to previous levels of Lockdown could potentially affect operations; and
- Reduced mining operations at some host mines due to the depressed chrome market continues to result in lower volumes of run of mine (“RoM”) and current arisings material resulting in lower PGM feed grades and recoveries as outlined in earlier announcements.

Opportunities
- The new Lannex mill and spiral upgrade project to improve processing efficiencies and profitability based on current feed sources commissioned and circuit optimisation is ongoing;
- Design of Lesedi secondary milling and flotation module to improve the upgrading and recovery of PGMs is advancing;
- Mooinooi chrome proprietary processing modifications and optimisation project is in execution phase and expected to commission during Q3; and
- The Group remains debt free and continues to maintain strong cash reserves to allow for the maintenance of the plants, fund capital expansion and process optimisation projects and the safeguarding of our employees during these times of uncertainty, as well as investing in adding value to our exploration and evaluation assets and paying the forth-coming dividend for the year ended June 2020 as previously announced.

Commenting on the Q1 results, Sylvania's CEO, Jaco Prinsloo said:

"After a steady return to full capacity production following the outbreak of COVID-19 and the Government imposed industry shutdown, I am pleased to report that the SDO produced 17,972 ounces for the quarter – a solid performance given the challenges we faced during the period. Whilst all the plants are now running at full capacity after the ramp-up of operations post lockdown and plant efficiencies have normalised, the reduced mining operations of certain host mines continued to impact on feed grades as expected and consequently Q1's PGM production decreased approximately 14% on the corresponding quarter of FY2020.

Our management and technical teams continue to explore further opportunities to increase both feed grades and recovery efficiencies across operations that could add value in the near term and also continue to engage with various consultants to evaluate the potential of the longer-term mineral asset projects.

With a solid Q1 performance behind us and operational conditions improving towards normal levels following the impacts associated with COVID-19, our management teams are now able to increase the focus on optimising efficiencies with the resource suite we currently have and will continue to deliver strong operational performances going forward. We anticipate to reach our estimated production target of approximately 70,000 ounces of PGM's for the year.

The Company continues to enjoy the benefits of the strong PGM price environment and the 31% increase in gross basket price from Q4 has assisted in boosting our financial performance and cash reserves. The Company remains in a robust financial position with sufficient cash reserves to fund capital projects which will help mitigate any rise in costs and the possible reduction in future cash inflows due to the ongoing uncertainty relating to COVID-19."

USD			Unit	Unaudited	Unit	ZAR		
Q4 FY2020	Q1 FY2021	**% Change**				**% Change**	Q1 FY2021	Q4 FY2020
				Production				
395,658	680,662	72%	T	Plant Feed	T	72%	680,662	395,658
1.62	1.86	15%	g/t	Feed Head Grade	g/t	15%	1.86	1.62
195,770	314,391	61%	T	PGM Plant Feed Tons	T	61%	314,391	195,770
2.91	3.21	10%	g/t	PGM Plant Feed Grade	g/t	10%	3.21	2.91
49.40%	55.09%	12%	%	PGM Plant Recovery	%	12%	55.09%	49.40%
9,055	17,972	98%	Oz	Total 4E PGMs	Oz	98%	17,972	9,055
12,512	24,324	94%	Oz	Total 6E PGMs	Oz	94%	24,324	12,512
2,107	2,834	35%	$/oz	Gross basket price[1]	R/oz	31%	47,372	36,076
				Financials				
10,407	35,670	243%	$'000	Revenue (4E)	R'000	223%	603,110	186,801
2,337	1,644	-30%	$'000	Revenue (by products)	R'000	-34%	27,801	41,946
484	4,143	756%	$'000	Sales adjustments	R'000	706%	70,050	8,696
13,228	41,457	213%	$'000	Net revenue	R'000	195%	700,961	237,443
8,617	11,326	31%	$'000	Operating costs	R'000	24%	191,496	154,675
434	512	18%	$'000	General and administrative costs	R'000	11%	8,653	7,790
4,220	29,660	603%	$'000	Group EBITDA	R'000	562%	501,492	75,753
685	417	-39%	$'000	Net Interest	R'000	-43%	7,054	12,296
2,156	21,008	874%	$'000	Net profit	R'000	818%	355,206	38,703
934	1,018	9%	$'000	Capital Expenditure	R'000	3%	17,206	16,769
55,877	60,889	9%	$'000	Cash Balance	R'000	5%	1,013,863	961,434
			R/$	Ave R/$ rate	R/$	-6%	16.91	17.95
			R/$	Spot R/$ rate	R/$	-3%	16.65	17.21
				Unit Cost/Efficiencies				
948	617	-35%	$/oz	SDO Cash Cost Per 4E PGM oz	R/oz	-39%	10,441	17,008
686	456	-34%	$/oz	SDO Cash Cost Per 6E PGM oz	R/oz	-37%	7,714	12,308
983	652	-34%	$/oz	Group Cash Cost Per 4E PGM oz	R/oz	-38%	11,021	17,636
711	482	-32%	$/oz	Group Cash Cost Per 6E PGM oz	R/oz	-36%	8,143	12,764
1,004	654	-35%	$/oz	All-in sustaining cost (4E)	R/oz	-39%	11,052	18,024
1,081	707	-35%	$/oz	All-in cost (4E)	R/oz	-38%	11,958	19,402

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.

[1] The gross basket price (4E) in the table is the September 2020 gross basket used for revenue recognition of ounces delivered in Q1. The average gross basket price (4E) for ounces invoiced and the resultant cash inflows in Q1 is $2,734 (Q4: $1,883), before penalties/smelting costs and applying the contractual payability.

USD			Unit	Unaudited	Unit	ZAR		
Q1 FY2020	Q1 FY2021	**% Change**				**% Change**	Q1 FY2021	Q1 FY2020
				Production				
634,525	680,662	7%	T	Plant Feed	T	7%	680,662	634,525
2.47	1.86	-25%	g/t	Feed Head Grade	g/t	-25%	1.86	2.47
307,946	314,391	2%	T	PGM Plant Feed Tons	T	2%	314,391	307,946
3.55	3.21	-10%	g/t	PGM Plant Feed Grade	g/t	-10%	3.21	3.55
59.46%	55.09%	-7%	%	PGM Plant Recovery	%	-7%	55.09%	59.46%
20,797	17,972	-14%	Oz	Total 4E PGMs	Oz	-14%	17,972	20,797
27,633	24,324	-12%	Oz	Total 6E PGMs	Oz	-12%	24,324	27,633
1,654	2,834	71%	$/oz	Gross basket price	R/oz	93%	47,372	24,557
				Financials				
24,631	35,670	45%	$'000	Revenue (4E)	R'000	67%	603,110	362,176
1,827	1,644	-10%	$'000	Revenue (by products)	R'000	4%	27,801	26,857
4,694	4,143	-12%	$'000	Sales adjustments	R'000	1%	70,050	69,027
31,152	41,457	33%	$'000	Net revenue	R'000	53%	700,961	458,061
11,435	11,326	-1%	$'000	Operating costs	R'000	14%	191,496	168,100
575	512	-11%	$'000	General and administrative costs	R'000	2%	8,653	8,445
19,180	29,660	55%	$'000	Group EBITDA	R'000	78%	501,492	281,947
317	417	32%	$'000	Net Interest	R'000	51%	7,054	4,665
12,534	21,008	68%	$'000	Net profit	R'000	93%	355,206	184,246
1,463	1,018	-30%	$'000	Capital Expenditure	R'000	-20%	17,206	21,509
26,627	60,889	129%	$'000	Cash Balance	R'000	159%	1,013,863	391,410
			R/$	Ave R/$ rate	R/$	15%	16.91	14.70
			R/$	Spot R/$ rate	R/$	9%	16.65	15.27
				Unit Cost/Efficiencies				
550	617	12%	$/oz	SDO Cash Cost Per 4E PGM oz	R/oz	29%	10,441	8,081
414	456	10%	$/oz	SDO Cash Cost Per 6E PGM oz	R/oz	27%	7,714	6,082
573	652	14%	$/oz	Group Cash Cost Per 4E PGM oz	R/oz	31%	11,021	8,420
431	482	12%	$/oz	Group Cash Cost Per 6E PGM oz	R/oz	28%	8,143	6,337
586	654	12%	$/oz	All-in sustaining cost (4E)	R/oz	28%	11,052	8,615
642	707	10%	$/oz	All-in cost (4E)	R/oz	27%	11,958	9,444

A. OPERATIONAL OVERVIEW

Health, safety and environment

Both the Tweefontein and Doornbosch operations have remained at a significant industry milestone of eight years Lost-time Injury ("LTI") free during the quarter and, while there were no significant occupational health or environmental incidents reported during the quarter, Millsell unfortunately suffered one LTI during August 2020 where an employee sustained an injury to his ribs in a vehicle related incident while offloading a telehandler.

Focusing on and ensuring that employees' health and safety remains a priority, especially during these challenging times, and the management teams across the Group's operations remain committed to ensuring full compliance with health, safety and environmental legislation and procedures.

Impact of COVID-19 and South African Government Imposed Lockdown

Having commenced with scaled-down operations in May 2020, management implemented various initiatives in Q4 FY2020 to safeguard employees from the effects of COVID-19 and fortunately there have been no cases of COVID-19 reported within the Company or having affected any family members of our employees since 31 August 2020. All employees that have been affected by COVID-19 are now fully recovered and back at work.

Sylvania continues to support the lockdown measures implemented by the Government and our priority is to protect the health and safety of our employees both during the Lockdown and especially now that operations are operating without any Lockdown imposed restrictions. At present, all plants are operating at full capacity and in accordance with all legislated safety and occupational regulations pertaining to the industry and country as a whole. The Company is however cognisant that should a resurgence in COVID-19 occur in the country, the possibility exists that the lockdown level may return to a level which may affect production.

Operational performance

The SDO produced 17,972 ounces for the quarter, a 98% increase compared to 9,055 ounces in Q4 FY2020 (Q1 FY2020: 20,797 ounces), as operations returned to a 'new normal' following the COVID-19 related shutdowns.

PGM plant feed tons for the quarter increased by 61%, while PGM plant feed grade increased by 10% quarter-on-quarter and PGM recovery efficiencies increased by 12% from Q4. Comparably, when looking at the results achieved in Q1 FY2020, this translates to a marginal increase in PGM plant feed tons this quarter but a 10% decrease in PGM plant feed grade and a 7% decrease in recovery. Associated with reduced current arisings and RoM at the host mines, this equates to a 14% decrease in PGM ounce production compared to the comparative quarter in the previous financial year.

Operational performance has stabilised from the previous quarter with improved PGM tons for the quarter on all ore sources, dump, current arisings and RoM material. Stability of re-mining continues to improve and the hybrid dump re-mining system implemented at some operations has proven successful and is to be rolled out further on the relevant Western and Eastern operations.

Both the reported PGM feed grade and recovery efficiency increased due to improved blending strategy, technical focus and plant stability as plant feed quality and throughput improved. Potential technical work, innovations and process improvements are continuously being investigated in an attempt to optimise feed grades and metal recoveries.

The total SDO cash costs decreased in Rand and Dollar terms quarter-on-quarter by 39% and 35% respectively to ZAR10,441/ounce and $617/ounce (Q4 FY2020: ZAR17,008/ounce and $948/ounce; Q1 FY2020: ZAR8,081/ounce and $550/ounce) mainly as a result of the increase in production and stabilising of fixed costs as operations returned to normal following the COVID-19 operational disruptions experienced during the previous quarter.

The SDO incurred capital expenditure of ZAR17.2 million during the quarter, a 3% increase which is largely aligned with planned major capital project execution schedules.

Operational focus areas

The global COVID-19 pandemic remains an area of concern and management continue to sustain the various measures to ensure both the health and safety of all employees and to limit the impact on production.

The specific scale-down of operations at the host mines at Sylvania's Mooinooi and Lannex operations as announced previously, will continue to impact the SDO PGM ounce production profile during the next 12 to 18 months, which equates to a decrease of approximately 10-15% PGM ounce production on historic levels during this period. While the host mines are currently producing some open cast material to supplement underground mining shortfall, the lower grade and more oxidised dump and open cast material treated result in lower PGM feed grades and recoveries. This remains a focus area for improvement and various PGM flotation and reagent optimisation projects are in progress.

Uncertainty at the national power utility relating to power supply remains a key focus for the Group in order to ensure we can mitigate any future power constraints, however no significant power interruptions occurred during the review period. Management are continuously assessing alternative power sources with a focus on sustainability and cost versus benefit.

Operational opportunities

The new Lannex mill and spiral upgrade is currently in operation after being commissioned during August 2020 and this project will enable the plant to improve processing efficiencies and profitability based on the current feed sources, that now includes RoM fines from open cast operations together with normal dump material. Circuit optimisation is ongoing.

The Mooinooi chrome proprietary processing modifications and optimisation project is on track and is expected to be commissioned towards the end of Q3 FY2021 which will also improve PGM feed grades and ounces at the plant.

As already announced, an optimisation project was initiated at the Lesedi plant on the Western operations to construct a new secondary milling and flotation module to improve the upgrading and recovery of PGMs, similar to existing Project Echo modules rolled out between 2016 and 2020. This proposed MF2 expansion at the Lesedi Plant is scheduled to commission towards the end of FY2021 and replaces the delayed Tweefontein MF2 module, due to power constraints, as a means to mitigate the impact on the full roll-out of Project Echo.

B. FINANCIAL OVERVIEW

Financial performance

Net revenue for the quarter increased 213% from $13.2 million to $41.5 million due to a combination of the 98% increase in 4E PGMs delivered and a sales adjustment for ounces delivered in the previous quarter which increased 756% for the quarter. Quarterly performance year-on-year amounted to a 33% increase in net revenue for Q1 (Q1 FY2020: $31.1 million) largely as a result of the 71% increase in basket price to $2,834/ounce against the comparable period (Q1 FY2020: $1,654/ounce). The gross basket price for the quarter-on-quarter increased 35% from $2,107/ounce in Q4 FY2020 to $2,834/ounce, primarily due to the significant increase in rhodium price during the past quarter (Q1 FY2020: $1,654/ounce). The movement in the gross basket price on ounces delivered in Q4 FY2020 and invoiced during the quarter resulted in a positive sales adjustment of ZAR70.0 million ($4.1 million) for PGM concentrate delivered in the previous quarter.

General and administrative costs increased by 18% quarter-on-quarter from $0.43 million to $0.51 million. These costs are incurred in USD, GBP and ZAR and are impacted by the exchange rate fluctuations over the reporting period.

Group cash costs decreased 38% in ZAR from ZAR17,636/ounce ($983/ounce) to ZAR11,021/ounce ($652/ounce) due to the increase in ounces produced (Q1 FY2020: ZAR8,420/ounce and $573/ounce).

Group EBITDA increased from $4.2 million to $29.7 million during the quarter, with a 55% increase year-on-year (Q1 FY2020: $19.2 million). Net profit increased to $21.0 million from $2.2 million due to the increase in production during the quarter (Q1 FY2020: $12.5 million).

The Group cash balance increased from $55.9 million to $60.9 million during the quarter (Q1 FY2020: $26.6 million). Cash generated during the quarter from operations before working capital movements was $29.8 million with net changes in working capital amounting to a decrease of $25.3 million due mainly to the increase in trade and contract debtors as a result of the increased production. $1.0 million was spent on capital and 375,652 shares were bought back at a cost of $0.2 million during the quarter. The impact of exchange rate fluctuations on cash held at the quarter end was an increase of $1.6 million due to the strengthening of the ZAR against the USD. The Group holds a large majority of its cash in ZAR and will convert this to USD at opportune times.

D. MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

The Group continues to assess the value of its mineral asset development projects on a regular and consistent basis and has announced that new studies of the Volspruit and Northern Limb projects have been initiated in order to assist in developing the most suitable strategy for these projects in the changing economic landscape.

Volspruit Platinum Opportunity

Consultants have been appointed to undertake specialist studies in order to update the EIA and thus obtain the Water Use and Waste licenses for the project. Once the planning phase for these processes has been completed, key dates expected for the main deliverables will be shared with the market.

Metallurgical test work and concentrator flow sheet development is underway and on target for completion in November, with the technical report expected in January 2021.

Northern Limb Projects

The consultant appointed to assist Sylvania in evaluating the respective resources and exploring the economic potential of these deposits concluded their review work on existing geological data and models and submitted a preliminary report detailing their findings and proposal on the way forward in terms of the concept level study for Aurora. This report is currently being evaluated by our technical teams in order to determine the next steps.

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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 Jaco Prinsloo.

ANNEXURE

GLOSSARY OF TERMS FY2021

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
DMRE	Department of Mineral Resources and Energy
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