Sylvania Platinum Limited
Fourth Quarter Report to 30 June 2013
(“Sylvania” or “the Company”)
AIM (SLP)

31 July 2013

Sylvania Platinum Limited, the low cost Platinum Group Metal (“PGM”) processor and developer, today announces its results for the fourth quarter ended 30 June 2013 (Q4 FY2013) from its PGM production and development operations in the Bushveld region of South Africa.

SUMMARY

- Positive EBITDA of $1.7million in fourth quarter at Sylvania Dump Operations (“SDO”)
- 14% increase in ounces produced (12,033 PGM ounces in fourth quarter vs 10,583 ounces in third quarter)
- Cash costs reduced 11% from $721/oz in third quarter to $642/oz this quarter
- Record total feed tons (602,567 tons)
- Positive Group cash balance of $6.4 million at 30 June 2013 (an increase in Rand terms from R60 million to R64 million)
- Fourth consecutive quarter Lost Time Injury (“LTI”) free

OVERVIEW

The SDO produced 12,033 PGM ounces for the fourth quarter ended 30 June 2013, the highest quarterly production for the 2013 financial year. The higher production is a result of improved plant running times, specifically at the two Mooinooi operations which generated a combined production of over 1,000 ounces in both May and June. Plant feed tons increased 20% to 602,567 tons, yielding an additional 16% tons fed into the PGM plant. Operating unit costs dropped from R303/PGM feed ton to R296/PGM feed ton. The increased production at Mooinooi, however, caused the weighted average recovery to drop 2% quarter-on-quarter due to the MG2 reef having a lower recovery than MG1 and LG6.

The volatile metal prices and exchange rates over the previous nine months has caused the revenue[1] before smelting charges to drop from R10,132/oz in Q3 to R9,035/oz in Q4. Due to the increased ounce production the smelting charges increased by R1.4 million for the quarter. Overall, the revenue per ounce dropped from R8,993/oz in Q3 to R7,916/oz in Q4. The consequence of the metal price and exchange rate fluctuations has caused the Rand based revenue to remain flat at R95.2 million for the quarter despite the 14% improvement in production.

Total operating costs increased 13% (R9.2 million) from R68 million to R77 million, largely due to the 20% increase in plant feed tons. Whilst EBITDA remained positive in both currencies reported, the Rand term EBITDA of R17.4 million decreased by R9.1 million when compared to the previous quarter, matching the increased operating costs.

The total cash cost of production for the quarter was R6,439/oz ($642/oz) compared to R6,450/oz ($721/oz) in the previous quarter.

It is well known that the South African mining industry as a whole has been hit hard financially over the past year. Sylvania’s focus on the tailings retreatment operations and the generation of cash has allowed the Group bank balance to remain positive at $6.4 million at 30 June 2013 with the South African account climbing by R11.2m during the quarter, thus the company remains well positioned for the future.

Summary Sylvania Platinum Performance

Unaudited – Group	Unit	June 2013 Quarter	March 2013 Quarter	% Change
Financials				
Revenue	$'000	**9,496**	**10,652**	-11%
Revenue	R'000	**95,250**	**95,174**	-
Ave R/US$ rate	R/$	**10.03**	**8.94**	12%
Production				
PGM Plant Feed Tons	t	**261,987**	**225,572**	16%
PGM 3E and Au	oz	**12,033**	**10,583**	14%

A. SYLVANIA DUMP OPERATIONS

Health, safety and environment

The SDO completed a fourth consecutive quarter LTI free. This achievement is testament to the Company's commitment to zero harm and the continued focus on health and safety compliance at all operations.

Operational and Financial Summary

Unaudited - SDO	Unit	June 2013 Quarter	March 2013 Quarter	+- % Quarter on Quarter	12 months YTD 2013
Revenue – SDO					
Revenue	$'000	**9,496**	**10,652**	-11%	37,995
Revenue	R'000	**95,250**	**95,174**	-	352,977
Gross Basket Price	$/oz	**1,007**	**1,015**	-1%	1,000
Estimated Net Basket Price	$/oz	**840**	**909**	-8%	867
Gross Cash Margin	%	**19%**	**28%**	-32%	23%
Capital expenditure	$'000	**546**	**509**	7%	7,598
Capital Expenditure	R'000	**5,477**	**4,550**	20%	70,590
Ave R/US$[2]	R/$	**10.03**	**8.94**	12%	9.29
EBITDA	$'000	**1,733**	**2,959**	-41%	8,241
EBITDA	R'000	**17,380**	**26,456**	-34%	76,558
SDO Cash Cost[3]					
Per PGM Feed ton	R/t	**296**	**303**	-2%	307
Per PGM Feed ton	$/t	**29**	**34**	-15%	33
Per 3E & Au oz	R/oz	**6,439**	**6,450**	-	6,213
Per 3E & Au oz	$/oz	**642**	**721**	-11%	669
Production – SDO					
Plant Feed	t	**602,567**	**503,506**	20%	2,012,633
Feed Head Grade	g/t	**1.97**	**1.96**	1%	2.02
PGM Plant Feed Tons	t	**261,987**	**225,572**	16%	892,986
PGM Plant Grade	g/t	**3.62**	**3.60**	1%	3.75
PGM Plant Recovery	%	**39.5%**	**40.5%**	-2%	41.0%
Total 3E and Au	oz	**12,033**	**10,583**	14%	44,095

[1] Revenue for the quarter is adjusted after considering the movement in metal prices and exchange rates over preceding five months
[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.

Millsell

The Millsell operation produced 1,993 ounces for the quarter ended 30 June 2013, an increase of 23% on the previous quarter (1,621 ounces). This is the plant's highest quarterly production for the financial year to 30 June 2013. The increased ounces are primarily due to increased feed tons and plant utilisation. The Millsell operation continues to treat a combination of current arisings from the host mines Millsell plant and dump material from the Waterkloof dump. The resource plan was recently updated with the latest test work and the second pass treatment of the plus one million ton primary dump is still scheduled to commence towards the end of CY 2013.

Cash cost of production for the quarter was R4,491/oz ($473/oz) against R4,675/oz ($523/oz) in the previous quarter. The improved costs are a direct result of higher production volumes and improved dump feed grades and recovery efficiency.

Mooinooi Dump Operation

The Mooinooi Dump operation produced 1,669 ounces for the quarter to 30 June 2013, compared to 885 ounces in the work stoppage affected previous quarter. This 89% increase in production is the result of significantly higher treatment tons due to improved plant utilisation and plant feed rate, as well as higher feed grades from dump material. The upgrade to hydro-mining at Mooinooi in the previous quarter assisted in providing higher dump fines feed tonnages and also contributed to the improvement of overall plant feed grade due to a larger ratio of higher grade dump fines being treated. The Mooinooi Dump plant continues to treat material from the old Mooinooi dumps and current arisings from the host mines Mooinooi plant.

The cash cost for the quarter was R7,969/oz ($839/oz), compared to the previous quarter of R9,999/oz ($1,119/oz).

Mooinooi ROM Operation

The Mooinooi ROM operation produced 1,225 ounces for the quarter to 30 June 2013, against the previous quarter's 878 ounces. This significant improvement in production was the result of higher treatment tons due to improved plant utilisation and plant feed rate, as well as improved feed grade from ROM material. The Mooinooi ROM plant continues to treat MG2 material from the host mines Mooinooi and Buffelsfontein underground mines.

The cash cost for the quarter was R9,330/oz ($983/oz), compared to the previous quarter's R10,612/oz ($1,188/oz).

The combined performance of both plants produced over 1,000 oz for both May and June being the best production months on record. Further initiatives have been identified to improve tonnage throughput rates and to allow increased feed stability into the plants thus improving recovery. These initiatives include the construction of an intermediate mill feed stockpile that will commence during the next six months if approved by the Board.

Steelpoort

Steelpoort plant produced 1,725 ounces for the quarter to 30 June 2013, which was slightly lower than the previous quarter's 1,816 ounces. The drop in ounce production is consistent with the lower grade and lower recovery potential of the second-pass material. Steelpoort treated the last available material from the Old Doornbosch and Montrose dumps during Q4 of FY2013, and with the host mine's Steelpoort plant currently standing idle, the Sylvania Steelpoort operation is now focusing on the second pass treatment of material from the Steelpoort Dam 1.

The cash cost per ounce was R5,910/oz ($622/oz), compared to R5,643/oz ($632/oz) in the previous quarter.

Lannex

The Lannex operation produced 1,905 ounces for the quarter to 30 June 2013, compared to the previous quarter's 1,599 ounces. A lot of work has been done at Lannex to improve throughput and although the operation still experienced some safety stoppages during the quarter, the treatment tonnage for the quarter was the highest for the year. The mining of the tailings dam has seen the plant move through a section of lower feed grades and various initiatives are currently underway to improve the feed-blend for the plant and to optimise recovery efficiencies. Lannex continues to treat a combination of dump material from the old Lannex Tailings Dam complex and current arisings from the host mines Lannex operation.

The cash cost of R6,285/oz ($662/oz), was lower than the R7,391/oz ($828/oz) in the previous quarter, due to the improved ounce production.

Doornbosch

The Doornbosch operation produced 2,348 ounces for the quarter to 30 June 2013, compared to 2,358 ounces in the previous quarter. Doornbosch is currently processing final scrapings from the higher grade Montrose dump and will be focusing primarily on the treatment of current arisings from the host mine and the second pass treatment of the lower grade old Doornbosch dumps.

The cash cost for the current quarter was R4,790/oz ($504oz) compared to R4,882/oz ($546/oz) for the previous quarter.

Tweefontein

The Tweefontein plant produced 1,168 ounces for the quarter to 30 June 2013, which was lower than the previous quarters 1,427 ounces. Plant feed tons and recovery efficiency were higher than previous quarters, but the feed grade of the ROM Fines from Klarinet opencast mine, was significantly lower than planned and continue to impact on ounce production. The Klarinet open pit mine was originally thought to cease production in January 2013 but due to the recent increases in the ore resource, the mine is now expected to continue for many more years. This issue has been discussed with the host mine management team and is expected to be resolved at the end of CY 2013 when the host mine completes construction of a dedicated plant for the low grade material from Klarinet. This will allow the Tweefontein plant to focus on the higher grade dump material as per the original plan.

Power supply problems related to Eskom's supply capacity and voltage stability, together with a seven day downtime due to the main electrical feeder cable being damaged impacted negatively on plant running times, stability and throughput capacity. Tweefontein is treating a blend of MG1-MG4 ROM fines and tailings.

Cash cost for the current quarter was R8,959/oz ($944/oz) compared to R5,838/oz ($653/oz) for the previous quarter.

B. EXPLORATION AND OPENCAST MINING PROJECTS

The mining right application ("MRA") for PGM's on the Harriett's Wish farm was submitted to the Department of Mineral Resources ("DMR") by Hacra Mining and Exploration Company (Pty) Ltd, a Sylvania Platinum subsidiary, on 19 April 2013. A notice of acceptance of the application was received from the DMR on 25 May 2013.

On 10 May 2013, the Company announced that it planned to withdraw and re-submit the Volspruit MRA. The reason for the withdrawal was a timing issue and was caused by the failure of the expected regular Nyl river flood event. This prevented the information required to complete the Environmental Impact Assessment from being available. In April 2013, a technical study approach was commissioned to obtain the necessary information to complete the study but this could not be completed by the deadline set for the process by government. The MRA resubmission has been accepted by the DMR and the study work is being finalised for the EIA.

Discussions continue at the Board on the best way to advance these projects whilst maintaining the focus on cash generation from the dump operations.

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
Michael Rawlinson/Tom Fyson/Christopher Kololian
+44 (0) 20 3100 2000

Communications
Newgate Threadneedle
Graham Herring/ Beth Harris
+44 (0) 20 7653 9850