26 October 2021

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

First Quarter Report to 30 September 2021

Sylvania (AIM: SLP) is pleased to announce the results for the quarter ended 30 September 2021 ("Q1" or the "quarter"). Unless otherwise stated, the consolidated financial information contained in this report is presented in United States Dollars ("USD").

Achievements

- Record PGM performance by Tweefontein contributed towards Sylvania Dump Operations ("SDO") achieving 15,771 4E PGM ounces in Q1 (Q4 FY2021: 16,289 ounces) despite the temporary production suspension at Lesedi;
- SDO recorded $29.8 million net revenue for the quarter (Q4 FY2021: $48.4 million) impacted by 29% decrease in gross PGM basket price;
- Group EBITDA of $13.6 million (Q4 FY2021: $28.7 million);
- Net profit of $8.6 million (Q4 FY2021: $14.7 million); and
- Cash balance of $132.7 million (Q4 FY2021: $106.1 million).

Challenges

- The temporary suspension of operations at Lesedi extended through Q1 and will be ramped up to normal capacity towards the end of Q2, as hydro-mining of the affected tailings dam facility commenced at the end of September; and
- Lower than planned RoM and current arising PGM feed grades and associated recovery efficiency at Mooinooi impacted ounce production during the quarter and we are working with host mines to optimise grades at source.

Opportunities

- Higher throughput rate and recovery efficiencies achieved by Tweefontein, which set a new monthly SDO record of 2,209 production ounces during the past quarter, is expected to continue during the financial year and will assist to mitigate the impact of Lesedi's lower production;
- Construction on the new tailings dam facility at Lesedi is underway with completion scheduled for Q3;
- The secondary milling and flotation ("MF2") projects at Lesedi and Tweefontein are on track to start contributing towards production as planned during the 2023 calendar year; and
- The Group maintains strong cash reserves to allow funding of capital expansion and process optimisation projects; the safeguarding of employees during these times of uncertainty; upgrading the Group's exploration and evaluation assets and returning value to all stakeholders.

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

“I am delighted by Tweefontein achieving 2,209 ounces during September 2021, which is a new monthly record on both a plant level and across all operations and contributed towards a solid quarterly performance by the operations to achieve 15,771 ounces for the quarter, despite the interruption at Lesedi. Although the planned precautionary temporary stop at Lesedi has resulted in approximately 1,100 ounces production loss for the plant since early August, I have to commend our management team and consultants in terms of their efforts to ensure we preserve the integrity of the facility and for the measures put in place to resume production.

“The 29% reduction in PGM basket price had a significant impact on the revenue for the quarter and also resulted in a substantial sales adjustment for the previous quarter’s production that was forecast at higher metal prices. The global computer chip shortage that currently impacts new motor vehicle production and autocatalyst demand, is one of the most significant factors driving the basket price movement. Most analysts only forecast this issue to be resolved by late 2021 or early 2022. PGM prices are however, still significantly higher than historical levels and by focusing on the areas that management can control, I am sure that we will continue to generate value to shareholders.

“I am pleased to report that there is a steady uptick in PGM feed source grade and recoveries, despite the receipt of a lower volume of plant feed in this quarter, and that the costs of production are showing some improvement. Our capital projects, fully funded from current cash reserves, are progressing well and I am optimistic that the results of these efforts will steadily show themselves as we navigate our way through FY2022 and we remain confident in attaining our annual production target of 70,000 ounces.”

USD			Unit	Unaudited	Unit	ZAR		
Q4 FY2021	Q1 FY2022	**% Change**				**% Change**	Q1 FY2022	Q4 FY2021
				Production				
635,153	600,376	-5%	T	Plant Feed	T	-5%	600,376	635,153
1.95	1.90	-3%	g/t	Feed Head Grade	g/t	-3%	1.90	1.95
323,012	294,229	-9%	T	PGM Plant Feed Tons	T	-9%	294,229	323,012
3.07	3.17	3%	g/t	PGM Plant Feed Grade	g/t	3%	3.17	3.07
51.22%	52.66%	3%	%	PGM Plant Recovery	%	3%	52.66%	51.22%
16,289	15,771	-3%	Oz	Total 4E PGMs	Oz	-3%	15,771	16,289
21,180	20,397	-4%	Oz	Total 6E PGMs	Oz	-4%	20,397	21,180
4,059	2,897	-29%	$/oz	Gross basket price[1]	R/oz	-25%	42,417	56,420
				Financials[2]				
44,112	29,321	-34%	$'000	Revenue (4E)	R'000	-31%	429,267	623,635
4,088	2,968	-27%	$'000	Revenue (by-products including base metals)	R'000	-25%	43,451	57,792
246	-2,448	-1095%	$'000	Sales adjustments	R'000	-1131%	-35,842	3,476
48,446	29,841	-38%	$'000	Net revenue	R'000	-36%	436,876	684,903
14,929	14,288	-4%	$'000	Direct operating costs	R'000	-1%	209,175	211,057
636	615	-3%	$'000	General and administrative costs	R'000	0%	9,004	8,996
28,741	13,577	-53%	$'000	Group EBITDA	R'000	-51%	198,774	406,320
395	360	-9%	$'000	Net Interest	R'000	-6%	5,265	5,585
14,739	8,607	-41%	$'000	Net profit	R'000	-39%	126,002	208,373
2,382	3,103	30%	$'000	Capital Expenditure	R'000	35%	45,428	33,680
106,135	132,715	25%	$'000	Cash Balance	R'000	31%	1,988,597	1,524,365
			R/$	Ave R/$ rate	R/$	4%	14.64	14.14
			R/$	Spot R/$ rate	R/$	4%	14.98	14.36
				Unit Cost/Efficiencies				
912	862	-5%	$/oz	SDO Cash Cost Per 4E PGM oz[3]	R/oz	-2%	12,615	12,892
701	666	-5%	$/oz	SDO Cash Cost Per 6E PGM oz[3]	R/oz	-2%	9,754	9,915
941	934	-1%	$/oz	Group Cash Cost Per 4E PGM oz[3]	R/oz	3%	13,674	13,302
724	722	0%	$/oz	Group Cash Cost Per 6E PGM oz[3]	R/oz	3%	10,573	10,231
1,239	1,085	-12%	$/oz	All-in sustaining cost (4E)	R/oz	-9%	15,880	17,510
1,339	1,239	-7%	$/oz	All-in cost (4E)	R/oz	-4%	18,135	18,935

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 in the table is the September 2021 gross basket used for revenue recognition of ounces delivered in Q1 FY2022, before penalties/smelting costs and applying the contractual payability.

2 Revenue (6E) for Q1, before adjustments is $32.3 million (6E prill split is Pt 51%, Pd 17%, Rh 9%, Au 0.3%, Ru 18%, Ir 5%).

3 The cash costs include direct operating costs and exclude royalty tax.

A. OPERATIONAL OVERVIEW

Health, safety and environment

The Company is pleased to report that no significant occupational health or environmental incidents occurred during the quarter and the Millsell operation achieved one year Lost-time Injury ("LTI") free during August 2021. The Doornbosch operation remains nine years LTI-free and Mooinooi, Lannex and Lesedi each remain one-year LTI-free.

Operational performance

Most operations performed well during the quarter, Tweefontein in particular had an exceptional achievement in reaching 2,209 production ounces during September 2021, which is a new monthly record for a SDO operation. This performance contributed significantly towards a solid quarterly SDO performance of 15,771 4E PGM ounces for the quarter, despite the impact of the interruption at Lesedi. The temporary production suspension at Lesedi as announced during September 2021, was the primary reason for the 9% quarter-on-quarter decrease in PGM plant feed tons.

While the plant feed grades were slightly down from the previous quarter based on characteristics of feed material, the PGM plant feed grade was 3% higher due to better upgrade performance and the average PGM recovery efficiency also increased 3% to 53% as flotation stability improved during the period.

Total SDO cash costs decreased in rand and dollar terms quarter-on-quarter by 2% and 5% respectively to ZAR12,615/ounce and $862/ounce (Q4 FY2021: ZAR12,892/ounce and $912/ounce) despite a 3% reduction in PGM ounce production. The price increase of electricity, higher maintenance costs at the plants and the annual payroll increases impacted the total direct operating costs for the quarter, with the net result that costs remained marginally in line with those of the previous quarter, although Lesedi was not in operation and therefore not a contributing factor to the overall costs.

The ZAR:USD exchange rate depreciated by 4% during the quarter.

SDO incurred capital expenditure of ZAR45.4 million ($3.1 million) during the quarter, which is aligned with planned capital project schedules and includes the new Lesedi tailings facility, the Doornbosch tailings facility and the roll out of the Lesedi MF2 circuit.

Operational focus areas

Operational efficiencies remain a focus area on all operations, and we are working closely with our host mines to address current lower PGM grades in RoM and current arising sources and the optimisation of blending activities from surface sources.

Although significant improvements to the management of operational costs have been realised, cost control remains a focus area for management teams across all operations.

Management has established a remedial action plan to mitigate the associated risks relating to the Lesedi tailings facility which resulted in operations being temporarily stopped on 5 August 2021. Hydro-mining of the affected tailings dam facility commenced towards the end of September 2021 to reduce the water level and load on the facility and to resume production at the operation. Re-mining and production rates will be ramped up during next month, with the operation expected to return to planned production levels by mid-November 2021. During this time, production will still be impacted by lower feed grades and potential water constraints associated with the current temporary deposition facility and operation. Construction of the new permanent tailings dam facility for Lesedi, which was planned for FY2022, has commenced and is scheduled to be completed early, during Q3.

Stabilisation of power supply to operations remains on management's radar as vandalism and cable theft activities continue and are resulting in some unplanned delays. Power mitigation strategies with conceptual designs are in place and will be rolled out at the most affected operations during the current year.

Delays have been experienced in the procurement of specific equipment required for some capital projects due to the worldwide computer chip shortage which has impacted some timelines for deliverables. Although global factors are matters outside of the Company's control, the project management teams are working to ameliorate these impacts as far as possible in order to ensure the Company delivers on required timelines.

Operational opportunities

The optimisation of blending, throughput, plant feed grade and flotation plant grades remain a focus area which could add value for all operations. Optimised ore mix and plant stability remains fundamental to improve efficiencies.

The execution of the MF2 project at Lesedi to improve the upgrading and recovery of PGMs is progressing well and the project remains on track to start contributing towards production from early next year.

In addition, the Tweefontein MF2 project at the Eastern operations is progressing well with commissioning expected mid next year.

Impact of COVID-19 and South African Government imposed lockdown regulations

With South Africa having exited from a third, more transmissible, wave of COVID-19 infections during the quarter, the Company's overall COVID-19 cases totalled 114 since the start of the pandemic, of which at present there are no active cases and no fatalities since the release of the Company's annual results.

The South African President addressed the nation on 30 September 2021 and reduced the lockdown level restrictions to level-one, with further restrictions expected to be relaxed in December 2021 should the country reach the milestone of 70% of the population vaccinated. Sylvania believes that vaccines are key in the fight against the pandemic, together with other control protocols. Although we acknowledge that vaccines are a personal choice, we do encourage our employees to be vaccinated against COVID-19 with the intent to limit the impact and spread of the virus.

Management continues to monitor the situation and to implement measures for both the corporate office and operations to limit interaction and exposure where possible. Currently, all plants continue to operate at full capacity and in accordance with all legislated safety and occupational regulations pertaining to the industry and country as a whole.

B. FINANCIAL OVERVIEW

Financial performance

Net revenue for the quarter was $29.8 million (Q4 FY2021: $48.4 million) as a result of both the 3% decrease in ounce production and the drop in the realised basket price in September 2021. The average gross basket price for the quarter decreased 29% from $4,059/ounce in Q4 FY2021 to $2,897/ounce due mainly to the 33% and 13% drop in rhodium and platinum prices received respectively.

General and administrative costs decreased quarter-on-quarter from $0.64 million to $0.62 million. These costs are incurred in USD, GBP and ZAR and are impacted by the exchange rate fluctuations over the reporting period.

The Group cash balance increased 25% from $106.1 million to $132.7 million during the quarter. Cash generated from operations before working capital movements was $13.7 million with net changes in working capital amounting to $18.7 million, which is mainly due to the change in trade debtors. Trade debtors arise from the concentrate delivered in the quarter but only paid for in the following quarter as per the concentrate off take agreements. The decrease in basket price and lower ounce production resulted in a lower trade debtors balance quarter-on-quarter. The impact of the lower Q1 ounces and pullback in the basket price will only be realised in the cash flow in Q2.

Provisional payments for both royalty tax and income tax are payable in December 2021 in line with the South African tax authority timelines, at an anticipated rate of 7% for royalty tax, on applicable ounces, and a rate of 28% for income tax. The annual dividend of 4p per Ordinary Share, amounting to approximately $15.5 million declared on 6 September 2021 is also payable in December 2021.

The Group spent $3.1 million on capital for the quarter which included the new Lesedi tailings disposal facility.

Group cash costs per 4E PGM ounce increased by 3% in ZAR from ZAR13,302/ounce to ZAR13,674/ounce but decreased slightly in dollar terms from $941/ounce in the previous quarter to $934/ounce during Q1. The increase in ZAR terms is a product of the conversion of corporate costs from USD and GBP to ZAR as the average conversion rate increased 4% and 2% respectively quarter-on-quarter. Group EBITDA decreased from $28.7million to $13.6 million and net profit decreased from $14.7 million to $8.6 million as a result of the lower basket price achieved and the lower ounces produced.

C. MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

Volspruit Platinum Opportunity

The specialist studies commissioned in terms of updating the Environmental Impact Assessment ("EIA") and Water Use License ("WUL") applications continue with the specialist fieldwork commencing in November 2021. These studies and the already completed detailed design form part of the overall process to conclude the final mandatory authorisations required for the project.

On completion of the FY2021 specialist studies, which included a preliminary mine design and further metallurgical test work, to determine the strategic direction of the project, additional metallurgical test work has been commissioned to evaluate various processing and off-take options. Further to this, specialists have been appointed to restate the JORC compliant resource, using modern methodologies allowing evaluation of the deposit at a higher resolution.

Northern Limb Projects

As detailed in previous announcements, the exploratory drilling continues without incident and final reporting on the project is expected by mid-2022 calendar year. Results will be released to the market when they become available.

Grasvally

The Grasvally asset remains an asset for sale and the Option Agreement as negotiated and reported in the Company's FY2020 report is still valid in terms of the potential sale of 100% of the shares in Grasvally and claims against Grasvally Chrome Mine (Pty) Ltd to Forward Africa Mining (Pty) Ltd.

D. CORPORATE ACTIVITIES

Transactions in Own Shares and by PDMRs

During the quarter, a total of 2,385,000 shares were exercised by various Directors, senior management and employees which vested from deferred shares awarded in August 2018. All shares issued came from Treasury and 1,066,850 of the vested shares were repurchased by the Company to satisfy the tax liabilities of employees. An additional 724,080 shares were repurchased from employees and placed back into Treasury.

As at the end of the quarter, the Company's issued share capital was 286,155,657 Ordinary Shares, of which a total of 13,087,722 Ordinary Shares were held in Treasury. Therefore, the total number of Ordinary Shares with voting rights is 273,067,935.

Annual Dividend

Shareholders are reminded that the Board declared a final dividend of 4p per Ordinary Share, with a record date of 29 October 2021 and payment date of 3 December 2021.

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About Sylvania Platinum Limited

Sylvania Platinum is a lower-cost producer of platinum group metals (PGM) (*platinum, palladium and rhodium*) with operations located in South Africa. The Sylvania Dump Operations (SDO) comprises six chrome beneficiation and PGM processing plants focusing on the retreatment of PGM-rich chrome tailings materials from mines in the Bushveld Igneous Complex. The SDO is the largest PGM producer from chrome tailings re-treatment in the industry. The Group also holds mining rights for PGM projects and a chrome prospect in the Northern Limb of the Bushveld Complex.

For more information visit https://www.sylvaniaplatinum.com/

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse regulation (EU) no.596/2014 as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019.

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 FY2022

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
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	Pounds Sterling
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
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
NWA	National Water Act 36 of 1998
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PAR	Pan African Resources Plc
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
Project Echo	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install additional new fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein, Mooinooi and Lesedi.
Revenue (by products)	Revenue earned on Ruthenium, Iridium, Nickel and Copper
RoM	Run of mine
SDO	Sylvania dump operations
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
USD	United States Dollar
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand