21 February 2022

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

Interim financial results for the six months ended 31 December 2021

Sylvania (AIM: SLP) is pleased to announce the results for the six months ended 31 December 2021. Unless otherwise stated, the consolidated financial information contained in this report is presented in United States Dollars ("USD" or "$").

Operations and finance

- Sylvania Dump Operations ("SDO") delivered 32,376 4E PGM ounces (HY1 FY2021: 36,335 4E PGM ounces);
- Net revenue generated for the period totalled $69.1 million (HY1 FY2021: $84.9 million);
- Average gross PGM basket price of $2,966/oz (HY1 FY2021: $3,184/oz);
- Group EBITDA of $36.2 million (HY1 FY2021: $58.0 million);
- Net profit of $24.4 million (HY1 FY2021: $40.5 million);
- Cash balance at 31 December 2021 of $110.1 million (HY1 FY2021: $67.1 million);
- Amended Sale Agreement signed for the sale of the 74% share held in Grasvally Chrome Mine (Pty) Ltd to a 100% empowerment company for ZAR100.0 million ($6.7 million);
- Bought back 1,873,430 shares from employees, all transferred to Treasury;
- Final dividend of 4p per Ordinary Share for FY2021 paid in December 2021 (FY2020:1.6p); and
- Windfall Dividend of 2.25p per Ordinary Share declared by the Board, to be paid in April 2022.

Challenges

- Lower than planned Run of Mine ("ROM") and current arising PGM feed grades at the Western operations have affected production. Management, in conjunction with the host mine, continued to explore alternative feed sources and to implement processes to optimise feed grades and increase recovery efficiency at the affected operations; and
- The temporary suspension of operations at Lesedi extended through Q1 and, subsequent to start-up, the plant incurred further downtime related to general water shortages at the Western operations during Q2 which was further exacerbated by the temporary tailings deposition strategy. Post period end, the operation commissioned a new water supply from additionally installed boreholes and commenced with commissioning of the newly constructed tailings dam facility that will further mitigate water shortages.

Opportunities

- Lesedi MF2 is on track and expected to commission in March 2022;
- The Tweefontein MF2 project is progressing well and expected to commission later during this calendar year as planned; and
- The Group remains debt free and continues to generate sufficient cash reserves to fund capital expansion projects.

Board Update

- Sylvania appointed Adrian Reynolds and Simon Scott as Independent, Non-executive Directors effective 1 August 2021 and 1 January 2022 respectively; and
- Roger Williams stepped down from his role as Non-executive Director effective 31 December 2021 after serving on the Board of the Company since 2011.

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

"The SDO has achieved 32,376 ounces of PGM production in the period, with a solid performance from most operations, especially Tweefontein, which achieved new record quarterly and six-monthly production performances which helped mitigate the lower production from Mooinooi and Lesedi during the period. However, the lower PGM feed grade of Mooinooi ROM material received, the impact of the temporary production stoppage at Lesedi and subsequent water shortages, as well as some water supply issues which are being addressed, have affected production from our Western operations. As a result, we have made a modest adjustment to our annual PGM production estimate, with a range of 66,000 to 68,000 ounces now targeted by the Company.

"Based on the progress that we are making with the Lesedi MF2, which we plan to commission in March, as well as the provisional results from targeted sampling campaigns and investigations to evaluate potential alternative feed sources to mitigate current low ROM feed grades at Mooinooi, we are expecting a stronger production performance during HY2 FY2022.

"Through the continuous efforts of our employees and operations that drive sustainable production, and assisted by the strong PGM basket price, the Company continues to generate sufficient cash to fund both expansion requirements and to return value to shareholders. As a result, I am pleased to announce that, in addition to the annual dividend paid during the period, the Board has approved the payment of a second Windfall Dividend of 2.25p per Ordinary Share, payable in early April 2022. As with the first Windfall Dividend paid in April 2021, this dividend payment is based on excess cashflow generated from PGM prices achieved above long-term broker consensus prices for these metals for the 2021 calendar year. Actual achieved production, metal prices, ZAR exchange rate, as well as our share of mineral royalties, corporate and dividend withholding taxes have been taken into account in the determination.

"In addition, the Company will continue to execute further share buy backs as opportunities arise as part of its commitment to returning value to shareholders. As the Company already holds sufficient shares in Treasury for the current bonus share awards and the Employee Dividend Entitlement Plan, any such shares acquired will be cancelled."

Disclaimer

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.

The Sylvania cash generating subsidiaries are incorporated in South Africa with the functional currency of these operations being South African Rand ("ZAR"). Revenues from the sale of PGMs are received 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, Pounds Sterling ("GBP") and ZAR.

For the six months under review, the average ZAR:USD exchange rate was ZAR15.03:$1 and the spot exchange rate was ZAR15.95:$1.

USD			Unit	Unaudited	Unit	ZAR		
HY1 2021	HY1 2022	% Change				% Change	HY1 2022	HY1 2021
				Production				
1,421,445	1,184,996	-17%	T	Plant Feed	T	-17%	1,184,996	1,421,445
1.93	1.91	-1%	g/t	Feed Head Grade	g/t	-1%	1.91	1.93
632,079	589,240	-7%	T	PGM Plant Feed Tons	T	-7%	589,240	632,079
3.20	3.17	-1%	g/t	PGM Plant Feed Grade	g/t	-1%	3.17	3.20
55.66%	53.93%	-3%	%	PGM Plant Recovery	%	-3%	53.93%	55.66%
36,335	32,376	-11%	Oz	Total 4E PGMs	Oz	-11%	32,376	36,335
49,224	41,828	-15%	Oz	Total 6E PGMs	Oz	-15%	41,828	49,224
3,184	2,966	-7%	$/oz	Average gross basket price[1]	R/oz	-8%	44,574	48,296
				Financials[2]				
77,250	65,812	-15%	$'000	Revenue (4E)	R'000	-21%	989,094	1,253,040
3,328	5,628	69%	$'000	Revenue (by-products including base metals)	R'000	57%	84,585	53,988
4,319	-2,384	-155%	$'000	Sales adjustments	R'000	-151%	-35,842	70,051
84,897	69,056	-19%	$'000	Revenue	R'000	-25%	1,037,837	1,377,079
23,560	27,644	17%	$'000	Operating costs	R'000	9%	415,466	382,138
1,119	1,352	21%	$'000	General and administrative costs	R'000	12%	20,322	18,154
58,026	36,166	-38%	$'000	Group EBITDA	R'000	-42%	543,532	941,223
574	363	-37%	$'000	Net Interest	R'000	-42%	5,449	9,316
16,864	10,527	-38%	$'000	Taxation	R'000	-42%	158,214	273,540
1,203	1,641	36%	$'000	Depreciation and amortisation	R'000	26%	24,659	19,514
40,534	24,360	-40%	$'000	Net profit	R'000	-44%	366,108	657,485
2,488	7,414	198%	$'000	Capital Expenditure	R'000	176%	111,421	40,350
67,095	110,062	64%	$'000	Cash Balance	R'000	78%	1,755,066	986,406
-		-	R/$	Ave R/$ rate	R/$	-7%	15.03	16.22
-		-	R/$	Spot R/$ rate	R/$	8%	15.95	14.70
				Unit Cost/Efficiencies				
616	815	32%	$/oz	SDO Cash Cost per 4E PGM oz[3]	R/oz	23%	12,256	9,996
455	631	39%	$/oz	SDO Cash Cost per 6E PGM oz[3]	R/oz	29%	9,486	7,376
667	881	32%	$/oz	Group Cash Cost Per 4E PGM oz[3]	R/oz	22%	13,247	10,825
493	682	38%	$/oz	Group Cash Cost Per 6E PGM oz[3]	R/oz	28%	10,254	7,991
751	1,025	36%	$/oz	All-in sustaining cost (4E)	R/oz	26%	15,404	12,188
801	1,216	52%	$/oz	All-in cost (4E)	R/oz	41%	18,273	12,988

[1] The gross basket price in the table is average gross basket for the period, used for revenue recognition of ounces delivered over HY1 FY2022, before penalties/smelting costs and applying the contractual payability.

[2] Revenue (6E) for HY1 FY2022, before adjustments is $71.1 million (6E prill split is Pt 50%, Pd 18%, 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

During the period under review there were no significant occupational health or environmental incidents reported. The Doornbosch operation remains nine-years Lost-time Injury ("LTI") free, while Millsell and Lesedi achieved the milestones of one-year and two-years LTI-free respectively during the period. Unfortunately, Mooinooi suffered one LTI during July 2021 when an employee fractured a finger during maintenance.

Operational performance

The SDO achieved 32,376 ounces for the first half of the 2022 financial year. Half-year on half-year PGM production decreased 11%, primarily due to lower treatment volumes at Lesedi. A combination of lower PGM feed grades and recovery efficiencies associated with ROM material received from the host mine at Mooinooi and Lannex during the period, also contributed to the decrease.

While all other operations either met or exceeded their planned production volumes, the 7% decrease in PGM plant feed tons during the period was due to the tailings dam related production interruption and water shortages at Lesedi. PGM plant feed grade decreased by 1% during the period, associated with lower grade dump feed at Millsell and low-grade ROM sources at Mooinooi. PGM plant recovery decreased 3% when compared to HY1 FY2021, primarily related to higher ratios of more oxidised ROM material treated at the Lannex and Mooinooi operations.

An increase of 23% in SDO cash costs per ounce in ZAR terms, impacted by the lower PGM ounce production, combined with a 7% stronger ZAR:USD exchange rate, resulted in an increase of 32% in USD terms from $616/oz to $815/oz. A higher electricity cost due to above inflation rate increases and higher mining cost due to a host mine subsidy incurred in an attempt to secure higher grade feed material, also affected the increase in the cash cost. In addition, a rise in the consumption of consumables to accommodate the higher ratio of ROM material at Lannex, as well as more oxidised material at Mooinooi and Lesedi, were the most significant contributors to the higher cash cost. Cost control remains key and management continues to drive various strategies focussed on efficiently managing costs.

Operational focus areas

During the period, the SDO continued to engage with the host mines in order to address the lower PGM grades in ROM and current arising sources, as well as optimisation of blending activities from surface sources. Various sampling campaigns and investigations have been performed together with the host mine to evaluate potential alternative feed sources. It is anticipated that ROM feed grades should improve during HY2 FY2022.

The remedial action plan to mitigate associated risks relating to the Lesedi tailings facility, which necessitated a temporary stoppage of operations in Q1, involved the commencement of hydro-mining of the affected tailings facility during the period. However, due to the nature of the emergency tailings deposition facility and difficulty in recovering return-water from it, combined with general water shortages in the area, the operation had not been able to ramp up to normal production levels in Q2 as anticipated. Post period end, the operation commissioned a new water supply from additionally installed boreholes and has also commenced the commissioning of the newly constructed tailings facility, which is expected to alleviate water shortages allowing the commencement of normal operations.

In addition to water constraints, power supply to operations remains a focus area, as vandalism and cable theft at substations continue, often resulting in unplanned delays to the operations. Power mitigation strategies have been developed and are being implemented at the most affected operations.

Capital Projects

Despite the impact of the recent global computer chip shortage which has affected some timelines for deliverables, the Lesedi MF2 is still expected to commission next month. In addition, the execution of the Tweefontein MF2 project is progressing well and expected to commission later this calendar year. The construction of these MF2 modules will improve the upgrading and recovery of PGM's at the respective operations.

The construction works on the new Lesedi tailings dam facility are nearing completion, with early commissioning now underway. Construction of the new Mooinooi and Doornbosch tailings facilities is progressing well. These new and improved tailings facilities comply with the highest international standards and are designed to both reduce the impact of mine tailings on the environment and improve operability.

Capital spend increased during the current period compared to the prior year corresponding period from $2.5 million to $7.4 million, comprising $6.1 million optimisation and stay in business capital that includes the abovementioned projects, as well as $1.3 million spend on exploration projects. All capital projects are fully funded from current cash reserves.

Outlook

With the Lesedi MF2 expected to commission next month together with the implementation of initiatives to address both the water shortages at the Western operations and the current low ROM feed grades, we are expecting PGM ounce production to improve during HY2 FY2022.

While the average 4E PGM basket price for HY1 FY2022 was approximately 30% lower than HY2 FY2021, we remain cautiously optimistic in terms of the PGM price outlook. Based on market forecasts for Palladium and Rhodium to remain in deficit and demand forecast to increase with vehicle sales as the global chip shortage is resolved, we are expecting PGM prices to remain healthy with potential modest upside from current levels as the year progresses. While electric vehicle sales have increased sharply during the past year, especially as internal combustion engine ("ICE") vehicles sales were impacted by the global chip shortages, PGM consumption in ICE vehicles is expected to remain robust for the short to medium term based on the balance of market fundamentals.

As always, the Company will continue to focus on that which we are able to control, with our specific focus on improving direct operating costs, maintaining a safe, stable and efficient production environment, and ensuring disciplined capital allocation and control.

Impact of COVID-19

The effects of COVID-19 on both employees and operations have remained a key focus of the Company. South Africa exited from a fourth more transmissible wave of COVID-19 during the period and the extended effects of the pandemic on employees and their families have been recognised by management. Although the Company acknowledges that vaccines are a personal choice, together with control protocols, the Company believes that vaccination is key in the fight against the pandemic.

An Employee Assistance Program ("EAP") was launched to assist with the direct and indirect impacts of the pandemic on the work force. The EAP also provides emotional counselling for a number of personal life traumas and financial and legal advice. The service is available to all employees of the Group as well as their immediate family.

As of 31 December 2021, the Company recorded 138 positive cases of COVID-19 amongst employees since the start of the pandemic. Post period end, one active case was recorded with the affected employee having returned to work as of the date of release of this announcement. With the increase in vaccinated individuals, as well as the natural immunity that has built up in the population, the South African government has adjusted the Level 1 lockdown regulations. No further forced closure of operations is anticipated.

B. FINANCIAL OVERVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS For the half year ended 31 December 2021	Note(s)	31 December 2021 $ Reviewed	31 December 2020 $ Reviewed
Revenue	1	**69,055,528**	84,896,812
Cost of sales		**(29,192,755)**	(24,709,262)
Royalties tax		**(3,046,322)**	(2,595,982)
Gross profit		**36,816,451**	57,591,568
Other income		**38,607**	332,350
Other expenses	2	**(2,330,331)**	(1,100,567)
Operating profit before net finance income/costs and income tax expense		**34,524,727**	56,823,351
Finance income		**731,855**	888,300
Finance costs		**(369,302)**	(313,996)
Profit before income tax expense		**34,887,280**	57,397,655
Income tax expense	3	**(10,527,209)**	(16,863,716)
Net profit for the period		**24,360,071**	40,533,939
Other comprehensive income/(loss)			
Items that are or may be subsequently reclassified to profit and loss:			
Foreign operations - foreign currency translation differences		**(13,222,604)**	20,661,835
Total other comprehensive income/(loss) (net of tax)		**(13,222,604)**	20,661,835
Total comprehensive income for the year		**11,137,467**	61,195,774

	Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Company:		
Basic earnings per share	8.93	14.90
Diluted earnings per share	8.86	14.56

1. Revenue is generated from the sale of PGM ounces produced at the six retreatment plants, net of pipeline sales adjustments.
2. Other expenses relate to corporate activities and include consulting fees, audit fees, travel, advisor and PR costs, share registry costs, directors' fees, share based payments and other smaller administrative costs.
3. Income tax expense includes current tax, deferred tax and dividend withholding tax

The average gross basket price for the six months to 31 December 2021 was $2,966/oz compared to $3,184/oz for the six months ended 31 December 2020. The Group recorded net revenue of $69.1 million for the six months to 31 December 2021, a 19% decrease half-year on half-year, as a result of the lower PGM ounce production and basket price, as well as a negative sales adjustment for the period.

The operational cost of sales represents the direct and indirect costs of producing the PGM concentrate and amounted to ZAR415.5 million for the reporting period compared to ZAR382.1 million for the six months to 31 December 2020. The main cost contributors being salaries and wages of ZAR144.5 million (HY1 FY2021: ZAR135.0 million), mining costs of ZAR53.2 million (HY1 FY2021: ZAR44.3 million), reagents and milling costs of ZAR33.0 million (HY1 FY2021: ZAR31.0 million), and electricity of ZAR55.8 million (HY1 FY2021: ZAR49.5 million).

Group cash cost per ounce was ZAR13,247/oz compared to ZAR10,825/oz in the previous corresponding period impacted mainly by the lower ounce production. The all-in sustaining cost ("AISC") for the Group amounted to ZAR15,404/oz and an all-in cost ("AIC") of ZAR18,273/oz for the period to 31 December 2021. This compares to the AISC and AIC for 31 December 2020 of ZAR12,188/oz and ZAR12,988/oz respectively.

General and administrative costs were $1.4 million (ZAR20.3 million) for the six months to 31 December 2021 compared to $1.1 million (ZAR18.2 million) for the corresponding period in the prior year. These costs are incurred in USD, GBP and ZAR and relate mainly to share registry costs, regulatory costs, insurance, advisory and public relations costs, consulting and legal fees and stock exchange costs.

Interest is earned on surplus cash invested in South Africa at an average interest rate of 3.9% per annum. Interest was paid on instalment sale agreements for the purchase of movable plant and vehicles; however, all instalment sale agreements were settled during the six-month period and no further cost will be incurred.

Income tax is paid in ZAR on taxable profits generated at the South African operations at a rate of 28%. The income tax charge for the six months to 31 December 2021 was ZAR136.1 million compared to ZAR264.8 million for the six months to 31 December 2020 due to the decrease in profit. Deferred tax movements for the Group relate mainly to unredeemed capital expenditure and provisions. Dividend withholding tax of $1.3 million was paid on internal dividends paid from Sylvania Metals for the six-month period.

CONSOLIDATED STATEMENT OF CASHFLOWS **For the half year ended 31 December 2021**		**31 December 2021** **$** **Reviewed**	**31 December 2020** **$** **Reviewed**
Net cash inflow from operating activities	4	**31,599,803**	12,327,520
Net cash outflow from investing activities	5	**(8,109,477)**	(2,593,164)
Net cash (outflow) from financing activities	6	**(17,178,177)**	(7,332,565)
Net increase in cash and cash equivalents		**6,312,149**	2,401,791
Effect of exchange fluctuations on cash held		**(2,385,646)**	8,816,921
Cash and cash equivalents at the beginning of reporting period		**106,135,435**	55,876,612
Cash and cash equivalents at the end of the reporting period		**110,061,938**	67,095,324

Note: This is a condensed cashflow statement. Please refer to the Half Year Interim Financial Statements for more detail.

4. Net cash inflow from operating activities includes a net operating cash inflow of $43,062,803, net finance income of $716,028 and taxation paid of $12,179,028.
5. Net cash outflow from investing activities includes payments for property, plant and equipment of $6,123,805, exploration and evaluation assets of $1,289,934, loan to joint operation $696,237 and cash inflow of $499 from proceeds on disposal of property, plant and equipment.
6. The net cash outflow from financing activities consists of the repayment of borrowings of $122,657, payment of lease liabilities of $56,691, payments for share transactions of $2,399,256 and dividends declared and paid of $14,609,573.

Cash is held in USD and ZAR. As at 31 December 2021, the Company's cash and cash equivalents balance was $110.1 million. Cash generated from operations before working capital was $36.4 million for the reporting period, with working capital contributing an inflow of $6.7 million mainly due to the movement in trade receivables as a result of the decrease in the gross basket price received. $10.9 million was paid in provisional income tax and the Company spent $7.4 million on capital expenditure comprising of $6.1 million on specific optimisation and stay in business projects, and $1.3 million on exploration projects. In December 2021, $14.6 million was paid to shareholders as a dividend. The Group holds a portion of cash in ZAR to fund operational working capital and capital projects. A strengthening ZAR:USD exchange rate will have a favourable impact on the Group cash balance and a weakening of the ZAR against the USD will have the opposite effect.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION For the half year ended 31 December 2021	Note(s)	31 December 2021 $ Reviewed	30 June 2021 $ Audited
ASSETS			
Non-current assets			
Exploration and evaluation expenditure		**45,762,424**	45,351,817
Property, plant and equipment		**40,136,010**	39,915,437
Other financial assets	**7**	**815,628**	298,864
Total non-current assets		**86,714,062**	85,566,118
Current assets			
Cash and cash equivalents	**8**	**110,061,938**	106,135,435
Trade and other receivables	**9**	**53,985,850**	68,612,119
Other financial assets	**7**	**896,328**	885,593
Inventories	**10**	**3,995,753**	3,838,147
Current tax asset		**5,600,489**	4,329,860
		174,540,358	183,801,154
Assets held for sale		**3,822,067**	4,216,190
Total current assets		**178,362,425**	188,017,344
Total assets		**265,076,487**	273,583,462
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	**11**	**2,861,557**	2,861,557
Reserves	**12**	**50,152,220**	65,314,647
Retained profit		**185,527,219**	175,776,721
Total equity		**238,540,996**	243,952,925
Non-current liabilities			
Borrowings	**13**	**15,889**	70,956
Provisions	**14**	**4,121,754**	4,539,937
Deferred tax liability		**11,979,442**	11,154,515
Total non-current liabilities		**16,117,085**	15,765,408
Current liabilities			
Trade and other payables		**10,338,464**	13,652,017
Borrowings	**13**	**79,942**	212,651
		10,418,406	13,864,668
Liabilities directly associated with the assets classified as held for sale		**-**	461
Total current liabilities		**10,418,406**	13,865,129
Total liabilities		**26,535,491**	29,630,537
Total liabilities and shareholder's equity		**265,076,487**	273,583,462

7. Other financial assets mainly consist of:
   - The loan receivable granted to TS Consortium from Sylvania South Africa (Pty) Ltd, a South African subsidiary of the Group. TS Consortium is a joint operation research and development project. Sylvania South Africa (Pty) Ltd increased it's 50% interest in the joint operation to 75% in December 2021.
   - Third party loan which is secured over the Grasvally Plant, bears interest at the Johannesburg Inter-Bank Offer Rate (JIBOR) + 3%, compounded monthly in arrears.
8. Cash and cash equivalents are held in ZAR and USD. ZAR denominated balances make up $39,883,440 (ZAR635,987,941) of the total cash and cash equivalents balance.
9. Trade and other receivables consist mainly of amounts receivable for the sale of PGMs.
10. Inventory held is spares and consumables for the SDO.
11. The total number of issued ordinary shares at 31 December 2021 is 286,155,657 Ordinary Shares of US$0.01 each (including 13,170,222 shares held in treasury), 1,873,430 shares were bought back from employees and 2,385,000 bonus shares were exercised.
12. Reserves include the share premium, foreign currency translation reserve, which is used to record exchange differences arising from the translation of financial statements of foreign controlled entities, share-based payments reserve, treasury share reserve, the non-controlling interests reserve and the equity reserve.
13. Borrowings relate to the right-of-use lease liability.
14. Provision is made for the present value of closure, restoration and environmental rehabilitation costs in the financial period when the related environmental disturbance occurs.

C. Mineral Asset Development and opencast mining projects

As announced in the Annual Report FY2021, the Group assesses the value of its mineral asset development projects on a regular and consistent basis. Various studies have been initiated in order to determine how best to optimise the respective projects and consultants were engaged in the prior year to assist with further research and provide the Board with sufficient data and information to make decisions on these projects.

Grasvally Chrome Project

An amended Sale Agreement was signed on 3 November 2021 whereby Sylvania sold its 74% share in Grasvally Chrome Mine (Pty) Ltd to a 100% empowerment company. Sales proceeds of ZAR100.0 million ($6.7 million), payable in fifteen equal quarterly instalments, will become payable after completion of certain conditions precedent being fulfilled, including an application for ministerial consent for the sale in terms of section 11 of the Mineral and Petroleum Resources Development Act. This has been submitted to the Department of Mineral Resources and Energy and the Company awaits the outcome.

Volspruit Platinum Project

The fieldwork for the specialist studies in aid of updating the Environmental Impact Assessment and Water Use License applications has been completed. The inclusion of these studies and the already completed detailed design form part of the overall process to conclude the outstanding mandated authorisations required on the project.

Based on the findings of the initial mining optimisation phase of the study, additional metallurgical test work was commissioned, which included tests aimed at increasing the payability of the PGM concentrate expected to be produced by the project. The Company expects the report of the current test work in Q4 FY2022.

Northern Limb Projects

The Company employed specialist consultants to assist in evaluating the Northern Limb resources and to explore the economic potential of the deposits on the Hacra and Aurora properties. This study is aimed at improving the resource classification and updating the resource model and included infill drilling and additional assaying. The drilling has now been completed on both areas and the geological logging, sampling and assaying of the drilled core is currently in progress. The updated resource model will then be subjected to a scoping level mining study to evaluate a new business case for the area of the Mining Right with the final study reports expected during Q1 FY2023.

D. CORPORATE ACTIVITIES

Dividend Payment

On 3 December 2021, the Board paid a dividend for FY2021 totalling $14.6 million, equating to 4p per Ordinary Share, to shareholders on the register on the record date of 29 October 2021.

In addition to the FY2021 dividend paid, the Board has approved a Windfall Dividend of 2.25p per Ordinary Share for the calendar year 2021, payable on 8 April 2022. Payment of the Windfall Dividend will be made to shareholders on the register at the close of business on 4 March 2022 and the ex-dividend date is 3 March 2022.

Transactions in Own Shares

2,385,000 Ordinary Shares were exercised by various persons displaying management responsibilities (“PDMRs”) and employees which vested from bonus shares awarded to them in August 2018. 1,066,850 of the vested bonus shares were repurchased to satisfy the tax liabilities of certain PDMRs and employees, and an additional 806,580 shares were bought back from various employees. All shares awarded came from Treasury.

Accordingly, at the end of the period the Company’s issued share capital was 286,155,657 Ordinary Shares, of which a total of 13,170,222 Ordinary Shares were held in Treasury, which includes 7,500,000 Ordinary Shares held for the Employee Dividend Entitlement Plan. Therefore, the total number of Ordinary Shares with voting rights was 272,985,435.

The Company will continue to evaluate further share buy backs as the opportunity arises as part of its commitment to returning value to shareholders. Any shares acquired will be cancelled.

Directorate Changes

Sylvania appointed Adrian Reynolds and Simon Scott as Independent, Non-executive Directors effective 1 August 2021 and 1 January 2022 respectively. Roger Williams stepped down from his role as Non-executive Director effective 31 December 2021 after serving on the Board of the Company since 2011.

As a result of the Directorate changes, and as part of a Board succession plan, the following changes in committee roles were effected: Eileen Carr was appointed Chair of the Audit Committee, Adrian Reynolds was appointed Chair of the Remuneration Committee and Simon Scott has become a member of the Audit Committee. Eileen Carr's role as Assistant Company Secretary is now being carried out by a member of the Company's in-house legal staff.

During the period the Company was notified that one of the Company's Independent, Non-executive Directors, Adrian Reynolds, purchased 20,000 Ordinary Shares, representing 0.007% of the total number of Ordinary Shares with voting rights in the Company, from the market.

E. ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Based on the UN Sustainable Development Goals ("UNSDGs"), the Company published its "Pathway to ESG" report in the FY2021 Annual Report. The following update aligns Sylvania's ESG risks, opportunities and exposure areas to the Company's values, guiding principles and ESG goals in order to provide progress and performance feedback. The main driver over the period has been the Company's adoption of ESG reporting, including defining key performance indicators ("KPIs)", establishing baselines and determining data gaps.

Environment

Waste and pollution management

The continuous reworking of mineral waste dumps and the re-depositing of tailings on the same or enhanced storage facilities has an inherent positive impact on the environment. Not only is the volume of mineral waste reduced (through the abstraction of Chrome and PGMs) but also the potential pollution from seepage or tailings spillages from tailings storage facilities ("TSF") are minimalised. Nevertheless, a Rehabilitation Fund has been established by the Company which is reviewed periodically and contributions made as required.

The Company is currently busy with the construction of three new and improved tailings facilities, at Lesedi, Mooinooi and Doornbosch, which comply with the highest international standards and are designed to both reduce the impact of the mine tailings on the environment and improve operability.

Non-mineral waste is separated at source in terms of general, scrap and hazardous waste. Disposal is facilitated through the host mine's waste management processes. An area for future focus has been identified which will both improve the quantification of Sylvania's waste footprint and give formal assurance on legal disposal.

Carbon transition and related risks

The main focus areas pertaining to the Company's carbon transition relate to opportunities linked to energy optimisation, as well as investigation into renewable energy. Sylvania's current emissions calculations, which are below acceptable thresholds, are based on Scope 1 and Scope 2 emission sources from the national power utility, diesel generation and diesel used. Scope 1 and Scope 2 sources are 'direct emissions from owned or controlled sources' and 'indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company' respectively. Scope 3 includes all other indirect emissions that occur in a company's value chain.

The intention is that strategies focussed on reduction in energy intensity through optimisation, reduction and replacement of Scope 1 and Scope 2 energy sources with alternatives will be considered, and finally, the recovery of emissions will be implemented. During the reporting period, the following actions towards realisation of emissions reduction include, but are not limited to:

- Power factor correction installed on 83% of the SDO plants, thereby reducing KVA feeding from the host mine;
- Newer lighting installations utilising only low-energy LED, with the systematic replacement of older lighting to this efficient technology; and

- Studies have been initiated at two plants to assess the suitability of possible photovoltaic (PV) plants to supplement the daily power usage reverting back to supply from the national power utility.

For the Sylvania Group, greenhouse gases ("GHG") (diesel related only) emitted in HY1 FY2022 for GHG Protocol Scope 1 emissions are approximately 1,121.45[1] tCO2e[2] (tons of carbon dioxide equivalent). These figures have not been verified independently at the time of release and are included as a guide.

Regarding the existing energy consumption, projects and initiatives, Sylvania is in the process of determining the following:

- Average annual greenhouse gas emissions in the form of a carbon equivalent figure (tC02e);
- Identification of greenhouse gases (e.g.: carbon dioxide, methane, nitrous oxide, F-gases), and formalisation of reporting of metric tons of carbon dioxide equivalent (tCO2e) for GHG Protocol Scope 1 and Scope 2 emissions;
- Estimate and report on the appropriate material upstream and downstream (GHG Protocol Scope 3) emissions;
- GHG Intensity Industry Average (tC02e/ton product); and
- Ensuring that Sylvania proactively understands its carbon footprint and is aligned with international trends and acceptable standards for carbon related disclosures (2021 DEFRA Guidelines GHG Conversion Factors for Company Reporting).

Carbon and energy related aspects:

Indicator	FY21 (Total)	FY21 (Monthly average)	HY1 FY22 (Total)	HY1 FY22 (Monthly average)	Comments
Diesel consumption in litres by operation of buildings (Generators)	320,000.00	26,667.70	13,515.86	2,252.60	Significant reduction due to Tweefontein and Lannex generators only required for power failures and not for co-generation.
Electricity purchased from host mine (Buildings Owned or Controlled) in kwh	85,877,892.00	7,156,491.00	43,964,238.00	7,327,373.00	Slight increase to electrical upgrades at Tweefontein and Lannex.
Scope 1: GHG emissions (tC02e)	1,121.45[3]	93.46	168.87[4]	28.16	
Scope 2: GHG emissions (tC02e)	92, 748.12 [5]	7, 729.01	47,481.38	7,913.6	

Water management

Water management is an ongoing focus area and current monitoring data is being reworked and developed to include a breakdown into the various sources, through the installation of additional water monitors to provide more detailed information. This will aid in the refinement of effective water management strategies.

Social

Community, customer and stakeholder relationship

Engagement and communication with employees and stakeholders are driven through the Employment Engagement Forums ("EEFs") as well as the Community Liaison Officers ("CLOs"). Both mechanisms have been effective in bringing the Company's attention to the needs and expectations of stakeholders.

Furthermore, funding has been allocated for community learnership programmes in both the Eastern and Western regions, with 41.5% of this budget already spent in the period. A portion of the Corporate Social Investment ("CSI") budget was spent on various community projects, focussing on schools, feeding schemes, entrepreneurial development, as well as awareness programs within the community.

[1] Based on 414,503.60 litres diesel consumed and 2021 DEFRA Guidelines GHG Conversion Factors for Diesel.
2 This is based on the diesel consumption of the fleet and diesel generators for H1-YTD and according to the conversion factor as stipulated by *2021 DEFRA Guidelines GHG Conversion Factors for Company Reporting - Fuel (Diesel (100% mineral diesel)*
[3] Based on 414, 503.60 litres diesel consumed and 2021 DEFRA Guidelines GHG Conversion Factors for Diesel.
[4] Based on 414, 503.60 litres diesel consumed and 2021 DEFRA Guidelines GHG Conversion Factors for Diesel.
[5] Based on a conversion factor of 1.08 based on the Eskom Integrated Report, 2021.

Demographics and diversity

The Company supports the strategic drive for Women in Mining and the workplace profile of women increased 0.6% in the period. Employment of members from local communities has grown 27% in the six months to 31 December 2021.

Human Capital

Aligned with the commitments of the Annual Training Plan, several training and development programmes were facilitated by the human resources functions of the Company. These form part of the development process of individuals and is reported on as part of the Workplace Skills Plan submitted to the Mining Qualification Authority annually.

Health and safety performance

During HY1 FY2022, no fatal incidents occurred, and both the Lost Time Injury Frequency Rate ("LTIFR") and Total Recordable Injury Frequency Rate ("TRIFR") are given in the table below. Furthermore, no occupational illnesses were recorded in this reporting period.

Safety, health and environmental incident statistics

Indicators	FY21	HY1 FY22
Total Recordable Injury Frequency Rate	1,230	1,064
Lost Time Injury Frequency Rate	0,246	0,213
Fatal Injury Frequency Rate	0,00	0,00
First Aid Cases (FAC)	4	2
Medical treatment cases (MTC)	4	2
Lost time injuries (LTI's)	2	1
Reportable injuries	1	1
Occupational Illness/ disease	1	0

COVID-19

Although the numbers of COVID-19 positive cases reported by the Company increased to 138 during the period, the impact and severity has reduced with no COVID-19 related deaths being reported in HY1 FY2022. This is attributed to vaccination of staff, growing immunity through infection and compliance with other COVID-19 related controls. Operational disruptions due to the COVID-19 pandemic during the period were minimal.

The Company launched an EAP as part of employee wellness to assist with the direct and indirect impacts of the COVID-19 pandemic on the work force. The EAP is detailed in the COVID-19 impacts section of this report.

Governance

Policy and Guidelines

Sylvania is regularly updating and improving its business and strategic policies. These are aligned with the expectation of stakeholders and are focussed on legal compliance and the management of business risks, providing the required teams needed to drive the implementation of the commitments made within its policies.

In terms of compliance with the Mine Health and Safety Act, 1996, no Section 54 or 55 instructions were issued by the Department of Mineral Resource and Energy ("DMRE") regarding any non-compliance issues noted at operational levels.

Economic contribution

Sylvania's economic contribution to society is detailed throughout this Half Year Report which highlights aspects linked to:

1. Total SA procurement including procurement from local/ host communities
2. Employee and related payments including:
    - Salaries and wages
    - Contributions and employees' tax paid
    - Employee dividend entitlement plan

3. Regulatory payments to South African Revenue Services including:
   - Income tax
   - Value added tax
   - Dividend withholding tax
   - Mineral royalty tax

Economic Contributions

	HY1 FY2022 (ZAR)	HY2 FY2021 (ZAR)	HY1 FY2021 (ZAR)
Total local procurement	377,274,770	317,966,910	274,482,322
Employee and related payments	155,033,129	145,677,982	137,697,265
Income tax, mineral royalty tax and other taxes	328,555,342	481,934,682	215,210,996
TOTAL	**860,863,241**	**945,579,574**	**627,390,583**
TOTAL (USD)	**53,985,595**	**59,298,241**	**39,344,291**

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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/

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
CLOs	Community Liaison Officers
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
EAP	Employee Assistance Program
EEFs	Employment Engagement Forums
ESG	Environment, social and governance
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
ESG	Environment, Social and Governance
GBP	Pounds Sterling
GHG	Greenhouse gases
IASB	International Accounting Standards Board
ICE	Internal combustion engiine
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
LTIFR	Lost-time injury frequency rate
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
PDMR	Person displaying management responsibility
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
tCO2e	Tons of carbon dioxide equivalent
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
UNSDGs	United Nations Sustainability Development Goals
USD	United States Dollar
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand