28 April 2020

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

Third Quarter Report to 31 March 2020

The Directors are pleased to present the results for the quarter ended 31 March 2020 ("Q3" 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 19,968 4E PGM ounces in Q3 (Q2: 19,206 4E PGM ounces);
- Net revenue increased 56% to $43.6 million for Q3 (Q2: $27.9 million), assisted by increased production and a 9% increase in the USD basket price;
- Group EBITDA increased 83% to $32.0 million (Q2: $17.4 million);
- Net profit of $25.4 million, a 123% increase quarter-on-quarter (Q2: $11.4 million);
- Bought back a total of 5,173,632 ordinary shares of $0.01 at an average price of 47.40 pence per share;
- Cash balance of $45.3 million, comprising ZAR709.0 million and $6.0 million, (Q2: $33.8 million) after share buybacks purchased during the quarter; and
- On 1 April 2020, bought back a further 5,215,000 shares at 49.40 pence per share and cancelled 2,879,115 shares.

Challenges

- State of Disaster declared in South Africa ("SA") following the global outbreak of COVID-19, resulting in a national lockdown effective from midnight 26 March 2020. This was extended on 9 April 2020 to 30 April 2020. As a consequence, the SDO operations were placed on care and maintenance until lockdown ends;
- *Force majeure* notices were received from contracted smelters treating the SDOs PGM concentrate, resulting in a suspension of deliveries since the start of the lockdown. Any concentrate produced during the lockdown is to be stockpiled on site where possible, resulting in delayed revenue and cash flow;
- Power interruptions related to Eskom load-shedding and quality of supply still impacted negatively on some operations;
- Proposed retrenchments at certain host mines due to the depressed chrome market will impact the amount of current arisings feed during next quarter and FY2021 but the SDO is able to substitute current arisings and RoM sources with historic dump material in order to mitigate this impact;
- Based on the impact of the COVID-19 lockdown period to date and related uncertainty for the future, the previously announced guidance of 74,000 to 76,000 has been suspended. However, the Group's expected PGM production for FY2020 is approximately 68,000 ounces provided the operations are able to resume as planned; and
- A large portion of the cash is held in ZAR and with the recent weakening of the ZAR to the USD, a significant impact on the USD reported cash balance going forward will be had.

Opportunities

- The SDO has permission under the host mine approval to resume scaled-down operations in alignment with reduced workforce and stringent additional safety measures contained in amended lockdown regulations announced on 16 April 2020. Operations are expected to resume by 1 May 2020;
- The nature of the SDO allows for quicker start-up of operations than traditional underground mines;
- Strong cash reserves allow for the maintenance of the plants and the safeguarding of our employees during these times of uncertainty;
- Optimisation project initiated at Mooinooi to improve the upgrading and recovery of PGMs, expected to commission towards the end of H1 FY2021; and
- The Group remains debt free and continues to generate sufficient cash reserves to fund capital expansion and process optimisation projects.

Commenting on the Q3 results, Sylvania's CEO, Jaco Prinsloo said:

"Traditionally, the third quarter is often the lowest production quarter of the year, but by building on the solid performance from the previous quarter the SDO again performed well and produced 19,968 PGM ounces, surpassing Q2 as the third highest quarter of production in the history of the Company. Net revenue increased 56% assisted by the higher production and the 9% improvement in the USD basket price. As a result, the Group's cash holding at the end of the period was the equivalent of $45.3 million, although, this figure is likely to be negatively impacted by the weakening of the currency in South Africa since period end.

"Towards the end of the quarter, the global COVID-19 pandemic resulted in a State of Disaster and the declaration of a 21-day national lockdown in South Africa, which was extended, on 9 April 2020 by a further two weeks until 30 April 2020. Although the impact on Q3 production was limited, there will be a more significant loss of production in Q4. Management has taken several proactive steps to safeguard both our employees and our business and the Group is in the fortunate position of being able to ride out the prolonged lockdown period. The Board and management have been prudent in their steering of the Company throughout this global health crisis and I have full faith that once business resumes, we will be able to ramp up production in a safely controlled environment in order to close off the financial year in June 2020 on a positive note.

"The impact of the COVID-19 lockdown period to date and related uncertainty for the future has resulted in the Board taking the decision to suspend the previously announced guidance of 74,000 to 76,000 ounces. Based on current information at hand and anticipated operational performance, the Group's PGM production is expected to be circa 68,000 ounces for FY2020. This is however dependant on the operations being able to resume as planned with no further delays.

"I would like to commend our management teams who have been working tirelessly since the emergence of the COVID-19 pandemic to implement additional safety measures and evaluate various operating scenarios to ensure we can resume operations safely as soon as conditions allow. The resumption of operations will depend on adequate measures being put in place to ensure compliance with relevant regulations and the application of all the necessary training, health, hygiene, safety and personal protective measures that are required to keep the Group's employees safe."

USD			Unit	Unaudited	Unit	ZAR		
Q2 FY2020	Q3 FY2020	% Change				% Change	Q3 FY2020	Q2 FY2020
				Production				
714,244	597,025	-16%	T	Plant Feed	T	-16%	597,025	714,244
2.12	2.10	-1%	g/t	Feed Head Grade	g/t	-1%	2.10	2.12
308,034	280,880	-9%	T	PGM Plant Feed Tons	T	-9%	280,880	308,034
3.53	3.60	2%	g/t	PGM Plant Feed Grade	g/t	2%	3.60	3.53
54.82%	60.61%	11%	%	PGM Plant Recovery	%	11%	60.61%	54.82%
19,206	19,968	4%	Oz	Total 4E PGMs	Oz	4%	19,968	19,206
25,429	26,575	5%	Oz	Total 6E PGMs	Oz	5%	26,575	25,429
1,872	2,038	9%	$/oz	Gross basket price	R/oz	23%	33,921	27,499
				Financials				
23,748	29,647	25%	$'000	Revenue (4E)	R'000	30%	455,215	348,860
1,529	1,631	7%	$'000	Revenue (by products)	R'000	11%	25,039	22,464
2,602	12,348	375%	$'000	Sales adjustments	R'000	396%	189,594	38,225
27,879	43,626	56%	$'000	Net revenue	R'000	64%	669,848	409,549
9,904	11,383	15%	$'000	Operating costs	R'000	20%	174,784	145,489
578	559	-3%	$'000	General and administrative costs	R'000	1%	8,590	8,491
17,427	31,972	83%	$'000	Group EBITDA	R'000	92%	490,910	256,006
346	447	29%	$'000	Net Interest	R'000	35%	6,858	5,088
11,381	25,369	123%	$'000	Net profit	R'000	133%	389,523	167,192
1,538	1,333	-13%	$'000	Capital Expenditure	R'000	-9%	20,469	22,592
33,818	45,335	34%	$'000	Cash Balance	R'000	65	818,514	496,781
			R/$	Ave R/$ rate	R/$	4%	15.35	14.69
			R/$	Spot R/$ rate	R/$	29%	18.06	14.04
				Unit Cost/Efficiencies				
510	565	11%	$/oz	SDO Cash Cost Per 4E PGM oz	R/oz	16%	8,673	7,485
385	424	10%	$/oz	SDO Cash Cost Per 6E PGM oz	R/oz	15%	6,517	5,653
532	591	11%	$/oz	Group Cash Cost Per 4E PGM oz	R/oz	16%	9,068	7,808
401	444	11%	$/oz	Group Cash Cost Per 6E PGM oz	R/oz	16%	6,814	5,897
551	599	9%	$/oz	All-in sustaining cost (4E)	R/oz	14%	9,202	8,095
616	643	4%	$/oz	All-in cost (4E)	R/oz	9%	9,871	9,044

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

A. OPERATIONAL OVERVIEW

Health, safety and environment

During the quarter there were no significant occupational health or environmental incidents reported. In terms of safety, the SDO unfortunately experienced one lost time injury ("LTI") in February 2020 when an operator suffered skin burns to his hands from hot slurry at Lannex. This was the first LTI at the plant in five years and the second LTI of the financial year.

Safety records at other operations remain on track while Tweefontein and Doornbosch have now been LTI-free for more than seven years, and Millsell LTI-free for five years.

The Group continues to focus on health, safety and environmental compliance relating to normal operations, and through the collaborative efforts of management and all employees across the operations, we strive to maintain high safety standards and plant conditions. Due to the outbreak of COVID-19 in South Africa, there were additional challenges during the quarter.

Impact of COVID-19 and South African Government Imposed Lockdown

Following the first reported case of COVID-19 in South Africa in early March 2020, management has implemented various initiatives in order to safeguard employees.

As COVID-19 infections continued to rise, on 23 March 2020, the South African President Mr Cyril Ramaphosa, announced that the country would be placed on a 21-day nation-wide lockdown from midnight on 26 March 2020, which placed all non-essential mining operations on care and maintenance.

On 9 April 2020, President Ramaphosa announced a two-week extension to the lockdown until 30 April 2020. In an attempt to enable a phased recovery of the economy, the government considered the limited and strictly controlled resumption of operations for certain sectors of the economy. On 16 April 2020, the government issued amended COVID-19 regulations under the Disaster Management Act of 2000, enabling all mines to resume operations at 50% capacity during the remainder of the lockdown period and under strict conditions stipulated by the Minister of Mineral Resources and Energy. Further proposed amendments currently being finalised will potentially allow for 100% operation on "open-cast" operations as of 1 May 2020, but based on specific conditions imposed during this period and various uncertainties around the pandemic, it is very likely that there might be unforeseen interruptions at the operations during the coming months and 100% operational performance might therefore be an unrealistic expectation for some time.

Based on the amended COVID-19 Regulations, the SDO is currently engaged with the respective host mines and trade unions and is making necessary arrangements to comply with the stipulated measures. The Group will begin with scaled-down operations by 1 May 2020 and will use its best endeavours to maximise production under the specific circumstances.

Sylvania supports the lockdown measures implemented by the government and our priority is to protect the health and safety of our employees during the lockdown and when operations recommence. The resumption of operations will depend on adequate measures being put in place to ensure compliance with relevant regulations and the application of all the necessary training, health, hygiene, safety and personal protective measures that are required to keep the Group's employees safe.

Operational performance

The SDO delivered 19,968 ounces for the quarter, despite operations being placed on temporary care and maintenance for the last seven days of the month due to the lockdown.

PGM plant feed tons for the quarter reduced 9%, while PGM plant feed grade increased 2% quarter-on-quarter and PGM recovery efficiencies increased 11% from Q2. Lower PGM feed tons were primarily due to the operational downtime associated with the ramping-down and shutdown of operations as a result of the lockdown. The reported PGM recovery efficiency increase from Q2 was due to a combination of feed characteristics of material treated during the quarter and a decrease in work-in-progress ounces at the end of March 2020.

The total SDO cash costs increased in Rand and Dollar terms quarter-on-quarter by 16% and 11% respectively to ZAR8,673/ounce and $565/ounce (Q2: ZAR7,485/ounce and $510/ounce respectively).

Capital expenditure at ZAR20.5 million during the quarter was in line with the capital budget and was focussed on improving efficiencies at the plants and the stay-in-business capital spend programme.

Operational focus areas

Following the State of Disaster that was declared in South Africa and the implementation of a national lockdown, all SDO operations were placed on temporary care and maintenance from midnight 26 March 2020. Additionally, both smelters treating our PGM concentrate issued *force majeure* notices, meaning they are unable to receive any PGMs during the lockdown. Any PGM concentrate that the SDO produces during the lockdown period will be stockpiled on site until the smelters resume operations, resulting in delayed revenue and cash flow.

Earlier news reports and announcements regarding potential retrenchments at Sylvania's host mine and production cuts relating to some of the Eastern and Western operations have now been confirmed. As a result of the current depressed chrome market environment, there will be a reduction in underground mining at the host mine, resulting in a reduction of current arisings and RoM volumes at the Lannex and Mooinooi operations. The SDO operations are able to substitute current arisings and RoM sources with historic dump material in order to mitigate this impact, albeit at slightly lower PGM feed grades and recoveries. This will commence in Q4 and is currently estimated to last for approximately 24 months. The host mine is evaluating some open cast mining operations as alternative feed to substitute some of the lost underground production. The Group continues to engage with the host mine in order to ensure that feed blends may be adjusted when circumstances change.

Some operations were again negatively impacted during the quarter by power constraints in the form of load-shedding and power cuts due to maintenance and power interruptions. The Group welcomes the new management at the power utility, and its turnaround strategy. Nevertheless, power supply will remain constrained in the near term and the Group continues to evaluate alternative solutions to help mitigate this impact.

Operational opportunities

Following the successful commissioning of optimisation projects incorporating proprietary processing modifications at Millsell, Doornbosch and Tweefontein over the past year, an opportunity has been identified to roll this circuit modification out to Mooinooi and Lannex plants. The Mooinooi project was initiated during the quarter and is expected to be commissioned towards the end of the 2020 calendar year.

The commissioning of the new Lannex mill, as part of the Lannex plant life-extension project that was initiated in 2019, was scheduled for April / May 2020, but delivery of the mill from China was delayed as a result of the COVID-19 pandemic. The project commissioning is now expected to be delayed until Q1 FY2021. This project will enable the plant to improve processing efficiencies and profitability based on the current feed sources and further enable the plant to accommodate alternative coarser feed sources, such as RoM fines from underground or open cast operations, which will help to extend the life of this operation.

On 16 April 2020, new amended COVID-19 lockdown regulations were published by the South African government, which state that all mining companies can resume operations during the lockdown period, albeit at a reduced capacity of 50% and subject to specific health and safety requirements to mitigate employees' exposure to COVID-19. Consequently, the SDO is currently engaged with the Group's respective host mines and trade unions and is making the necessary arrangements to comply with the stipulated measures. Scaled-down operations will begin by 1 May 2020. The nature of the SDO allows for a quicker start-up of operations than traditional mines and should produce both chrome for the host mines and PGMs within a week of resuming operations.

B. FINANCIAL OVERVIEW

Financial performance

Net revenue for the quarter increased 56% from $27.9 million to $43.6 million as a result of the 9% increase in the basket price from $1,872/ounce to $2,038/ounce as well as the 4% increase in 4E PGMs delivered in Q3 (Q2: 19,206 ounces; Q3: 19,968 ounces). The movement in the monthly basket price and ZAR/USD exchange rate in Q3 resulted in a significant sales adjustment of ZAR189 million ($12.3 million) for PGM concentrate delivered in Q2, but only calculated and invoiced in Q3.

Total operating costs, which are incurred in ZAR, increased 20% to ZAR174.8 million ($11.4 million), compared to the ZAR145.5 million ($9.9 million) in Q2. The increase is mainly due to cost of the work in progress from Q2 being expensed in Q3 and an increase in salaries and wages as per the Group business plan.

General and administrative costs declined by 3% quarter-on-quarter from $0.58 million to $0.56 million. These costs are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period.

Group cash costs increased 16% in ZAR and 11% in USD from ZAR7,808/ounce ($532/ounce) to ZAR9,068/ounce ($591/ounce) as a result of the increase in operational costs.

The all-in sustaining cost ("AISC") and all-in cost ("AIC") increased during the quarter to ZAR9,202/ounce (Q2: ZAR8,095/ounce) and ZAR9,871/ounce (Q2: ZAR9,044/ounce) respectively.

Group EBITDA grew by 83% from $17.4 million to $31.9 million during the quarter and net profit increased 122% to $25.3 million from $11.4 million as a result of the higher revenue in Q3.

The Group cash balance at 31 March 2020 was $45.3 million (including guarantees), an $11.5 million increase on the previous quarter's cash balance of $33.8 million. Cash generated from operations before working capital movements was $31.4 million with net changes in working capital amounting to an increase of $9.7 million due mainly to the increase in trade and contract debtors. $1.3 million was spent on capital and 5.2 million shares were bought back at a cost of $3.0 million during the quarter. The impact of exchange rate fluctuations on cash held at the quarter end was a decline of $6.1 million due to the weakening of the ZAR against the USD. The Group holds a large majority of its cash in SA Rand. The weakening of the ZAR to the USD at the end of March 2020 and into the 4th quarter will have a significant impact on the USD reported cash balance going forward.

Subsequent to the quarter end, the Company acquired 5,215,000 shares from the former CEO, TM McConnachie, at a 30-day VWAP price of 49.40 pence per share and cancelled 2,879,115 shares, details of both were announced on 2 April 2020.

D. MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

The Company has continued to maintain the value of its mineral asset development activities during the quarter, so as to be able to continue to defend title. There are no further developments to report for the quarter

CORPORATE INFORMATION

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

SA Operations postal address: PO Box 976
Florida Hills, 1716
South Africa

Sylvania Website: www.sylvaniaplatinum.com

CONTACT DETAILS

For further information, please contact:
Jaco Prinsloo CEO +27 11 673 1171
Lewanne Carminati CFO

Nominated Adviser and Broker
Liberum Capital Limited +44 (0) 20 3100 2000
Richard Crawley / Ed Phillips

Communications
Alma PR Limited +44 (0) 20 3405 0208
Justine James / Josh Royston / Helena Bogle

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

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

ANNEXURE

GLOSSARY OF TERMS FY2020

The following definitions apply throughout the period:

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