27 July 2021

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

Fourth Quarter Report to 30 June 2021

Sylvania (AIM: SLP) is pleased to announce the results for the quarter ended 30 June 2021 ("Q4" 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") delivered 16,289 4E PGM ounces in Q4 (Q3: 17,420 ounces) achieving an annual production of 70,043 4E PGM ounces (FY2020 69,026 ounces);
- SDO recorded $48.4 million net revenue for the quarter (Q3: $74.2 million);
- Group EBITDA of $28.7 million (Q3: $58.7 million), noting the boost the spike in the Rhodium price had on Q3 revenue and earnings which has pulled back in Q4;
- Net profit of $14.7 million (Q3: $41.3 million); and
- Cash balance of $101.1 million (Q3: $102.1 million) after payment of the second provisional income tax and royalty tax charges ($35.3 million) as well as the Windfall dividend ($14.3 million).

Challenges

- Lower PGM feed grades and recovery potential associated with significant increase in open cast RoM sources received during the quarter. This balance will be addressed with PGM recovery expected to remain in the 52% to 54% range during the next financial year; and
- Higher costs associated with the securing of and the logistics around additional RoM sources at Mooinooi has impacted overall operating costs.

Opportunities

- Lesedi secondary milling and flotation ("MF2") project execution progressing well and on track to start contributing towards production from early H2 FY2022;
- Development of the Tweefontein MF2 project has commenced with commissioning anticipated during H1 FY2023;
- Power mitigation strategies have been developed with conceptual designs completed for operations most significantly affected by stability of power supply and interruptions during the past year with roll-out anticipated to commence in FY2022; and
- The Group remains debt free and continues to maintain strong cash reserves to allow for 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 Q4 results, Sylvania's CEO, Jaco Prinsloo said:

"Reflecting back on the past year, I am incredibly proud of our team for achieving the annual production of 70,043 4E PGM ounces for the financial year. Whilst PGM production in Q4 was slightly lower than the previous quarter, production of 16,289 4E PGM ounces was in line with management projections and was a robust contribution to our full year production.

"Whilst the record profits realised in Q3 were boosted by the spike in the price of rhodium and its effect on our basket price, we have seen quite a pull-back in the rhodium price in recent months which has inevitably impacted the Group's revenue and profit for Q4. Noting that our full annual financial statements are due to be published in September, an annual dividend will be considered by the Board at its August meeting."

"In terms of COVID-19, the Company continues its efforts to moderate the effects of the virus on our employees and I am proud of the continued individual and collective efforts to ensure both the health and safety of all our employees and to limit the impact on production. Our thoughts are with all those that have lost loved ones or have been impacted by this pandemic.

"Finally, the Board acknowledges that the recent spate of civil unrest experienced in two of the country's provinces in the second week of July may have been unsettling for investors, as it has been for most South Africans. Fortunately, none of our operations were impacted by this unrest and although the earlier protests were not in the provinces where our operations are located, management still continues to monitor the situation closely, particularly from a supply chain point of view and to ensure that all potential risks are assessed and mitigated in this regard."

USD			Unit	Unaudited	Unit	ZAR		
Q3 FY2021	Q4 FY2021	**% Change**				**% Change**	Q4 FY2021	Q3 FY2021
				Production				
644,087	635,153	-1%	T	Plant Feed	T	-1%	635,153	644,087
2.14	1.95	-9%	g/t	Feed Head Grade	g/t	-9%	1.95	2.14
317,883	323,012	2%	T	PGM Plant Feed Tons	T	2%	323,012	317,883
3.21	3.07	-4%	g/t	PGM Plant Feed Grade	g/t	-4%	3.07	3.21
53.05%	51.22%	-3%	%	PGM Plant Recovery	%	-3%	51.22%	53.05%
17,420	16,289	-6%	Oz	Total 4E PGMs	Oz	-6%	16,289	17,420
23,618	21,180	-10%	Oz	Total 6E PGMs	Oz	-10%	21,180	23,618
4,576	4,059	-11%	$/oz	Gross basket price[1]	R/oz	-17%	56,420	67,874
				Financials[2]				
55,310	44,112	-20%	$'000	Revenue (4E)	R'000	-25%	623,635	828,149
3,899	4,088	5%	$'000	Revenue (by-products including base metals)	R'000	-1%	57,792	58,381
15,031	246	-98%	$'000	Sales adjustments	R'000	-98%	3,476	225,056
74,240	48,446	-35%	$'000	Net revenue	R'000	-38%	684,903	1,111,586
13,078	14,929	14%	$'000	Direct operating costs	R'000	8%	211,057	195,821
573	636	11%	$'000	General and administrative costs	R'000	5%	8,996	8,574
58,736	28,741	-51%	$'000	Group EBITDA	R'000	-54%	406,320	879,453
382	395	3%	$'000	Net Interest	R'000	-2%	5,585	5,716
41,316	14,739	-64%	$'000	Net profit	R'000	-66%	208,373	618,637
1,627	2,382	46%	$'000	Capital Expenditure	R'000	38%	33,680	24,363
102,118	101,123	-1%	$'000	Cash Balance	R'000	-3%	1,452,377	1,502,247
			R/$	Ave R/$ rate	R/$	-6%	14.14	14.97
			R/$	Spot R/$ rate	R/$	-2%	14.36	14.71
				Unit Cost/Efficiencies				
745	912	22%	$/oz	SDO Cash Cost Per 4E PGM oz[3]	R/oz	16%	12,892	11,161
550	701	27%	$/oz	SDO Cash Cost Per 6E PGM oz[3]	R/oz	20%	9,915	8,232
773	941	22%	$/oz	Group Cash Cost Per 4E PGM oz[3]	R/oz	15%	13,302	11,571
570	724	27%	$/oz	Group Cash Cost Per 6E PGM oz[3]	R/oz	20%	10,231	8,534
923	1,239	34%	$/oz	All-in sustaining cost (4E)	R/oz	27%	17,510	13,815
1,027	1,339	30%	$/oz	All-in cost (4E)	R/oz	23%	18,935	15,375

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 June 2021 gross basket used for revenue recognition of ounces delivered in Q4, before penalties/smelting costs and applying the contractual payability.

[2] Revenue (6E) for Q4, before adjustments is $48.1 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

The Company is pleased to report that no significant occupational health or environmental incidents occurred during the quarter and the Doornbosch operation achieved the significant industry milestone of nine years Lost-time Injury ("LTI") free during June 2021.

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

The final quarter of the financial year saw the emergence of a third, more transmissible, wave of COVID-19 infections in the country during May 2021. The Company's overall COVID-19 cases increased to 103 since the start of the pandemic, of which 85 employees have now returned to work. Unfortunately, we sadly lost a colleague from our Western operations, due to COVID-19 related complications. Our thoughts and prayers go out to his family and friends, as well as those that worked closely with him at the plant.

The Level 4 lockdown restrictions announced by the South African President on 27 June 2021 have not had any direct impact on our operations but 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.

Operational performance

SDO produced 16,289 ounces in Q4, which whilst a slight decrease compared to 17,420 ounces in Q3 FY2021 was in line with management's projections for the quarter, enabling the SDO to deliver 70,043 PGM ounces for the financial year, being a little over our expected target.

The PGM feed tons increased by 2% quarter on quarter with a solid performance from operations with most plants achieving higher than planned treatment rates during the period. The treatment of RoM material increased by approximately 55% as the supply to both the Mooinooi and Lannex operations by the host mines have improved significantly during the past quarter.

Both the 4% decrease in PGM feed grade and the 3% decrease in PGM Recovery efficiency compared to the previous quarter were largely associated with the significant increase in open cast RoM material treated at Mooinooi and Lannex, with open cast material typically being more oxidised and having a lower PGM grade and recovery potential than current dump sources. Based on the current plant feed sources, management's philosophy is to ensure that operations balance PGM recoveries versus mass pull and concentrate quality, with PGM recovery expected to remain in the 52% to 54% range during the next financial year.

Total SDO cash costs increased in rand and dollar terms quarter-on-quarter by 16% and 22% respectively to ZAR12,892/ounce and $912/ounce (Q3: ZAR11,161/ounce and $745/ounce). The ZAR:USD exchange rate strengthened 6% during the quarter, which impacted the dollar cost increase, and the lower quarter-on-quarter PGM ounces which impacted unit costs in both rand and dollar. Combined, the effect was approximately $110/ounce increase in SDO cash cost per ounce.

As reported in the previous period, the higher costs associated with mitigating the impact of initial lower RoM and current arisings tonnages at some of the host mines, and to secure additional RoM sources at Mooinooi, impacted negatively on operating costs and is expected to remain a factor up to the end of the calendar year. The 15% electricity tariff increase became effective in April 2021, further impacting cash costs.

SDO incurred capital expenditure of ZAR33.7 million ($2.4 million) during the quarter, which is aligned with planned capital project schedules.

Operational focus areas

In light of the higher cash costs in Q3 and Q4, management remains focused on initiatives to optimise mining costs and associated equipment hire for blending of feed sources. While the host mine RoM production remains affected at selected sites, management continues to balance the impact of higher operating costs in the short to medium terms against the impact on life of mine of operations, while ensuring stable PGM ounce production at operations.

After experiencing some post-commissioning challenges with instability and chokes on the new Mooinooi fines classification and fine chrome recovery circuit, the plant team has been optimising the circuit and has made significant improvements during recent months with operations expected to stabilise and start to realise benefits during H1 FY2022.

In terms of improving the stability of power supply to operations and to minimise resultant intermittent operational downtime experienced at some operations, specific power mitigation strategies have been developed with conceptual designs completed during recent months for those operations most significantly affected and roll-out is anticipated to commence during the next financial year.

Operational opportunities

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 2022.

In addition, the Tweefontein MF2 project at the Eastern operations is also now progressing with the project anticipated to commission during the second half of the 2022 calendar year.

B. FINANCIAL OVERVIEW

Financial performance

Revenue (4E) for the quarter decreased 20% from $55.3 million to $44.1 million as a result of both the moderately lower ounce production and the significant reduction in the realised basket price quarter-on-quarter. The gross basket price for the quarter decreased 11% from $4,576/ounce in Q3 to $4,059/ounce in Q4 due mainly to the 19% and 5% drop in rhodium and platinum prices received respectively.

General and administrative costs increased quarter-on-quarter from $0.57 million to $0.64 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 decreased slightly from $102.1 million to $101.1 million during the quarter. Cash generated from operations before working capital movements was $29.0 million with net changes in working capital amounting to $14.7 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 second provisional income tax payment for the six months to 30 June 2021 of $29.1 million, and the second provisional Mineral Royalty tax for the same period of $6.2 million were paid in June 2021. Furthermore, dividend withholding tax of $0.53 million was paid to the authorities with an additional $1.0 million dividend withholding tax payable at the end of July 2021. The Company also paid a Windfall Dividend of $14.3 million to shareholders during the current quarter.

The Group spent $2.4 million on capital for the quarter.

Group cash costs per 4E PGM ounce increased 15% in ZAR from ZAR11,571/ounce ($773/ounce) to ZAR13,302/ounce ($941/ounce), Group EBITDA decreased from $58.7 million to $28.7 million and net profit decreased from $41.3 million to $14.7 million as a result of the lower ounces produced and the lower basket price achieved.

C. MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

Volspruit Platinum Opportunity

Detail design for the Permitting Applications has been completed and specialist studies in terms of updating the EIA and Water Use License applications, as part of the overall process to conclude the final project authorisations, are in progress.

Based on the preliminary mining design information and results from additional metallurgical test work generated as part of the recent specialist study that was initiated in mid-2020, various processing and off-take options are being evaluated to guide the future strategy in terms of this project.

Northern Limb Projects

As detailed in earlier announcements, further exploratory drilling is in progress and this study will continue until late 2022 and updates will be released to the market when new information becomes 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

Civil unrest in Gauteng and Kwa-Zulu Natal

The Company notes enquiries made by some shareholders pertaining to the recent spate of civil unrest experienced in two of the country's provinces and any potential impact to Sylvania's operations. Where the Board acknowledges the devastating effects the unrest has had on the communities affected, the Directors wish to assure shareholders that there have been no impacts to operations to date. SDO are located in the provinces of Mpumalanga and North West where no protest action or riots have occurred and, as such, operations continue unabated. However, management continues to monitor the situation and to evaluate potential risks to operations, particularly from a supply chain point of view and to ensure that any potential risks are mitigated.

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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 FY2021

The following definitions apply throughout the period:

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