Audit committee report

Dear Shareholder,

In a year marked by continued volatile markets and evolving regulatory expectations, the audit committee remained focused on ensuring transparency, accountability and integrity.

Simon Scott
Chair of the audit committee

I AM PLEASED TO PRESENT THE AUDIT COMMITTEE REPORT FOR SYLVANIA PLATINUM LIMITED FOR THE PERIOD ENDED 30 JUNE 2025

The committee plays a vital role in ensuring the integrity of the Group's financial reporting, risk management, internal control environment, audit functions and governance practices.

This report is prepared in accordance with the QCA Corporate Governance Code for Small and Mid-sized Quoted Companies, revised in November 2023, which the Company continues to adopt as the foundation of its governance framework. The audit committee operates under a formal charter which is published on the Company website and aligned with the QCA. The audit committee forms an essential component of the Group's governance framework and has continued to evolve its oversight over ESG/sustainability reporting, IT Governance and cybersecurity risk management. The audit committee plays a key role in supporting the Board to fulfil its oversight responsibilities and to uphold investor trust and open communication reflecting the Group's growing operational maturity and stakeholder expectations.

The audit committee comprises myself as Chair, and Adrian Reynolds (Non-Executive Director) as a member. We met formally four times this year, with additional informal engagements when required. The members bring a blend of relevant financial and industry experience, of which a summary, together with the annual attendance register, can be found in the Director's report.

For the current period's meetings, the Chair of the Board, CEO, CFO, Executive Officer: Finance, the external auditor, as well as the internal auditor, attended the meetings by invitation and provided input into key matters. Both the internal and external auditors have unrestricted access to the Chair of the audit committee and meet with the Chair outside of the audit committee should the need arise. The internal and external auditors also meet independently where necessary to discuss the overall control environment and related matters. The committee has unrestricted access to all Group information and may seek information from any employee. The Chair of the audit committee meets regularly with the CFO where the Company strategy, key risk areas, treasury function and general accounting policies and disclosures are discussed, among others. The Chair provides feedback to the Board on the matters discussed at each audit committee meeting, and recommendations are made as appropriate. Minutes of all audit committee meetings are made available to the full Board.

The audit committee operates in accordance with its Terms of Reference and the key areas considered during 2024/2025 include:

a. Financial reporting oversight

The committee considered the Company's quarterly announcements, half-yearly, and annual financial statements, ensuring compliance with IFRS and AIM Rules for Companies.

The key assumptions and estimates are reviewed by the audit committee prior to the publication of the interim and annual financial statements, as well as significant matters throughout the year. The audit committee was satisfied that the judgement exercised by management on material items contained within the reports, is reasonable.

Key judgements and estimates in the FY2025 Group financial statements considered by the audit committee include:

- revenue recognition from PGM sales;
- the assessment of the recoverability of long-lived assets;
- environmental rehabilitation and closure provision;
- taxation matters and deferred tax;
- going concern; and
- subsequent events

The committee confirmed that the Group's consolidated financial statements are materially accurate and comply with IFRS, the AIM Rules and the Company's internal accounting policies.

b. External audit

The audit committee agreed that the Group's external auditor, PricewaterhouseCoopers (PwC), remained independent and objective. The audit committee recommended to the Board that PwC be reappointed as external auditor for FY2026. In line with best practice, rotation of the audit partner post the FY2025 audit was recommended, and a formal process was conducted during which a suitable candidate was identified and subsequently recommended to the Board. The audit fee was approved, including the increased work to be performed on the Thaba JV.

The committee:

- reviewed and approved the external audit plan, scope and fees;
- evaluated PwC's independence, objectivity and performance;
- reviewed audit findings, key risks and management responses to these; and
- held private sessions with the auditors without management present.

The audit committee was satisfied that the proposed audit scope, the estimated materiality threshold and the identification of key audit areas addressed the risks at overall financial statement level, as well as specific accounts level, including the sector-specific risks. Key accounting judgements and estimates were considered and agreed upon as presented by PwC.

c. Internal control environment

The planning and reporting of the Group's internal audit function is monitored by the audit committee and the Board of Directors. The internal audit function is performed by Binder Dijker Otte (BDO). The internal audit function includes conducting the bi-annual Enterprise Risk Management process, as well as executing the approved annual internal audit plan.

Two of the planned internal audit procedures as proposed by BDO for FY2025 at the audit committee meeting in August 2024, were carried forward to FY2026 due to increased automation and system implementation in the specific areas. The outcomes of the remainder of the planned procedures were presented to the audit committee in August 2025. The internal audit plan for FY2026 was presented at the August 2025 audit committee meeting, which is aligned with the Group's risk profile and the current risk trends in the industry. The Group's financial support function is responsible for intermittently testing the control environment. Management is responsible for ensuring that the integrity of the control environment remains at a high level and for addressing any identified shortcomings. The audit committee was satisfied that management review and manage the overall risk of the Group satisfactorily and that the Company has a sound control environment and risk management framework.

The Group utilises the services of an external whistleblower company and receives monthly written reports. The audit committee reviewed the effectiveness of the Company's whistleblowing policy and procedures for detecting fraud. The committee is satisfied that the whistleblowing processes in place are effective. There were no material fraud or governance breaches reported during the year.

d. Insurance

The Group's insurance portfolio and requirements were reassessed internally, as well as by the specialists from the insurance brokers. The risk cover provided, pricing and premiums were considered for the various operational sites and corporate office. Management recommended, and the audit committee agreed, that the Group insurance programme continue with the current insurance brokers.

The Directors and Officers insurance was renewed, commencing December 2024, and the audit committee was satisfied that the insurance was still applicable and sufficient.

e. IT Governance and cybersecurity

The audit committee recognises the critical importance of robust IT Governance and cybersecurity. The digital operating environment and related risks continue to grow and require increased focus. We remain vigilant in monitoring emerging threats and continuously invest in partnerships to safeguard our data, systems and stakeholder trust.

Audit committee report continued

Regular monitoring and risk assessments are conducted by management and feedback is provided on various platforms. IT Governance is reported on annually, or more frequently if concerns are identified, at the audit committee meetings and monthly at the Executive meetings. User awareness is a key focus to avoid unnecessary exposure. Key IT policies are continuously reviewed by Executive management to ensure that the necessary precautionary measures are in place and that disaster recovery plans are documented and understood.

f. Treasury

Cash management and the treasury function remain a key focus area of the audit committee. Bi-annual treasury reports, detailing the Group's cash position, main areas of risk and exposure and dividends declared, among others, were reviewed and assessed. The capital allocation policy was updated during the period to ensure and track responsible cash management. The Group follows a balanced approach between reinvestment into the current business, exploring diversification opportunities and returns to shareholders, guided by policies and Group strategy.

Despite the volatile commodity prices and decrease in Group cash during the year for growth and sustainability projects, the audit committee is satisfied that the Group remains solvent and liquid and remains a going concern.

g. ESG and climate-related compliance and disclosure

The audit committee recognises the importance of ESG performance and transparency to stakeholders and supports the relevant projects to promote long-term sustainable and responsible operations. The integration of ESG metrics into the risk register and monitoring of these are a committee and Board focus area. The Group continues to explore various initiatives to align both investor expectations and the increasing reporting frameworks while still ensuring that all regulatory requirements are met.

The audit committee is confident that the Company's financial governance is robust and responsive to the dynamic environment in which we operate.

I would like to commend the Executive management and their teams for their constant commitment to ensure that the Company continues its path as a responsible corporate citizen. I would also like to make use of this opportunity to thank both PwC and BDO for their efforts and commitment to the Group.

For and on behalf of the audit committee of Sylvania Platinum Limited

Simon Scott

Chair of the audit committee

9 September 2025