

9 August 2023

Sylvania Platinum Limited
(“Sylvania”, the “Company” or the “Group”)

Chrome Ore and PGM Treatment Joint Venture Agreement

Sylvania (AIM: SLP), the platinum group metals (“PGM”) producer and developer, with assets in South Africa, is pleased to announce that its wholly owned South African subsidiary, Sylvania Metals (Pty) Limited (“Sylvania Metals”), has entered into an unincorporated Joint Venture Agreement (“JV”) with Limberg Mining Company (Pty) Limited (“LMC”), a subsidiary of ChromTech Mining Company (Pty) Limited (“ChromTech”). The JV will process PGM and chrome ores from historical tailings dumps and current arisings (“Mining Area”) from the Limberg Chrome Mine, located on the northern part of the Western Limb of the Bushveld Complex, South Africa. The JV will trade and operate under the name Thaba Joint Venture (“Thaba JV”).

The Thaba JV represents a major step in delivery of Sylvania’s growth strategy and is a significant step forward for Sylvania Metals in expanding its operations and leveraging its expertise in the recovery of chrome and PGM concentrates, adding attributable production of approximately 6,500 4E PGM ounces and introduce 200,000 tons of chromite concentrate to Sylvania Metals’ existing annual production profile.

Highlights

- Sylvania Metals has entered into a 50:50 JV agreement to recover chromite and PGM concentrates from run-of-mine ores and historical tailings deposited on the Tailings Storage Facility (“TSF”) at the Limberg Chrome Mine;
- New processing infrastructure will include a new secondary fine chromite and PGM beneficiation plant;
- Sylvania Metals will share equally in both the PGM and chromite concentrate revenue and it is estimated that the Thaba JV will produce approximately 13,000 4E PGM ounces (approximately 15,500 6E PGM ounces) and 400,000 tons of metallurgical grade chromite concentrate per year over the initial 10 years of the JV, which the parties may negotiate to further extend;
- The Thaba JV will increase forecast annual production of 4E PGM ounces by approximately 9% and add chrome to the Company’s commodity portfolio;
- The capital and establishment costs (“Upfront Capex”) at the Thaba JV of approximately ZAR600 million (≈\$32 million) will initially be funded by Sylvania Metals from its existing cash resources. The initial working capital facility required by the Thaba JV following commissioning will be advanced by Sylvania Metals (≈\$5 million);
- Sylvania Metals will manage the Thaba JV on behalf of the partners who will collectively apply their respective PGM and chrome expertise to maximise recovery efficiencies and production;
- The project execution phase will be 18-24 months with first production expected in H2 FY2025;
- Attractive investment return indicated on the Thaba JV, exceeds Company IRR hurdle rate of at least 20% per annum and with a cash pay back within three years of commissioning, based on current long term consensus pricing, and
- The first PGM beneficiation facility on primary chrome ore and tailings on the northern part of the Western Limb of the Bushveld Complex and will be an enabler for further growth opportunities in the region.

Jaco Prinsloo, CEO of Sylvania, said: *“The Thaba JV combines the strengths and expertise of both companies in the mining and processing industry – Sylvania Metals has a proven track record in the recovery, sale, and distribution of PGMs, while LMC contributes ChromTech’s extensive experience of chrome operations, with particular expertise in fine chrome beneficiation. We are looking forward to collaborating with LMC, who will provide access rights to the Mining Area and brings its knowledge and skills in mining and processing operations to ensure the production of low-cost, high-*

grade chromite concentrate and PGMs from the Middle Group Reef on the north of the Western Limb of the Bushveld Complex in South Africa.

"We are excited about the prospects of the Thaba JV to create substantial value for our shareholders, and to add chrome to our portfolio of commodities, whilst strengthening our PGM production. The Thaba JV will add an attributable production of approximately 6,500 4E PGM ounces and 200,000 tons of chromite concentrate to Sylvania Metals' existing production profile and offers an attractive investment return on the project that exceeds our Company IRR hurdle rate of at least 20%, along with a cash pay back of less than three years from commissioning, based on current long term consensus pricing.

"The establishment of the JV holds significant potential for Sylvania as it aligns with the Company's growth strategy and enhances its position in the mining and processing industry. The JV will enable Sylvania Metals to access valuable resources, expand its production capabilities, and strengthen its distribution channels for target products, ultimately driving value for the Group and its stakeholders."

Jono Gay, CEO of LMC, said: *"The establishment of the Thaba JV is a ground-breaking collaboration between industry leading operators that is anticipated to generate sustainable value for all stakeholders. LMC eagerly anticipates the formation of this long-lasting partnership with Sylvania Metals. Both our companies share a philosophy for unwavering excellence, underpinned by our collective commitment to Environmental, Social and Governance principles. With this JV, we are poised to unlock LMC's potential and position it as a key growth engine within the ChromTech Group. In light of our continued business diversification into open-cast chrome and PGM mining, LMC, the most recent acquisition of the ChromTech Group, represents an essential growth area for our company."*

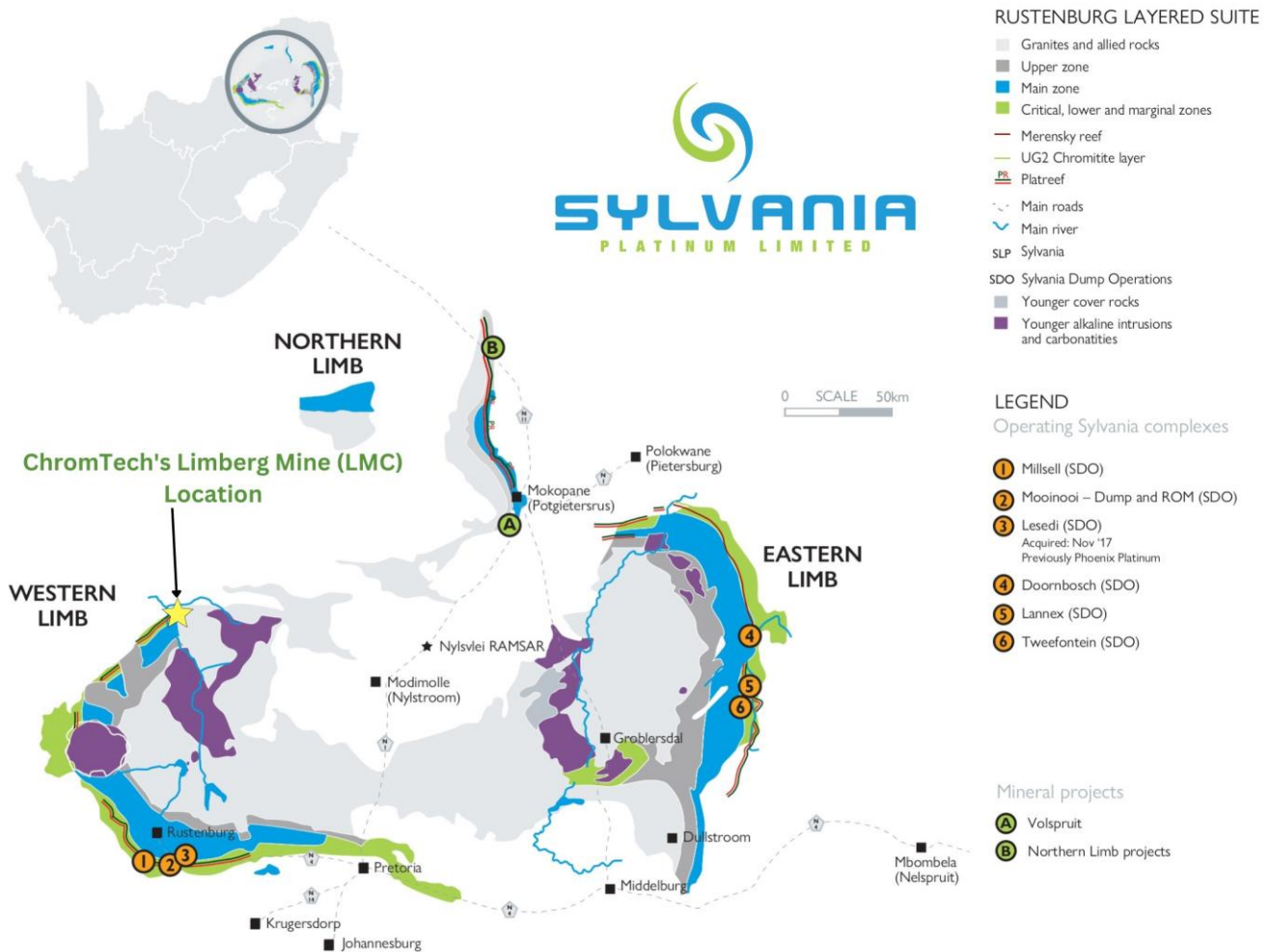


Figure 1: Location of Thaba JV in comparison to other Sylvania Platinum assets

Details of the Joint Venture Agreement

The LMC Thaba Chrome Mine is an established open cast chrome mine on the northern part of the Western Limb of the Bushveld Complex with approximately 2 million tons of existing chrome tailings and an existing Run of Mine (“ROM”) chrome beneficiation plant. LMC has been under voluntary business rescue since late 2020, impacted by COVID-19, lower chrome market prices and illegal mining activities that have since been fully resolved. The mine is currently in production and marketing LG6 chrome ore. The mine has a 30-year mining right which was issued during 2010 for both chrome and PGMs and all operations will take place under the existing LMC permits and regulatory approvals.

The Thaba JV will treat a combination of approximately 50,000 tons per month ROM ore and 16,000 tons per month historical chrome tailings dump material from LMC’s Thaba Mine and will produce approximately 13,000 4E PGM ounces (~15,500 6E PGM ounces) and 400,000 tons of chromite concentrate per year over the initial 10 years (50% attributable to Sylvania Metals). The addition of 6,500 attributable 4E PGM ounces will increase the Company’s estimated annual production by approximately 9%.

The JV will construct new secondary fine chrome and PGM beneficiation plants which are anticipated to commence commissioning within approximately 18 months from 1 September 2023 with first production and sales expected during H2 FY2025. These beneficiation plants will be similar to those at the Mooinooi Sylvania Dump Operations in terms of circuit configuration and technology and therefore the Company is confident it can replicate its previously established and tested methods and utilise its expertise to maximise both production and deliver value for all stakeholders.

The Thaba JV agreement provides for an equal 50% participation interest for Sylvania Metals and LMC, allowing for a fair distribution of profits generated from the operations conducted by the Thaba JV. Both parties will share in the revenue, costs and ultimately profit generated by the Thaba JV.

The total capital expenditure (inclusive of all engineering fees, costs, and expenses) required to undertake and complete the Build Project is provisionally budgeted at ZAR600 million (≈ \$32 million). This will initially be funded by Sylvania Metals from its existing cash resources and will be spent over the 18-24 months of the Build Project. Ultimately, the JV partners will contribute equally to all capital costs except the Upfront Capex, subject to the final Build Project Budget approved by the JV Board. LMC's 50% portion of the Upfront Capex will be funded by way of a loan from Sylvania Metals. The loan will bear interest linked to the South African Prime Lending rate (currently 11.75%) and will be repaid to Sylvania Metals in equal quarterly instalments commencing on the first anniversary of the commissioning of the PGM and chrome plants. Repayments will be made from LMC's attributable profits of the JV, and any shortfall will be funded by LMC. In case of an Event of Default, Sylvania has the right to demand immediate repayment or claim specific performance from LMC.

The loan advanced to LMC will be secured by means of a Special Notarial Bond to be registered over the existing two million tons chrome tailings resources. Additionally, Sylvania Metals shall, on a revolving credit basis at a similar interest rate, fund the approximate \$5 million working capital and operating expenditure requirements, together with all other business and operational costs, of the JV in compliance with the relevant approved budget and any applicable capital expenditure programmes for a maximum period of 24 months if required.

LMC will perform all mining activities and will supply both ROM ore and chrome tailings material to the JV according to a Material Supply Agreement, while Sylvania Metals is appointed as the JV Manager and will operate the chrome and PGM plants under a Management Services Agreement. Marketing of the chromite concentrate and PGMs will be undertaken by the JV partners and profits shared equally. The Thaba JV will comprise a Board made up of an equal number of representatives from each JV partner. While the initial agreed duration of the JV Agreement is 10 years from the date of first production, the parties could negotiate in good faith to further extend the term to benefit from the remaining life of the Thaba Chrome Mine.

Inside information

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.

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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 in the Northern Limb of the Bushveld Complex.

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