

AUDIT COMMITTEE REPORT

Dear Shareholder,

I am pleased to present the Audit Committee Report for Sylvania Platinum Limited for the Period ended 30 June 2024.

This report is prepared in accordance with the Quoted Companies Alliance (QCA) Corporate Governance Code for Small and Mid-sized Quoted Companies, revised in November 2023. The Audit Committee has been established to drive the quality of financial and related reporting by promoting a culture of improvement, to ensure that the information needs of investors and other users are met and to assist the Board in fulfilling its obligations. This report provides an overview of the Committee's work, focusing on the effectiveness of the Group's financial and other reporting, public announcements, risk management, tax matters, control environment and the internal and external audit processes.

The Audit Committee comprises of myself as Chair, and Adrian Reynolds (Non-Executive Director) as a member. A summary of the relevant qualifications and experience of the Audit Committee can be found in the Director's Report.

The Audit Committee meets at least four times a year and more often if required. Attendance records of each member can be found in the Directors' Report. For the current Period's meetings, the Chair of the Board, CEO, CFO, Group Financial Manager, external auditor as well as the internal auditor were invited to attend the relevant meetings when deemed necessary, to provide input into key matters. Detailed feedback of the items discussed at each Audit Committee meeting is provided at the Board meetings, and recommendations are made as appropriate. Minutes of all Audit Committee meetings are available to the full Board. The Chair of the Audit Committee meets regularly with the CFO where the corporate reporting cycle, Company strategy and business model, key risk areas, cashflow and any anticipated new or once off transactions and the related changes in accounting policies and disclosures are discussed. The Chair of the Audit Committee also meets privately with the external auditors after each Audit Committee meeting and has periodic private meetings with the Group internal auditor.

The main matters considered by the Audit Committee during 2023/2024 include:

a. Group Financial Statements

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

An essential element of the integrity of the Financial Statements lies around the key assumptions and estimates or judgements made. 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, are reasonable.

Key judgements and estimates in the FY2024 Group Financial Statements considered by the Audit Committee include:

- The assessment of the recoverability of long-lived assets;
- Rehabilitation provision;
- Carrying value of property, plant and equipment;
- Going concern;
- Subsequent events and
- Other reporting matters or changes in IFRS when applicable (including IFRS 2, share-based payments).

b. Insurance

The Group's unique insurance portfolio and requirements were re-assessed and reconsidered in terms of risk cover, expert advice from the insurance brokers, pricing and premiums. Management recommended, and the Audit Committee agreed, that the Group insurance programme continue with the insurance brokers elected in FY2023.

The Directors and Officers insurance was renewed, commencing December 2023, and the Audit Committee was satisfied that the insurance was still applicable and sufficient.

c. External Audit

The Audit Committee agreed that The Group's external auditor, PricewaterhouseCoopers (PwC), is still independent and objective. The Audit Committee recommended to the Board that PwC be re-appointed as external auditor for a fourth term. The audit fee was approved, including the additional work to be performed on the Thaba JV and the disclosure thereof in the Consolidated Financial Statements.

PwC presented their detailed audit plan for the year ended 30 June 2024. The Audit Committee was satisfied with the rationale and timetable for the year end audit at the planning stage, the estimated materiality threshold, the audit scoping, identification of key audit areas and significant judgements and estimates as presented by PwC.

d. 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. Since 2020 the internal audit function has been outsourced and is currently performed by BDO, who also facilitates the bi-annual risk review process by management from which the risk register is maintained and updated.

The full scope of planned internal audit procedures as proposed by BDO in the August 2023 Audit Committee meeting was completed during the year under review, of which the outcomes were presented to the Audit Committee in August 2024. 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. A new internal audit plan was tabled at the August 2024 Audit Committee meeting, which is aligned with management’s requirements, the Group’s risk profile and the current risk trends. The internal audit function is discussed with the external auditors during the year end and half year reporting periods.

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 with the Whistleblowing processes that are in place.

The Audit Committee was satisfied that the overall control environment is at a satisfactory level and that management review and manage the overall risk of the Group in line with the required standards.

e. IT Governance and Cyber Security

IT Governance and Cyber Security is a key focus of the Audit Committee, as Cyber Security threats and breaches continue to become more prevalent.

The annual Cyber Security assessment was completed by an external specialist during the Period and the Audit Committee agreed with managements recommendation that the annual IT risk assessments will continue to be done. Regular monitoring and risk assessments are conducted by management and feedback is provided on various platforms and is reported annually, or more frequently if concerns are identified, at the Audit Committee meetings and monthly at the Executive meetings. IT Governance and Cyber Security remains a priority of the Audit Committee and management.

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, amongst others, were reviewed and assessed. Despite the volatile commodity prices and decreased Group cash balance during the year under review, the Audit Committee is satisfied that the Group remains solvent and liquid and is in a healthy financial position.

Finally, I would like to commend our CFO, Lewanne Carminati, and her team for the continuous improvements with regards to the corporate reporting cycle and their excellent work during the year under review, in addition to maintaining effective internal controls, treasury and risk management and delivering a high standard of management and financial reports. I would also like to extend a word of thanks to 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 2024