

08 February 2016

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

**Interim financial results for the period ended 31 December 2015**

The Directors are pleased to present the interim financial results for the period ended 31 December 2015. Unless otherwise stated, the consolidated financial information contained in this report is presented in US Dollars.

**Financial snapshot**

- Group Adjusted EBITDA up 59% from \$2.28 million (H2 FY2015) to \$3.61 million (H1 FY2015: \$8.11 million)
- SDO capital expenditure down 60% to \$0.72 million (HY1 FY2015: \$1.8 million)
- General and Administration charges down 25% to \$1.19 million from \$1.59 million H1 FY2015

**Operations snapshot**

- SDO production for the period a total of 29,519 ounces (HY1 FY2015: 31,341oz; HY2 FY2015: 26,246oz)
- Group cash costs down 17% to \$508/oz (HY1 FY2015: \$611/oz)
- No lost time injuries (“LTI”) with Steelpoort operation achieving the significant milestone of eight years LTI Free during the period.

**Corporate snapshot**

- Intention to sell the chrome resource at Grasvally with an international agent appointed to handle the marketing of the deposit.
- 6,183,974 shares repurchased and held in treasury to be awarded to senior management based on the attainment of performance criteria.

**SYLVANIA REVIEW**

In the light of declining commodity prices and challenging industry conditions during the six months to 31 December 2015 the main operational focus of the Company has been on maintaining and improving production stability and ounce production, combined with disciplined operational cost control. The Sylvania Dump Operations (“SDO”) produced 29,519 ounces for the six months to 31 December 2015 down from the 31,341 ounces in the six months to 31 December 2014 but a 12% increase from the 26,246 ounces in the six months to 30 June 2015.

The Group adjusted Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”) for the reporting period was \$3.61 million compared to \$8.11 million for the corresponding period to 31 December 2014 but up 59% from \$2.28 million in H2 FY2015. The gross basket price dropped 26% from \$1,115/ounce to \$829/ounce. Revenue is down 33% to \$18.53 million from \$27.48 million recorded in the prior year. SDO cash costs are however 18% lower than H1 FY2015 at \$471/ounce from \$573/ounce and a 16% drop from the \$562/ounce for H2 FY2015 as a result of disciplined operational cost controls and assisted further by the weaker SA Rand.

General and Administration charges are down 25% to \$1.19 million from \$1.59 million in H1 FY2015 and down 29% from \$1.69 million in H2 FY2015. SDO capital expenditure remains low dropping 60% year-on-year to \$0.72 million from \$1.80 million as cost controls remains a key focus of management at both the operational and administrative levels.



Group cash costs decreased 17% to \$508/ounce in comparison to the \$611/ounce for the same period in FY2015 and a 25% decrease from \$678/ounce for the six months to 30 June 2015.

As at 31 December 2015, the Company's cash and cash equivalents amounted to \$5.10 million. The Group's cash decreased by \$3.30 million (39%) from \$8.42 million at 30 June 2015 and 34% from \$7.75 million at 31 December 2014. Cash generated from operations was \$3.59 million for the reporting period with working capital changes resulting in an outflow of \$3.18 million. The Company paid \$0.81 million in income tax, \$0.83 million was spent on share buy backs and capital expenditure of \$0.84 million was incurred for stay in business capital and required exploration expenditure. With the most of the cash generated and held in South African Rand, the weakening of the Rand against the USD also had a significant impact on the cash balance (-\$1.01 million).

## A. SYLVANIA DUMP OPERATIONS

### Health, safety and environment

From a Safety, Health and Environment ("SHE") perspective the SDO had excellent performance for the six months ended 31 December 2015, with no lost time injuries ("LTI") and no significant health or environmental incidents.

Steelpoort operation achieved the significant milestone of eight years LTI Free during the period, while Doornbosch and Tweefontein are also performing well with more than three years LTI Free for each operation.

SHE compliance and zero harm remain a key focus area and commitment of the Company across all operations and we continuously aim to improve our systems and controls to eliminate safety deviations and to improve the overall physical condition of our operations.

### Operations

The combined PGM production for the operations for the six months ended 31 December 2015 is 29,519 ounces, a 12% increase from the 26,246 ounces in the six months to 30 June 2015 but down from the 31,341 ounces during the same period in the previous year (H1 FY2015).

Operational disruptions impacted negatively on plant availability and tons treated during the six months due to an electrical substation fire and subsequent one week downtime at Mooinooi operation, as well as three weeks of violent community protests regarding demands for improved infrastructure and jobs at the Eastern operations as communicated in earlier announcements. Despite this, the SDO did very well to recover and remain on track to deliver approximately 55,000 ounces for the year and achieve stated guidance for the year.

While plant feed grades were slightly lower than both H1 FY2015 and H2 FY2015, PGM recovery efficiencies were higher by 11% and 8% respectively, with plant feed tons being similar to H1 FY2015 but approximately 13% higher than H2 FY2015 due to higher plant utilisation.

SDO cash costs are down 18% for the reporting period to \$471/ounce from \$573/ounce for the corresponding period to 31 December 2015 (down 16% on H2 FY2015 (\$562/ounce)), due to a combination of lower operating cost expenditure and higher ZAR/US\$ exchange rate during the period.

## B. EXPLORATION AND OPENCAST MINING PROJECTS

### Volspruit Platinum Exploration

The Company was requested by the Limpopo Department of Economic Development, Environment and Tourism ("LEDET") to submit a biodiversity and wetland offset strategy as an addendum to the Environmental Impact Assessment ("EIA") report as part of the Company's application for Environmental Authorisation ("EA") for the Volspruit Platinum project. The addendum was submitted together with the Comments and Responses report following public review of the document to both LEDET and the Department of Mineral Resources ("DMR") on 14 September 2015. The Company awaits the decision of LEDET and the DMR whether to award the EA and Mining Right accordingly and will keep shareholders apprised of any developments.



## Grasvally Chrome Exploration

The Mining Right Application (“MRA”) to mine chrome at the Grasvally project was submitted by the Company in the first quarter. In accordance with prescribed legislative timeframes, the EIA document was released to the interested and affected parties for comment in January 2016 with the public participation meetings held in the first week of February 2016.

In order to exercise a mining right over the resource, a South African Mineral Resources Committee (“SAMREC”) compliant resource was declared upon the completion of an upgraded Mineral Resource Estimate (“MRE”). The MRE classified shallow indicated resources and deeper inferred resources compliant with SAMREC and has covered the entire strike length of 5.2km of the known chromitite body on the prospect.

As previously stated, the Company intends to sell the chrome deposit for cash and an international agent has been appointed to handle the marketing of the deposit to potential ferrochrome smelters. It is as yet too early to comment on the intended marketed cost of the deposit however, more information on the sale process will be published as it becomes available.

## Harriet’s Wish, Aurora and Cracouw Exploration

Notarial execution of the Mining Rights occurred at the offices of the DMR Polokwane on 9 December 2015 after the DMR’s decision to reduce the amount of financial provision for rehabilitation was finalised. An application in terms of Section 11 of the Mineral and Petroleum Resources Development Act for ministerial consent to transfer the right to mine iron ore, vanadium and heavy minerals to a subsidiary of Ironveld Plc has also been submitted to the DMR and the Company awaits the decision of the DMR in this regard.

Hacra will proceed with the Water Use License Application subsequent to permissions obtained from the land owners. This however is delayed as the original landowners are deceased and the Company will need to facilitate transfer of the title deeds to the lawful land occupants and descendants of the original land owners.

## C. CORPORATE ACTIVITIES

### Reduction in Par Value of Shares

On 9 November 2015 the Company announced that, pursuant to the resolutions approved at its Annual General Meeting on 30 October 2015, the par value of each authorised share has reduced from US\$0.10 per common share to US\$0.01 per common share, effective as of 30 October 2015.

### Shares held in Treasury

As announced during the first half of the financial year, the Company has repurchased a number of Ordinary Shares in Sylvania Platinum Limited. The shares were repurchased as follows:

Date	Number of Shares	Pence per Ordinary Share	Par Value
18 September 2015	2,304,329	9.5485	US\$0.10
23 September 2015	279,645	10.00	US\$0.10
13 November 2015	500,000	8.9	US\$0.01
27 November 2015	850,000	8.25	US\$0.01
11 December 2015	2,250,000	8.00	US\$0.01

The shares are being held in treasury to be awarded to senior management based on the attainment of performance criteria. Following these transactions, the Company’s issued share capital is 297,981,896 Ordinary Shares of which a total of 9,115,584 Ordinary Shares are held in treasury. The total number of Ordinary Shares with voting rights in Sylvania is thus 288,866,312 Ordinary Shares.



## FINANCIALS

### CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Revenue	1	18,532,296	27,487,991
Cost of sales	2	(16,763,400)	(21,317,642)
<b>Gross profit/(loss)</b>		<b>1,768,896</b>	<b>6,170,349</b>
Other income		8,652	26,998
Loss on sale of property, plant and equipment		-	(72)
Foreign exchange gain/(loss)	3	210,622	123,306
Impairment of available-for-sale financial assets		-	(14,032)
Loss on revaluation of financial assets at fair value through profit and loss		-	-
Impairment of exploration and evaluation assets		(8,794)	-
Impairment of investment in associate		-	-
Share of equity accounted entities net loss		-	-
General and administrative costs	4	(1,194,172)	(1,585,060)
Finance revenue		139,924	182,293
Finance costs		(107,893)	(138,328)
<b>Profit/(loss) before income tax</b>		<b>817,235</b>	<b>4,765,454</b>
Income tax (expense)/benefit		(536,213)	(1,797,065)
<b>Profit/(loss) for the period</b>		<b>281,022</b>	<b>2,968,389</b>
<b>Profit/(loss) per share attributable to the ordinary equity holders of the Company:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share		0.10	0.99
Diluted earnings/(loss) per share		0.09	0.95

1. The revenue for the six months to 31 December 2015 is down 33% on the comparative prior period due to a drop in the gross basket price and marginally lower ounces produced.
2. Cost of production (including indirect and general and administration and non-cash items) decreased by 21%.
3. The foreign exchange gain is as a result of the repayment of an inter-company loan.
4. General and administration costs reduced by 25%. These costs include those required to ensure regulatory compliance, further new and existing business development as well as legal, tax and financial advisory.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the six months ended 31 December 2015**

		<b>31 December 2015</b>	31 December 2014
		<b>\$</b>	<b>\$</b>
Net cash (outflow)/inflow from operating activities	5	(317,161)	6,060,731
Net cash outflow from investing activities	6	(1,008,397)	(2,445,956)
Net cash outflow from financing activities	7	(969,355)	(635,461)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,294,913)</b>	2,979,314
<b>Cash and cash equivalents at the beginning of reporting period</b>		<b>8,416,342</b>	5,320,347
<b>Effect of exchange fluctuations on cash held</b>		<b>(1,011,697)</b>	(545,648)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>5,109,732</b>	7,754,013

5. Net cash outflow from operating activities includes a net operating cash inflow of \$410,250, net finance revenue of \$82,304 and taxation paid of \$809,715.
6. Net cash outflow from investing activities includes payments for property, plant and equipment of \$667,104, exploration and evaluation assets of \$171,682, proceeds from the sale of other financial assets of \$13,800 and an amount of \$183,411 invested to cover the rehabilitation insurance guarantee for the SDO.
7. The net cash outflow from financing activities consists of the repayment of borrowings of \$144,384, proceeds from loans from related parties of \$7,950 and the cost of the purchase of the Company's own shares which have been placed in treasury of \$832,921.



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Other financial assets	8	560,377	2,779,587
Exploration and evaluation assets	9	54,281,364	61,779,445
Property, plant and equipment	10	30,372,479	45,351,296
<b>Total non-current assets</b>		<b>85,214,220</b>	<b>109,910,328</b>
<b>Current assets</b>			
Cash and cash equivalents		5,109,732	7,754,013
Trade and other receivables	11	12,486,795	15,674,540
Other financial assets	12	1,470,820	-
Inventories	13	782,489	863,661
<b>Total current assets</b>		<b>19,849,836</b>	<b>24,292,214</b>
<b>Total assets</b>		<b>105,064,056</b>	<b>134,202,542</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Issued capital		2,979,819	29,515,534
Reserves		64,433,422	58,029,745
Retained profits		17,711,612	18,702,090
<b>Total equity</b>		<b>85,124,853</b>	<b>106,247,369</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	14	117,158	157,409
Provisions	15	2,394,046	3,185,479
Deferred tax liability		12,087,951	17,414,898
<b>Total non-current liabilities</b>		<b>14,599,155</b>	<b>20,757,786</b>
<b>Current liabilities</b>			
Trade and other payables		4,899,758	6,740,440
Interest-bearing loans and borrowings	14	208,673	110,325
Current tax liability		231,617	346,622
<b>Total current liabilities</b>		<b>5,340,048</b>	<b>7,197,387</b>
<b>Total liabilities</b>		<b>19,939,203</b>	<b>27,955,173</b>
<b>Total liabilities and shareholders' equity</b>		<b>105,064,056</b>	<b>134,202,542</b>

8. Rehabilitation guarantee investment.

9. Includes exploration and evaluation costs of Volspruit, Grasvally and all other Northern Limb exploration projects.

10. Comprises mainly of the SDO plants and the properties previously acquired.

11. The trade and other receivables is mainly debtors receivable on concentrate sales.

12. Loans to Ironveld Holdings (Pty) Ltd.

13. Inventory held is consumables and spares for the SDO.

14. Interest bearing loans and borrowings are secured over various motor vehicles, plant and equipment and computer equipment.

15. Provision is made for the present value of closure, restoration and environmental rehabilitation costs in the financial period when the related environmental disturbance occurs.



The financial information contained in this announcement does not comprise full consolidated interim financial report. The full consolidated interim report can be viewed on the Company's website, [www.sylvaniaplatinum.com](http://www.sylvaniaplatinum.com).

The consolidated interim financial report has been prepared on a historical cost basis, except for available-for-sale investments, embedded derivatives, and investments carried at fair value through profit or loss, which have been measured at fair value.

## CORPORATE INFORMATION

**Registered office:** Sylvania Platinum Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**Postal address:** PO Box 976  
Florida Hills, 1716  
South Africa

**Sylvania Website:** [www.sylvaniaplatinum.com](http://www.sylvaniaplatinum.com)

## CONTACT DETAILS

**For further information, please contact:**

Terence McConnachie (Chief Executive Officer) +44 777 533 7175

**Nominated Advisor and Broker**

Liberum Capital Limited +44 (0) 20 3100 2000  
Richard Crawley / Tom Fyson

**Communications**

Newgate +44 (0) 20 7653 9850  
Adam Lloyd / Ed Treadwell / Helena Bogle

