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

Fourth Quarter Report to 30 June 2015

“Full year production at record level”

29 July 2015

Sylvania Platinum Limited, the low cost Platinum Group Metal (“PGM”) processor and developer, today announces its results for the quarter ended 30 June 2015 (“Q4 FY2015” or the “quarter”) from its PGM production and development operations in the Bushveld region of South Africa.

HIGHLIGHTS

- Sylvania Dump Operations (“SDO”) PGM ounce production increased 5% to 13,468 ounces for the quarter (Q3 FY2015: 12,778 ounces).
- Full year production at record level for Sylvania of 57,587 ounces, an increase of 7% on the previous year’s production (FY2014: 53,808 ounces), exceeding the revised upward guidance of between 55,000 and 57,000 ounces for the financial year.
- Group cash balance of $8.4 million at 30 June 2015 (5% decrease on Q3 FY2015 of $8.8 million) and 58% increase year-on-year (FY2014: $5.3 million) in spite of poor metal pricing environment.
- No Lost-Time Injuries (“LTI’s”) during the quarter, with Tweefontein and Mooinooi reaching three years and 500 days LTI free respectively during the quarter, while Steelpoort remains LTI free for more than seven years.

SYLVANIA OVERVIEW

The SDO produced 13,468 ounces for the quarter, bringing the total for the financial year to 57,587 ounces, a 5% improvement quarter-on-quarter (Q3: 12,778 ounces) and 7% up year-on-year (FY2014: 53,808 ounces). This significant improvement is attributable to higher feed tons and a slight improvement on recoveries, despite lower feed grades. The Sylvania operations not only met, but outperformed, the previously stated annual guidance of approximately 53,000 ounces for the financial year ended 30 June 2015. Moreover, the operations also exceeded the subsequently revised guidance of 55,000 ounces to 57,000 ounces for the current financial year as given in the Q3 announcement of 27 April 2015.

The gross basket price of $1,032/oz for the quarter is approximately a 2% decrease compared to the previous quarter’s price of $1,049/oz. The Platinum and Palladium prices have dropped significantly since March 2015, directly impacting the Sylvania basket price. After smelting and penalties, this resulted in a revenue drop of 5% from $10.5 million last quarter to $10 million as at 30 June 2015 despite the increase in volumes produced.

The Group cash balance at 30 June 2015 was $8.4 million. Cash generated from operations in the quarter was $0.2 million; $0.8 million was spent on stay-in-business capital and exploration assets rights applications; $0.5 million was received from the partial repayment of the loan to Ironveld Plc and $0.8 million was spent on share transactions, as detailed in the Q3 announcement released on 27 April 2015.

Commenting on the quarter, Sylvania Platinum CEO Terry McConnachie said:

"Despite all time record ounce production and the unit costs being largely in line with our forecasts, the Company's Q4 EBITDA was inevitably affected by the capitulating metal prices. The decrease in the Group and SDO EBITDA is attributed mostly to the drop in the net basket price. The higher ounce production resulted in higher total costs, reducing the EBITDA in comparison to that achieved in the previous quarter.

It is however rewarding to see that the cost per ounce, due to an increase of ounces produced, remained in line with the previous quarter and I would like to congratulate the production teams for the great effort in exceeding the previous annual record production while containing costs and exercising capital discipline. The basket price of platinum remains a concern for the foreseeable future but we are confident that the SDO can continue to produce profitably (before tax) if the basket price does not further reduce."

GROUP PERFORMANCE

Unaudited – Group	Unit	June 2015 Quarter	March 2015 Quarter	% Change
Financials				
Revenue	$'000	10,013	10,501	-5%
Capital Expenditure[1]	$'000	837	754	11%
Ave R/$ rate	R/$	12.09	11.73	3%
EBITDA[2]	$'000	531	1,366	-61%
Production				
PGM Plant Feed Tons	T	270,526	252,189	7%
3E and Au	Oz	13,468	12,778	5%
Group Cash Cost[3]				
Per 3E & Au oz	$/oz	672	716	-6%

[1] Capital expenditure on SDO and exploration and evaluation assets.
[2] EBITDA is Earnings before Interest, taxation, depreciation and amortisation.
[3] Group cash costs include plant operating costs and group general and administration costs, but are exclusive of depreciation, amortisation, reclamation, capital, project development and administration costs and share-based payments.

A. SYLVANIA DUMP OPERATIONS

Health, safety and environment

There were no Lost-Time Injuries ("LTI's") during the quarter. The Steelpoort operation remains LTI-free for more than seven years, while the Tweefontein and Mooinooi operations achieved the significant milestones of three years and 500 days LTI-free during the quarter respectively.

The Company remains committed to zero harm and continues to focus on health and safety compliance at all operations in order to eliminate safety deviations and to maintain the high standards of the overall culture and condition of our operations.

Operations

The combined production for all the SDO was 13,468 PGM ounces in the final quarter of the 2015 financial year, a 5% improvement on the previous quarter (Q3: 12,778 ounces), contributing to the exceeding of the revised annual production target of 57,000 ounces (FY2015: 57,587 ounces). The SDO cash cost of production of $638/oz (R7,114/oz) remained stable in both dollar and rand terms compared to the previous quarter (Q3 FY2015: $641/oz (R7,518/oz)) and up 1% from $634/oz (R6,674/oz) in the same period during the previous year.

While the combined plant feed head grade was slightly lower than the previous quarter, plant feed tons, PGM feed tons and recovery efficiencies improved for the operations, contributing to the higher PGM ounce production for the quarter.

Operational and Financial Summary

Unaudited – SDO	Unit	June 2015 Quarter	March 2015 Quarter	+- % Quarter on Quarter	12 months to June 2015
Revenue					
Revenue	$'000	10,013	10,501	-5%	47,790
Revenue	R'000	121,081	123,204	-2%	546,178
Gross Basket Price[1]	$/oz	1,032	1,049	-2%	1,072
Gross Cash Margin - SDO	%	14%	22%	-36%	27%
Capital Expenditure	$'000	560	581	-4%	2,916
Capital Expenditure	R'000	6,770	6,812	-1%	33,331
Ave R/US$ rate[2]	R/$	12.09	11.73	3%	11.43
EBITDA	$'000	1,159	2,283	-49%	12,554
EBITDA	R'000	14,013	26,789	-48%	143,477
SDO Cash Cost[3]					
Per PGM Feed ton	$/t	32	32	0%	32
Per PGM Feed ton	R/t	384	381	1%	364
Per 3E & Au oz	$/oz	638	641	0%	603
Per 3E & Au oz	R/oz	7,714	7,518	3%	6,897
Production					
Plant Feed	T	527,749	464,484	14%	2,129,352
Feed Head Grade	g/t	2.18	2.38	-8%	2.31
PGM Plant Feed Tons	T	270,526	252,189	7%	1,090,783
PGM Plant Grade	g/t	4.00	4.10	-2%	4.22
PGM Plant Recovery	%	39.0%	37.8%	3%	38.3%
Total 3E and Au	Oz	13,468	12,778	5%	57,587

1 The gross basket price reported is the total estimated price for deliveries made in the quarter and does not include any penalties or smelting costs. The actual net basket price received is only determined in the invoicing month which is three months after the delivery month, prior quarter adjusted for actual prices received if necessary.
2 The functional currency for SDO is SA Rand and the exchange rate shown is the average over the period indicated.
3 Cash costs include plant operating costs such as mining, processing, administration, royalties and production taxes, but are exclusive of depreciation, amortisation, reclamation, capital, project development and exploration costs.

B. EXPLORATION AND OPENCAST MINING PROJECTS

Volspruit Platinum Exploration

The Company announced last quarter that they await a final decision by the Limpopo Department of Economic Development, Environment and Tourism ("LEDET") on the Environmental Impact Assessment ("EIA") and that this is expected before 31 July 2015. As previously stated this timeline was dependent on the duration of the independent peer review instructed by the Department. Subsequent to this update, Sylvania received a request for clarification on certain aspects of the EIA, as well as an instruction to provide for biodiversity and wetland offset strategies. These strategies would form the basis of implementing remediation towards a zero net impact should planned mitigation during the mine's operation prove to be insufficient.

This information was released for public review on 20 July 2015 and will be submitted to LEDET at the end of August following an opportunity for comment by Interested and Affected Parties ("IAPs"). The response, in the form of an Addendum to the report, constitutes a resubmission of the EIA in terms of the published guidelines for processing by the Department. Accordingly LEDET will have 120 days in which to consider the Addendum, and assuming that the Addendum and EIA is accepted, another 30 days to grant the EIA (towards the end of January 2016). It is however expected that the Department will make every effort to announce its decision sooner.

Grasvally Chrome Exploration

Exploration has continued over the northern portions of Grasvally in order to declare a Joint Ore Reserves Committee ("JORC") compliant resource which will be required by the Company in order to exercise a mining right over the resource. Exploration has been in the form of an extensive drilling programme targeting both the upper and the lower chromitite layers. The programme was separated into two deliverables: a shallow indicated resource and a deeper inferred resource that is SAMREC ("South African Mineral Resources Committee") compliant. The drilling was completed at the end of April 2015, totalling 2,539m. Diligent logging of the samples is currently underway, and will be completed at the end of July 2015. Using all acquired data and the previously published southern resource model, a complete resource model will be developed over the entire property using 3D modelling techniques. This will describe both the shallow resource which will be minable by opencast methods, as well as the deeper, underground resource which will be classified in SAMREC as indicated and inferred respectively.

The Grasvally resource contains some of the best quality local chromitite ore, comparable with Turkish-grade chromitite and represents a very exciting opportunity for the Company to diversify its operations or to consider a brand new venture.

Harriet's Wish, Aurora and Cracouw Platinum Exploration

The Company continues to await a decision on its request to the Department of Mineral Resources ("DMR") to reduce the amount of financial provision for rehabilitation. It is anticipated that this will be received shortly, whereafter the Section 11 Application in terms of the Mineral and Petroleum Resources Development Act ("MPRDA") to transfer the right to mine iron ore, vanadium and heavy minerals to Ironveld Plc will follow.

CORPORATE INFORMATION

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