DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (the Group) consisting of Sylvania Platinum Limited (the Company or Sylvania) and the entities it controlled at the end of, or during, the financial year ended 30 June 2022. Sylvania is a limited company incorporated and domiciled in Bermuda. Unless otherwise stated, the consolidated financial information contained in this report is presented in USD.

DIRECTORS

The names of the Directors who held office during, or since the end of, the financial year and until the date of this report, are as follows:

SA Murray	(Independent Non-Executive Chairman)
JJ Prinsloo	(Chief Executive Officer)
L Carminati	(Chief Financial Officer)
RA Williams – resigned 31 December 2021	(Independent Non-Executive Director)
E Carr	(Independent Non-Executive Director)
A Reynolds – appointed 1 August 2021	(Independent Non-Executive Director)
S Scott – appointed 1 January 2022	(Independent Non-Executive Director)

The Directors of Sylvania were in office from 1 July 2021 unless otherwise stated.

INFORMATION ON DIRECTORS

SA Murray

Mr Murray has over 30 years of Executive experience in the Southern African platinum sector, commencing his career at Impala Platinum's Refineries in 1984. He held a number of positions at Impala Platinum, Rhodium Reefs, Barplats, and Middelburg Steel and Alloys, before joining Aquarius Platinum Limited in 2001 as Chief Executive Officer, holding that position until 2012. He was a Non-Executive Director of Talvivaara Mining Company Plc, the former Finnish nickel miner, and is the Chairman of Imritec Limited, an aluminium by-products recycler.

Special responsibilities

- Independent Non-Executive Chairman of the Board; and
- Member of the Remuneration Committee

E Carr

Ms Carr joined the Board of Sylvania Platinum Limited on 1 May 2015, is a Chartered Certified Accountant with an MSc in Management from London University and a SLOAN Fellow of London Business School. Ms Carr has over 30 years of experience within the resources sector having worked worldwide on a host of large-scale mining operations. She was appointed Finance Director of Cluff Resources in 1993 and has, since that time, held several Executive Directorships in the resources sector, including CFO for Monterrico Metals plc, the AIM-listed copper exploration company developing the Rio Blanco project in Peru. Her first Non-Executive role was for Banro Corp in 1998 and, more recently, she has been a Non-Executive Director for Bacanora Lithium plc. Currently Ms Carr is the Non-Executive Chair of Oriole Resources plc.

Special responsibilities

- Chair of the Audit Committee

A Reynolds

Mr Reynolds joined the Board as from 1 August 2021 and has over 40 years' experience in the mining and minerals industry, commencing his Directorship career in 2010 at Morila, a Randgold Resources subsidiary. He is currently a Director of Resolute Mining Limited and has previously held Directorship positions at Somilo SA (a Randgold Resources subsidiary), Aureus Mining Limited, Digby Wells Environmental, Geodrill Limited, Acacia Mining Plc, GT Gold Corporation and Mkango Resources Limited. Mr Reynolds is a fellow of the Institute of Materials, Minerals and Mining as well as of the Geological Society of South Africa. He is a registered Professional Natural Scientist and holds a Masters of Science in Geology obtained from Rhodes University in 1979, as well as a Graduate Diploma in Engineering obtained from the University of Witwatersrand in 1987.

Special responsibilities

- Chair of the Remuneration Committee
- Member of the Audit Committee

S Scott

Mr Scott joined the Board on 1 January 2022 and has over 25 years' experience in mining and resources, including over 15 years in the Southern African platinum sector. He is currently also an Independent Non-Executive Director of First Quantum Minerals Limited and AngloGold Ashanti Holdings plc and has previously held Executive Directorship positions at Lonmin plc, Aveng Limited, Anglo-American Platinum Limited, JP Morgan Chase and Chubb Holdings Limited.

DIRECTORS' REPORT (continued)

Mr. Scott is a Chartered Accountant and professional member of the South African Institute of Chartered Accountants. He holds both a Bachelor of Accountancy and Bachelor of Commerce degree obtained from the University of Witwatersrand and has also completed a Management Development Programme at the University of Cape Town.

Special responsibilities

- Member of the Audit Committee

JJ Prinsloo

Mr Prinsloo was appointed as CEO and admitted to the Sylvania Board in March 2020. Since January 2012, he has served in senior positions at Sylvania, initially as Executive Officer: Operations and as Managing Director of the South African Operations from March 2014, until his appointment to his current position. Prior to joining Sylvania, Jaco was principal metallurgist at Anglo American for Anglo Operations Limited, which followed eight years at Anglo American Platinum Limited from 2002 in various senior metallurgical positions across the group. During the past 24 years in the mining industry, he has been exposed to various operational and technical aspects of both the South African as well as international mining landscape and he has gained experience in both the precious and base metals sectors.

Jaco is a metallurgical engineer and holds a Bachelor of Engineering in Metallurgy from Pretoria University, a Postgraduate Diploma in Business Administration and an MBA from the Gordon Institute of Business Science (UP).

Special responsibilities

- Chief Executive Officer

L Carminati

Ms Carminati is a qualified Chartered Accountant and holds a Postgraduate Certificate in Mining Tax. She joined Sylvania in 2009 and in 2011 was appointed as Executive Officer: Finance for the South African operations before being appointed CFO and admitted to the Sylvania Board in March 2020. She has gained substantial and diverse experience in the various aspects of financial management at a senior level, with a particular focus on compliance, governance and financial reporting. She has also taken a leadership role in corporate finance transactions.

Special responsibilities

- Chief Financial Officer

COMPANY SECRETARY

The Company Secretary role is held by Conyers Corporate Services (Bermuda) Limited, and they are assisted by an in-house legal appointment.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the low-cost extraction of PGMs from chrome dumps and current arisings, as well as investment in mineral exploration. Further information is provided in the CEO's review.

BUSINESS REVIEW

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to a variety of risks both in the mining and exploration industry as well as various other non-industry specific risks. The Board and the Audit Committee guides risk management and the alignment thereof with the Group's risk and overall strategy; however, risk management is the responsibility of all employees.

The Board and management recognise that the risk profile is dynamic and evolving, hence risk assessments are performed on an ongoing basis by those members of the management team responsible for risk management. Identified risks are linked to the Group's business plan and strategy to ensure that the necessary mitigating measures are put in place. A risk register is maintained for all principal risks, which is reviewed and considered by the Board and management on a regular basis. A minimum of two formal risk workshops are held annually and risks are considered in all safety, operations and executive meetings. Short-term and long-term risks and the effect thereof on the Group's business plan and strategy is assessed, including extraordinary risks such as the Covid-19 pandemic and the recent Russian invasion of Ukraine.

Principal risks described below are known risks. However, the Company acknowledges that risks may also exist that the Board and management are not aware of. The disclosure below is not in any particular order of importance or relevance and immaterial risks are not noted.

Environmental, social and governance risk

Environmental

Risk and impact:

Global climate change which causes extreme weather conditions and impacts businesses worldwide has been particularly notable. It has been recognised that uncontrolled carbon emissions will have permanent and disastrous effects on planet earth. It was emphasised at COP26 in October 2021 that global warming needed to be constrained to 1.5 degrees Celsius, which in turn emphasised the importance of the shift from fossil fuels to renewable energy by corporate companies.

Extreme droughts in some regions contrasted by severe floods in other regions, increased numbers of thunderstorms and extreme wind conditions are but a few examples of natural disasters which have occurred more often in recent times, all of which could potentially affect the Group's performance adversely if these occur in the regions where the operations are situated. For example, the Group's operational activities are highly dependent on water. A water shortage could potentially affect the operations negatively and a rise in cost to procure water could cause an increase in the cost base, with a consequent negative effect on profit margins.

Mitigation:

The environmental variables and effects thereof are outside of the control of the Board and management. However, the Board and management monitor the effect thereof on the business continuously and as far as possible identify potential risks upfront to minimise the impact. Energy and water efficient ways of product processing are continuously investigated. The Board and management put a strong emphasis on complying with environmental laws and regulations, health and safety rules as well as investing in all the communities in which the Group operates.

The Group's focus on ESG compliance and reporting has increased during the past financial year, of which detail can be found in the separate ESG section of the Annual Report.

Social

Health, safety and employee wellbeing

Risk and impact:

The nature of the Group's business inherently holds certain risks. Health and safety of all employees is a key focus area of the Company and underpins the sustainability of the Company. It is also a measurable key performance indicator (KPI) for management. Disruptions due to health and safety incidents could potentially affect the Company's profitability and could also present a reputational risk for the Company.

Over the past two years, the Covid-19 pandemic was on the forefront of health and safety protocols. The South African government announced a state of disaster on the 15th of March 2020 which was followed by a period of hard lockdown which was later relaxed to a partial state of lockdown with some restriction lifted. Although various vaccination programmes were rolled out with great success, the short- and long-term effects of the pandemic were evident in numerous aspects of society, of which the full extent is still unknown.

Mitigation

Although the national state of disaster was lifted earlier in the year, the Company still emphasises the safety of all employees. The Company does encourage employees to utilise the vaccination programmes and supports employees as far as possible. However, vaccination remains a personal choice.

Management and the Board still monitor the wellbeing of employees, including mental health, and various support programmes are available to help employees and their families if required.

Commodity price and exchange rate fluctuations

Risk and impact:

The Group's cash generating ability, growth prospects and profitability is dependent on the metal prices as well as the USD/ZAR exchange rate. The Group's operations are based in South Africa with a ZAR cost base, while the bulk of the revenue stream is USD based which exposes the Group to the volatility of the ZAR/USD exchange rate. Payments from smelters are received in both USD and ZAR.

Metal prices as well as the exchange rates are subject to high levels of volatility influenced by a number of factors that are beyond the control of the Board and management, including political uncertainty, supply and demand and changes in the market. These factors have been particularly volatile in the past financial year as a result of Russia's invasion of Ukraine as well as the long-term effects of the Covid-19 pandemic and inflation pressures on the global economy.

The PGM basket price has been lower over the past financial year, which directly impacted the Group's revenue and profitability. However, the Group still maintains a strong cash position as a result of the effective management of the Group's low-cost model and sound cash management.

Mitigation:

In order to identify potential risks, the Board and management monitor the market in which the Group operates. Short-, medium- and long-term financial planning is undertaken to ensure that the Group's risk is managed at an acceptable level. Stringent cost control is a key focus area and cost-saving strategies are investigated and reviewed regularly. New areas of development are constantly investigated to identify potential new sources and current production processes and procedures are continuously monitored to ensure optimal efficiencies and recovery optimisation.

The Group makes use of external advisors to ensure optimal management of foreign exchange exposure. Cash is held in ZAR for the operational and capital expenditure and surplus cash is converted to USD to limit the impact of the exchange rate fluctuations.

Sustained Resources, growth and diversification

Risk and impact:

The retreatment of dump material has a finite life and the processing of current arisings alone results in lower margins as a result of the depletion of high-grade minerals.

Although the Group is constantly working on improving extraction efficiencies and capitalising on economies of scale, diversification remains important to ensure the longevity of the Group.

DIRECTORS' REPORT (continued)

Mitigation:

The dumps at the majority of plants have sufficient dump resources to support production for several years. The current arisings obtained from the operational host mines partially mitigate the risk of resource depletion. Both these feed sources are available to the Group for the full extent of the life of mine. The addition of the MF2 projects during the period as well as in the near future support the ounce production and will also extend the life of the SDO.

Investigations into additional and new resources are conducted on an ongoing basis and the realisation of any of the sources will extend the life of the SDO or lead to the building or acquisition of new plants. Further research and development projects show positive results which may enable the Group to diversify into other commodities.

The Board continued the work commenced in the prior financial year to improve the resource statements and optimise the mining model of the exploration assets during the reporting period. Initial test work appears promising and the independent reports on these assets will assist the Board to make informed decisions on how to further extract value from the Volspruit, Aurora and Hacra projects while still aligning with the Sylvania low-cost business model.

Capital management

Risk and impact:

The selection of capital projects to sustain current- and expand on future operations – is key to the Group. Capital projects and spend must be in line with the Group's overall strategy and support the business model. Due to the nature of the capital projects, mismanagement could potentially lead to financial and other losses to Sylvania.

Mitigation:

For any new projects, a detailed business case is required, supported by an advanced project management plan. The progress of the project according to the pre-determined milestones are monitored closely and any deviations are identified and addressed as soon as possible. The measurement of cost against budget is emphasised to avoid unnecessary overspend.

Any capital expansion projects are funded out of surplus cash although pipeline finance is available.

Cyber security

Risk and impact:

Although the goal of digital technology and cloud-based solutions is to safeguard businesses against data compromises, it does open the door for new and often unknown threats. Additionally, external factors like loadshedding interfere with connectivity which could cause system disruptions and essential data being lost or compromised.

The Group is exposed to various risks including, but not limited to cyber-attacks and ransomware, business interruptions, fraud, failing hardware and sabotage on IT infrastructure which could all potentially lead to financial loss. The remote work environment at the plants increases the risk of and exposure to IT breaches and data compromises.

Mitigation:

The Group conducts regular cyber vulnerability tests and IT and cyber security forms part of both the internal and external audit review procedures. Penetrations tests, amongst others, are performed to identify potential weaknesses upfront in order for the Group to respond appropriately to any current threats.

All systems are upgraded to the most recent versions to avoid exposure to unauthorised internal and external access. The Group makes use of an external consultant to advise on new developments and potential risks in the unique environment in which the Group operates. Regular back-ups are made, and testing of the efficiency thereof is done on an ongoing basis. Disaster recovery and cyber security policies are updated and reviewed regularly, and any changes thereto communicated. Emphasis is put on employee awareness and the upskilling of employees with regards to cyber risk and the desired processes and procedures to be followed.

Human capital

Retention of key staff and succession planning

Risk and impact:

The Group is reliant on a small team with a specialised skill set to ensure the success of the Company. Corporate intelligence and the continuation thereof is a key factor for operational excellence. A fast turnover in management might affect employee morale negatively. The lack of a succession plan for both key management and the Board can potentially lead to the unnecessary disruption of the operations and potentially lead to a loss of investor confidence.

Mitigation:

The Group creates a supportive work environment for all employees with emphasis on employee health which is supported by the employee assistance plan that was rolled out during the period. The Company incentivises key management through the granting of bonus share awards, regular salary benchmarking and opportunities to further any relevant studies.

Succession planning is a focus area of the Board and the Remuneration Committee and forms part of the Executive strategy workshops.

GROUP FINANCIAL RESULTS

Results for the year

		2022	2021	+- % Change
Average 4E Gross basket price	$/oz	2,890	3,762	(23)
Net Revenue	$ 000	151,944	206,112	(26)
Group cash cost	ZAR/oz	13,643	11,590	18
Group cash cost	$/oz	897	755	19
Gross profit	$ 000	83,201	143,068	(42)
General administration costs	$ 000	(2,860)	(2,375)	20
Profit before income tax expense	$ 000	80,929	143,213	(43)
Group EBITDA	$ 000	82,768	144,860	(43)
Cash generated from operations				
(before working capital changes)	$ 000	85,203	145,649	(42)
Changes in working capital	$ 000	(6,735)	(31,876)	(79)
Net finance income received	$ 000	1,512	1,573	(4)
Taxation paid	$ 000	(23,832)	(47,111)	(49)
Net increase/(decrease) in cash and cash equivalents [1]	$ 000	19,694	38,692	(49)
Cash and cash equivalents, end of year	$ 000	121,282	106,135	14

		2022	2021	+- % Change
Production				
Plant feed	T	2,393,355	2,700,685	(11)
Total 3E and Au	Oz	67,053	70,043	(4)
PGM plant recovery	%	53	54	(2)
Capital expenditure				
Property, plant and equipment	$ 000	14,498	6,104	138
Exploration and evaluation assets	$ 000	1,907	1,415	35
Total capital expenditure	$ 000	16,405	7,519	118

[1] *Before foreign exchange movements*

DIRECTORS' REPORT (continued)

Net Revenue

Net Revenue decreased 26% year-on-year mainly due to the 23% decrease of the gross basket price from $3,762/ounce in FY2021 against $2,890/ounce recorded in the current year.

Cash costs

Cash costs for the Group increased 18% year-on-year to ZAR13,643/ounce compared to ZAR11,590/ounce in the previous year. The increase is attributable to higher electricity and mining costs as well as the sharp increase in the cost of reagents, fuel and transport due to the high global inflation rate and rising fuel cost. An increase in the administrative salaries, wages and legal fees, Directors' fees as a result of the appointment of an additional Non-Executive Director as well as the increase in international travel cost after the upliftment of the travel restrictions due to the Covid-19 pandemic further contributed to the higher Group cash cost.

General and administration

The general and administration cost increased by 20% year-on-year. The increase relates mainly to overseas travel as the Directors were allowed to travel abroad after the Covid-19 restrictions were lifted, legal expenses and Directors' fees due to the appointment of an additional Non-Executive Director, as well as an increase in administrative salaries and wages. General and administrative costs are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs increased 9% year-on-year in the reporting currency.

Mining and income tax

Income tax paid for the financial year amounted to ZAR362.0 million ($23.8 million) compared to ZAR721.2 million ($47.1 million) for the previous financial year, as a result of decreased taxable profits at the operations and after mining capital allowances. Income tax is paid in ZAR on taxable profits generated at the South African operations. Mineral royalty tax of ZAR105.3 million ($6.9 million) was paid for the financial year against ZAR126.9 million ($8.3 million) in the prior year.

Profit

The consolidated profit before tax of the Group at 30 June 2022 was $81.0 million (FY2021: $143.2 million), a 43% decrease on the prior year. Decreased revenue due to the lower basket prices compared to the prior year as well as marginally lower ounce production, contributed to the decrease in profits. Group EBITDA decreased by 43% from $144.9 million to $82.8 million.

Capital

Capital spend increased during the current financial year from $7.5 million in the prior year to $16.4 million in the current year. Capital expenditure was mainly incurred at the TSF constructions at Mooinooi, Lesedi and Doornbosch, the MF2 projects at Tweefontein and Lesedi, the emergency tailings dam at Lesedi as well as stay-in-business (SIB) capital, in line with the Company's plan for the year.

Cash

The cash balance on 30 June 2022 was $121.3 million (FY2021: $106.1 million), including $0.8 million in financial guarantees (FY2021: $0.9 million). Cash generated from operations before working capital movements was $85.2 million, with net changes in working capital of $6.8 million mainly due to the movement in trade receivables of $9.5 million. Net finance income amounted to $1.5 million and $23.8 million was paid in income tax for the period, including dividend withholding tax of $1.3 million. Major spend items include $1.9 million (FY2021: $1.4 million) on exploration activities as well as $14.5 million (FY2021: $6.1 million) on capital projects and SIB for the SDO plants.

At the corporate level, 6.6 million shares equating to $7.1 million, were bought back through the Share Buyback programme which was announced in Q4. The Company cancelled 6.0 million Treasury Shares at the end of June 2022 and the remaining 0.6 million shares will be cancelled post the reporting period. A further 2.1 million shares were bought back from employees and PDMRs, including those shares bought back for tax purposes, totalling $2.7 million. Dividends of $22.7 million were paid out and a further $0.7 million was paid through the Employee Dividend Entitlement Plan (EDEP).

The impact of exchange rate fluctuations on cash held at year end was a $4.5 million loss due to the ZAR depreciating against the USD by 14%.

The Company remains debt free with a cash balance of $121.3 million, allowing for the continued funding of capital expansion projects as identified.

For more details on the financial performance of the Group, please refer to the accompanying consolidated annual financial statements.

REVIEW OF OPERATIONS AND EXPLORATION

A detailed review of operations and exploration activities has been included in the CEO's review.

CORPORATE MATTERS

Dividend approval and payment

On 8 September 2021, the Board declared a final dividend of 4p per Ordinary Share, with a record date of 29 October 2021 and payment date of 3 December 2021.

In addition to the annual dividend paid, the Board declared a windfall dividend of 2.25p per Ordinary Share for the calendar year 2021. Payment of the windfall dividend was made on 8 April 2022 to shareholders on the register at the close of business on 4 March 2022.

The Board has now declared the payment of a cash dividend for FY2022 of 8p per Ordinary Share, payable on 2 December 2022. Payment of the dividend will be made to shareholders on the register at the close of business on 28 October 2022 and the ex-dividend date is 27 October 2022.

Further to the dividends paid to shareholders, in accordance with the Company's EDEP whereby eligible employees receive an equivalent dividend paid on shares bought back by the Company in the market and ring-fenced for the EDEP, a total of ZAR10.4 million ($0.7 million) was paid out under the EDEP during the financial year.

Transactions in own shares

One of the Company's strategic goals is to return capital to shareholders and continue to review opportunities to do so, as and when they arise.

At the close of FY2021, shares in the Company were valued at 120p per Ordinary Share and at the close of FY2022, the share price had depreciated 36% to 88p per Ordinary Share due to inflation, global trends and the impact of the Russian invasion of Ukraine.

Options over 2,385,000 Ordinary Shares were exercised by various persons displaying management responsibilities (PDMRs) and employees which vested from bonus shares awarded to them in August 2018. 1,066,850 of the vested bonus shares were repurchased to satisfy the tax liabilities of PDMRs and certain employees, and an additional 806,580 shares were bought back from various employees. All shares awarded came from Treasury. In addition, the Company bought back a total of 263,724 shares at the 30-day VWAP of 100.7725 pence per share from certain employees and a PDMR where the shares had been awarded to the sellers under the Sylvania Platinum Award Scheme permitted to be sold back during the specified periods of March and September.

During H2 FY2022, the Company concluded its third Share Buyback programme in which it bought back 6,590,923 shares in the market at the average price of 85.93 pence per share, equating to $7.1 million.

The Company was notified that three of its Non-Executive Directors, namely Adrian Reynolds, Simon Scott and Eileen Carr, had each purchased 20,000 Ordinary Shares in the Company from the market. Consequently, Adrian's and Simon's shareholding in the Company total 20,000 Ordinary Shares each and Eileen's shareholding totals 70,000 Ordinary Shares, representing 0.007%, 0.007% and 0.026% of the Company's total number of Ordinary Shares with voting rights.

During the financial year, a total of 6.0 million Ordinary Shares held in Treasury were cancelled. Following the above transactions, the Company's issued share capital is 280,155,657 Ordinary Shares, of which a total of 14,024,869 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights is 266,130,788.

Appointment of directors

Sylvania announced during the financial year that it had appointed Adrian Reynolds and Simon Scott as Independent, Non-Executive Directors effective 1 August 2021 and 1 January 2022 respectively. Roger Williams stepped down from his role as Non-Executive Director effective 31 December 2021 after serving on the Board of the Company since 2011.

As a result of the Directorate changes, and as part of a Board succession plan, the following changes in committee roles were effected: Eileen Carr was appointed Chair of the Audit Committee, Adrian Reynolds was appointed Chair of the Remuneration Committee and Simon Scott has become a member of the Audit Committee. Eileen Carr's role as Assistant Company Secretary is now being carried out by a member of the Company's in-house legal staff.

Likely developments and expected results

Additional comments on production forecasts and operating cash costs are included in the operational performance and outlook section in the CEO's review.

Environmental legislation

The Group is subject to significant environmental legal regulations in respect of its exploration and evaluation activities in South Africa. There have been no known significant breaches of these regulations and principles by the Group and its operations.

Meetings of Directors

During the financial year under review, there were three formal Directors' meetings, a budget review meeting and five information/strategy sessions. All other matters that required formal Board resolutions were dealt with via written circular resolutions and through the holding of conference calls. In addition, the Directors met on an informal basis at regular intervals during the year to discuss the Group's affairs.

The number of formal meetings of the Group's Board of Directors attended by each Director was:

	Board meetings		Audit Committee meetings		Remuneration Committee meetings		Information/strategy meetings	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
SA Murray	3	3	–	–	2	2	5	5
J J Prinsloo	3	3	4	4	–	–	5	5
L Carminati	3	3	4	4	–	–	5	5
RA Williams [1]	2	2	2	2	1	1	2	2
E Carr	3	3	4	4	2	2	5	5
A Reynolds	3	3	4	4	2	2	5	5
S Scott	1	1	2	2	1	1	2	2

[1] *Resigned effective 31 December 2021*

DIRECTORS' REPORT (continued)

Directors' interest in shares and options

The following relevant interests in the shares and options of the Company or related body corporate were held by the Directors as at the reporting date:

Shares and options

2022	Common Shares
SA Murray	1,050,000
J J Prinsloo	1,372,394
L Carminati	1,244,331
E Carr	70,000
A Reynolds	20,000
S Scott	20,000

Directors and key management personnel

The key management personnel of the Group are the Directors of the Company and those Executives that report directly to the Chief Executive Officer or as determined by the Board. Details of Directors and key personnel remuneration is as follows:

	Short Term Benefits			Share-Based payment	Total
	Cash salary/ Consulting fees	Bonus[1]	Directors' fees	Equity[2] shares/bonus shares[2]	
2022	**$**	**$**	**$**	**$**	**$**
Directors					
SA Murray	–	–	125,000	–	125,000
JJ Prinsloo	318,999	61,253	75,000	79,725	534,977
L Carminati	289,886	56,193	75,000	69,810	490,889
RA Williams – resigned 31 December 2021	–	–	42,500	–	42,500
E Carr	26,500	–	80,000	–	106,500
AJ Reynolds – appointed 1 August 2021	–	–	71,250	–	71,250
S Scott – appointed 1 January 2022	–	–	37,500	–	37,500
Sub-total	635,385	117,446	506,250	149,535	1,408,616
Other key management	1,734,634	232,863	–	266,723	2,234,220
Total	2,370,019	350,309	506,250	416,258	3,642,836

1 *Cash bonuses were awarded to Directors and key personnel based on individual performance.*

2 *Share-based payments include shares issued and bonus shares granted.*

Indemnification and insurance of directors and officers

During the year, the Company paid premiums in respect of a contract insuring all Directors and Officers of the Company against liabilities incurred as Directors or Officers. Due to confidentiality clauses in the contract the amount of the premium has not been disclosed. The Company has no insurance policy in place that indemnifies the Company's auditors.

Going concern

The Group identified the principal risks and uncertainties related to the Russian invasion of Ukraine, the floods in Kwa-Zulu Natal and the Covid-19 pandemic. Management has produced forecasts and budgets that have been sensitised to reflect plausible downside scenarios for the global volatile economy.

The Russian invasion of Ukraine that commenced in February 2022 had a widespread economic impact worldwide. These events contributed to global uncertainty with resultant lower commodity prices and a weaker Rand. However the Group operates in an essential industry with a low-risk business model which supports business continuity. The Group is in a fortunate position of being cash strong which mitigates the impact and market risk both short- and long term.

The series of floods that occurred in South-Africa during the second quarter of the reporting period, did not occur in the geographical areas where the Group's operations are located. The Group does not rely on importation and does not procure from affected areas, and hence was not impacted by the negative knock-on effects of the floods.

The impact of the Covid-19 pandemic has stabilised since the last reporting period. The Directors are monitoring the pandemic and will take the necessary precautionary measures to ensure the safety of employees where a risk is identified.

The Group has sufficient cash reserves and resources to continue to meet its obligations even in the event if operations were to be placed on care and maintenance for 12 months.

After considering the aforementioned, the financial position, operational performance, budgets and forecasts as well as the timing of cash flows and sensitivity analyses, the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from date of signing the financial statements.

Events after the reporting period

On 8 July 2022 the sale of Grasvally Chrome Mine (Pty) Ltd, as described in note 26 of the financial statements, became effective.

The Directors are not aware of any further matters or circumstances arising since the end of the reporting period, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Group or the results of its operations.

Statement as to disclosure of information to auditors

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Signed in accordance with a resolution of the Directors

Jaco Prinsloo
Chief Executive Officer

7 September 2022