



**Condensed Consolidated Interim Financial Statements
for the half year ended
31 December 2020**

Sylvania Platinum Limited

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Sylvania Platinum Limited

Corporate Information

Directors

SA Murray
JJ Prinsloo
RA Williams
E Carr
L Carminati

Company Secretary

Conyers Corporate Services (Bermuda) Limited

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Sylvania Platinum Limited

Directors' Report

The directors present their report on the consolidated entity (referred to hereafter in this report as the "Group") consisting of Sylvania Platinum Limited ("Sylvania" or the "Company"), its subsidiaries, associates and joint arrangement for the half year ended 31 December 2020. Unless otherwise stated, the financial information contained in this report is presented in United States Dollars (USD).

Directors

The names of directors who held office during or since the end of the half year and until the date of the report are noted below. Directors were in office for the full period unless otherwise stated.

SA Murray – *Non-Executive Chairman*

RA Williams – *Non-Executive Director*

E Carr – *Non-Executive Director*

JJ Prinsloo – *Chief Executive Officer*

L Carminati – *Chief Financial Officer*

Review of Operations and Half Year Financial Results

The Sylvania cash generating subsidiaries are incorporated in South Africa with the functional currency of these operations being South African Rand (ZAR). Revenues from the sale of PGMs are received in USD and then converted into ZAR.

The Group's reporting currency is USD as the holding company is incorporated in Bermuda. Corporate and general and administration costs are incurred in USD, Pounds Sterling (GBP) and ZAR.

For the six months under review the average USD:ZAR exchange rate was ZAR16.22:\$1 and the closing exchange rate at 31 December 2020 was ZAR14.70:\$1.

Operational performance

The Sylvania Dump Operations (SDO) achieved 36,335 ounces for the first half of the 2021 financial year which was 9% lower than the corresponding period in 2020. This decrease, which was expected and announced previously, was due to the lower volumes of fresh ROM and current arisings material and lower PGM feed grades associated with the scale-down at some host mine operations since March 2020.

PGM plant feed tons increased 3% when compared to HY1 FY2020. However, PGM plant feed grade decreased 10% and PGM plant recovery decreased 3% as a result of the more oxidised and lower-grade material currently being treated. Although there have been some signs of a recovery in the chrome market during recent months, the scaled-down operations at selected host mines are expected to continue to impact on PGM production for at least the next 6 to 12 months and operations will continue to focus on plant throughput stability and efficiencies to mitigate this impact.

Cash costs per ounce for the SDO increased 48% in ZAR terms from ZAR7,795/oz to ZAR11,511/oz and 34% in USD terms from \$530/oz to \$710/oz. The increase is partially attributable to the decrease in PGM ounce production and the increase in mineral royalty tax rate from 0.5% to 7%. The increase in the mineral royalty tax cost is a result of the SDO having fully utilised its capital allowances at 30 June 2020, which previously reduced the tax rate applied, and the increase in revenue due to the significantly higher basket price. The rate is capped at 7% and in the absence of any future large capital spend, is set to remain at this rate going forward. Salaries and wages; consulting fees incurred for permitting; higher mining costs related to the increase in dump re-mining tons and the cost to mitigate the impact of lower ROM and current arisings tons that were delivered directly to the plants by the host mine; higher electricity costs and an increase in consumables also contributed to the higher cash cost.

Optimisation of flotation performance and recovery efficiencies remain a focus area, especially at the Western operations, where lower-grade and more oxidised open cast ROM material is currently being treated as a result of the previously announced scale-down at the host mines.

Although power disruptions or production losses related to load-shedding by the national power utility were less-frequent during the reporting period, there has been a significant increase in vandalism and theft of copper cables at various sub-stations of the utility during Q2 that affected power supply and production – particularly at the Western operations, which has resulted in approximately 2% downtime in the reporting period. During the past year the Company has been investigating alternative power supply options based on the specific needs and requirements of the respective operations

Sylvania Platinum Limited

Directors' Report (continued)

and are currently evaluating the results. Initial indications are that green energy solutions could range in cost between \$3.0 million and \$5.0 million per operation, depending on the plant size and existing infrastructure. Evaluations are underway which will take the capital requirements, running costs and expected life-of-mine metrics to assess the merits of both potential green-energy solutions and more conventional systems in order to optimise value add to the operations.

There have been continued improvements in the water supply issues experienced at Tweefontein after the boreholes, as announced in the Company's HY1 FY2020 report, were completed. Although not significantly impacting production during the reporting period, planning continues to establish a dedicated water supply to the Lesedi operation.

The effects of COVID-19 on both employees and operations have remained a key focus of the Company since March 2020. Management continues to sustain and enhance the various measures to ensure compliance with national regulations and protect employees and production against any potential impact.

Capital projects

The new Lannex mill and spiral upgrade is in operation after being commissioned during the reporting period and circuit optimisation is ongoing. This project will enable the plant to improve processing efficiencies and profitability based on the current feed sources that include the ROM fines from open cast operations.

The Mooinooi chrome proprietary processing modifications and optimisation project which will improve fines classification and fine chrome recovery efficiency is on track and expected to be commissioned during HY2 FY2021. Once commissioned, this upgrade will contribute towards improving PGM feed grades and ounces at the plant.

The proposed MF2 expansion at Lesedi, which is similar to existing Project Echo modules rolled out between 2016 and 2020, is scheduled to be commissioned towards the end of HY1 FY2022. The construction of the new secondary milling and flotation module will improve the upgrading and recovery of PGMs.

Following promising results from the Company's specific fine chrome recovery research and test work initiated in HY1 FY2020, a circuit configuration and technology has been identified to enable the economic recovery of fine chrome from some existing dumps, that historically has been uneconomical to recover. This latest development could enable the Company to re-treat low PGM grade tailings resources that would otherwise have been sterilised, thereby extending the operational life of PGM operations at selected sites. This would also add value to the host mines through increased chrome recovery and production and the Company is currently engaging with the host mines in this regard.

Financial performance

Revenue

The average gross basket price for PGMs for the six months to 31 December 2020 was \$3,184/oz compared to \$1,830/oz for the period ended 31 December 2019. The Group recorded revenue of \$85.2 million for the six months to 31 December 2020, a 44% increase half-year on half-year, as a result of the higher basket price. The average Platinum price increased 8% from \$915/oz to \$985/oz, Palladium increased 27% from \$1,847/oz to \$2,345/oz and Rhodium increased 167% from \$5,702/oz to \$15,213/oz from 31 December 2019 to 31 December 2020.

Revenue split	31 December 2020	31 December 2019
	\$'000	\$'000
Revenue on sales (4E) ¹	77,545	50,960
Revenue (by-products) ²	3,341	3,375
Sales adjustments ³	4,318	4,697
Revenue	85,204	59,032

¹ Sales revenue from Platinum, Palladium, Rhodium and Gold.

² Sales revenue from by-product and base metals - Ruthenium, Iridium, Nickel and Copper.

³ Adjustments to revenue recognised for movements in the PGM price and exchange rate on ounces delivered but not yet invoiced as contractually agreed.

Operating costs are disclosed below in ZAR as this is the currency in which these costs are incurred, unless otherwise stated.

Directors' Report (continued)

Cost of sales

The operational cost of sales represents the direct and indirect costs of producing the PGM concentrate and amounted to ZAR424.3 million for the reporting period compared to ZAR313.6 million in the six months to 31 December 2019. The main cost contributors being salaries and wages of ZAR135.0 million (HY1 FY2020: ZAR118.0 million), mining costs of ZAR44.3 million (HY1 FY2020: ZAR35.6 million), reagents and milling costs of ZAR31.0 million (HY1 FY2020: ZAR24.6 million), electricity of ZAR49.5 million (HY1 FY2020: ZAR43.2 million) and mineral royalty tax of ZAR42.1 million (HY1 FY2020: ZAR1.8 million). The significant increase in mineral royalty tax is as a result of the increase in rate from 0.5% to 7%. The increase in the mineral royalty tax cost is a result of the SDO having fully utilised its capital allowances at 30 June 2020, which previously reduced the tax rate applied, and the increase in revenue due to the significantly higher basket price. The rate is capped at 7% and in the absence of any future large capital spend, is set to remain at this rate going forward.

Group cash costs per ounce for the Group were ZAR11,984/oz compared to ZAR8,140/oz in the previous corresponding period. The all-in sustaining cost (AISC) for the Group amounted to ZAR12,188/oz and an all-in cost (AIC) of ZAR12,988/oz for the period to 31 December 2020. This compares to the AISC and AIC for 31 December 2019 of ZAR8,356/oz and ZAR9,242/oz respectively.

Other expenses

Other expenses comprise mainly general and administrative costs of \$1.1 million for the six months against \$1.2 million in H1 FY2020. These costs are incurred in USD, GBP and ZAR and relate mainly to share registry costs, advisory and public relations costs, consulting and legal fees and stock exchange costs.

Finance income and finance costs

Interest is earned on surplus cash invested in South Africa at an average interest rate of 4% per annum. Interest is paid on instalment sale agreements for the purchase of movable plant and vehicles.

Mining and income tax

Income tax is paid in ZAR on taxable profits generated at the South African operations at a rate of 28%. Income tax charge for the six months to 31 December 2020 is ZAR273.5 million compared to ZAR143.3 million for the six months to 31 December 2019 due to the increase in revenue. Deferred tax movements for the Group relate mainly to unredeemed capital expenditure and provisions.

Cashflow

Cash is held in USD and ZAR. As at 31 December 2020, the Company's cash and cash equivalents balance was \$67.1 million. Cash generated from operations was \$12.3 million for the reporting period, which includes an outflow of \$32.4 million for working capital changes due to an increase in trade receivables as a result of the increase in the gross basket price and the four-month payment pipeline in terms of the off-take agreements. \$14.5 million was paid in provisional income tax and the Company spent \$2.5 million on capital expenditure comprising of \$0.9 million on specific optimisation projects, \$1.4 million on stay in business capital and \$0.2 million on exploration projects. In December 2020, \$5.9 million was paid to shareholders as a dividend and \$1.4 million was spent on share buybacks. With the strengthening of the ZAR against the USD the reported cash balance increased from the last reporting date of 30 June 2020 by \$8.8 million due to exchange rate fluctuations. It should be noted that the Group holds a large portion of cash in ZAR and a strengthening ZAR:USD exchange rate will have a favourable impact on the Group cash balance, but a weakening of the ZAR against the USD will have the opposite impact.

Health, safety and environment

During the period under review there were no significant occupational health or environmental incidents reported, but in terms of safety, the SDO experienced one lost-time injury (LTI) at Millsell where an employee suffered an injury to his ribs in a vehicle related incident while offloading a telehandler. Tweefontein and Doornbosch both remain LTI-free for eight-and-a-half years and Lesedi achieved one-year LTI-free during the reporting period.

Impact of COVID-19 and the South African Government Imposed Lockdown

The SDO recommenced operations in Q4 FY2020 following almost 6-weeks of the South African Government imposed hard-lockdown where all mining operations were placed on care and maintenance across the Country. Operations were accordingly scaled up during HY2 FY2020 and stabilised during Q1 of the reporting period, with the Company having implemented various initiatives to safeguard employees from the effects of COVID-19.

Directors' Report (continued)

A resurgence of the virus in South Africa unfortunately occurred during Q2 which presented new challenges. Although no disruptions to operations were experienced, some employees were impacted. After not having any infections during August to November 2020, the Company reported 4 positive cases during December 2020 and 21 new cases were reported during January 2021. Thankfully, at the time of this report, most employees that recorded active cases of the virus had recovered and returned to work. The total reported cases within the Company since March 2020 to date stands at 39.

With a revised level-3 lockdown imposed on 1 February 2021, the Group continues to monitor the situation closely and has implemented further measures to ensure the health and safety of employees, as well as limit any impact on production. Access to sites has been restricted to employees and essential services required to sustain operational performance, and employees continue to work from home where possible.

Mineral Asset Development of Opencast Mining Projects

As announced in the Annual Report FY2020, the Group assesses the value of its mineral asset development projects on a regular and consistent basis. Various studies have been initiated in order to determine how best to optimise the respective projects by targeting more localised higher-grade areas and considering less capital-intensive infrastructure and processes to unlock value.

Volspruit Platinum Opportunity

During the period under review, technical consultants were engaged to evaluate and optimise mine designs, evaluate process design and update metallurgical performance parameters through additional test work. The final test work report is expected in the next quarter and the planning phase towards updating the Environmental Impact Assessment (EIA) for the project and to obtain the Water and Waste Use Licenses is ongoing which incorporates specialist studies still to be completed.

Northern Limb Projects

The Company employed specialist consultants to assist in evaluating these resources and to explore the economic potential of the deposits, and studies have identified specific higher-grade portions along the ore body that could potentially be attractive for shallow, low-risk open cast extraction and PGM processing. A concept level mining study to confirm these initial findings has begun and will continue until late 2022. The study will include infill drilling and additional assaying.

Grasvally Chrome Opportunity

The Grasvally Chrome Project remains an asset for sale and the Option Agreement as negotiated and reported in the Company's Annual Report FY2020 is still valid. Any change or development in the status of the sale or any other important aspect of the project will be communicated to shareholders.

Corporate activities

Payment of Dividend

The Board declared a dividend of 1.60 pence per ordinary share for the period ending 30 June 2020. This dividend was announced on 7 September 2020 with a record date of 30 October 2020 and payment date of 4 December 2020.

Transactions in Own Shares

During the period the Company concluded its second Share Buyback Programme in which it bought back 1,047,599 Ordinary Shares from certificated non-UK shareholders who held 175,000 Ordinary Shares or fewer in the Company.

The Non-Executive directors of the Company were awarded 25,000 Ordinary Shares each and a further 2,505,000 Ordinary Shares were exercised by various directors and employees which vested from bonus shares awarded to them in August 2017. All shares awarded came from Treasury and 1,053,250 of the vested bonus shares which were repurchased to satisfy the tax liabilities of certain employees and 394,825 shares which were repurchased were placed back into Treasury.

Accordingly, at the end of the period the Company's issued share capital was 286,845,657 Ordinary Shares, of which a total of 14,237,042 Ordinary Shares were held in Treasury. Therefore, the total number of Ordinary Shares with voting rights was 272,608,615.

Directors' Report (continued)

Post period end, the Board has approved the cancellation of 690,000 Ordinary Shares held in Treasury. Following the cancellation of these shares, the Company's issued share capital is 286,155,657 Ordinary Shares, of which a total of 13,547,042 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights is 272,608,615.

Outlook

Management and the Board remain confident that the SDO should achieve the previously announced target for the year of 70,000 ounces. However, the Board is mindful of the potential challenges ahead and will continue to monitor the impact of COVID-19 and the reduced feed from the host mine.

As disclosed in the Chairman's Letter in the FY2020 Annual Report, the Board committed to pay a Windfall Dividend on the difference in Rhodium and Palladium prices received versus the 2020 calendar year consensus, net of smelting charges and taxes, if the prices remained favourable. The Board has thus approved a Windfall Dividend of 3.75 pence per ordinary share. This Windfall Dividend will be paid on 9 April 2021 to Shareholders on the register at the close of business on 5 March 2021 and the ex-dividend date is 4 March 2021.

This Windfall Dividend payment is based on excess cashflow generated from Palladium and Rhodium prices achieved above long-term broker consensus prices for these metals for the 2020 calendar year. Actual production achieved, actual prices achieved and the actual ZAR exchange rate has been taken into account as well as its share of royalties, corporate tax and dividend withholding tax. Consideration taken as to the calculation of the Windfall Dividend has been on an "achieved basis" and is a once-off consideration.



JJ Prinsloo
Chief Executive Officer
22 February 2021

Sylvania Platinum Limited

Directors' Declaration

In accordance with a resolution of the Directors of Sylvania Platinum Limited, I state that:

In the opinion of the Directors:

- a) the condensed consolidated interim financial statements and notes to these financial statements have been prepared and presented in accordance with IAS 34, Interim Financial Reporting.

- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



JJ Prinsloo
Chief Executive Officer
22 February 2021

Sylvania Platinum Limited

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of Sylvania Platinum Limited

We have reviewed the condensed consolidated interim financial statements of Sylvania Platinum Limited in the accompanying interim report, which comprise the condensed consolidated statement of financial position as at 31 December 2020 and the related condensed consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements Sylvania Platinum Limited for the six months ended 31 December 2020 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

PricewaterhouseCoopers Inc.
Director: MM Mokone
Registered Auditor
Waterfall City
22 February 2021

Sylvania Platinum Limited

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended

	Note	31 December 2020 \$ Reviewed	31 December 2019 \$ Reviewed
Revenue	6	85,204,446	59,032,353
Cost of sales		(27,305,244)	(24,702,004)
Gross profit		57,899,202	34,330,349
Other income		24,716	34,916
Other expenses		(1,100,567)	(1,149,341)
Operating profit before net finance income and income tax expense		56,823,351	33,215,924
Finance income		888,300	697,509
Finance costs		(313,996)	(253,239)
Profit before income tax expense	7	57,397,655	33,660,194
Income tax expense		(16,863,716)	(9,751,668)
Net profit for the period		40,533,939	23,908,526
Other comprehensive income			
Items that are or may be reclassified subsequently to profit and loss:			
Foreign operations – foreign currency translation differences		20,661,835	1,328,828
Total other comprehensive income for the period (net of tax)		20,661,835	1,328,828
Total comprehensive income for the period		61,195,774	25,237,354
Earnings per share attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic earnings per share		14.90	8.42
Diluted earnings per share		14.56	8.22

The notes on pages 16 to 27 form an integral part of these condensed consolidated interim financial statements.

Sylvania Platinum Limited

Condensed Consolidated Statement of Financial Position

at

	Note	31 December 2020 \$ Reviewed	30 June 2020 \$ Audited
ASSETS			
Non-current assets			
Other financial assets	8	278,869	226,009
Exploration and evaluation assets	9	43,943,342	42,840,775
Property, plant and equipment	10	36,974,430	30,472,227
Total non-current assets		81,196,641	73,539,011
Current assets			
Cash and cash equivalents		67,095,324	55,876,612
Trade and other receivables	11	67,107,455	27,074,169
Other financial assets		809,082	622,711
Inventories		3,574,069	2,166,294
Current tax receivable		6,091	1,047
Total current assets		138,592,021	85,740,833
Assets held for sale		4,100,918	3,436,086
Total assets		223,889,580	162,715,930
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	12	2,868,457	2,868,457
Reserves		61,321,522	41,594,587
Retained earnings		130,758,571	96,084,007
Total equity		194,948,550	140,547,051
Non-current liabilities			
Borrowings		160,234	235,576
Provisions		4,579,219	3,646,044
Deferred tax liability		10,498,097	9,328,039
Total non-current liabilities		15,237,550	13,209,659
Current liabilities			
Trade and other payables		10,079,755	7,519,728
Borrowings		248,077	215,918
Current tax liability		3,373,375	1,199,324
Total current liabilities		13,701,207	8,934,970
Liabilities directly associated with assets held for sale		2,273	24,250
Total liabilities		28,941,030	22,168,879
Total liabilities and shareholders' equity		223,889,580	162,715,930

The notes on pages 16 to 27 form an integral part of these condensed consolidated interim financial statements.

Sylvania Platinum Limited

**Condensed Consolidated Statement of Changes in Equity
for the half year ended**

	Issued capital	Share premium reserve	Retained earnings	Reserve for own shares	Share based payment reserve	Foreign currency translation reserve	Non-controlling interest reserve	Equity reserve	Total equity
Reviewed	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	2,868,457	173,609,067	96,084,007	(7,616,128)	3,937,489	(58,815,335)	(39,779,293)	(29,741,213)	140,547,051
Profit for the period	-	-	40,533,939	-	-	-	-	-	40,533,939
Other comprehensive income	-	-	-	-	-	20,661,835	-	-	20,661,835
Total comprehensive income for the period	-	-	40,533,939	-	-	20,661,835	-	-	61,195,774
Share transactions									
- Treasury shares acquired	-	-	-	(1,364,330)	-	-	-	-	(1,364,330)
- Share-based payments	-	-	-	62,707	366,723	-	-	-	429,430
- Share options and bonus shares exercised	-	-	-	308,561	(308,561)	-	-	-	-
Dividends declared and paid	-	-	(5,859,375)	-	-	-	-	-	(5,859,375)
Balance at 31 December 2020	2,868,457	173,609,067	130,758,571	(8,609,190)	3,995,651	(38,153,500)	(39,779,293)	(29,741,213)	194,948,550

The notes on pages 16 to 27 form an integral part of these condensed consolidated interim financial statements.

Sylvania Platinum Limited

Condensed Consolidated Statement of Changes in Equity (continued)
for the half year ended

Audited	Issued capital \$	Share premium Reserve \$	Retained earnings \$	Reserve for own shares \$	Share based payment reserve \$	Foreign currency translation reserve \$	Non- controlling interest reserve \$	Equity reserve \$	Total equity \$
Balance at 1 July 2019	2,897,248	174,936,618	57,946,509	(1,046,409)	3,872,944	(41,523,826)	(39,779,293)	(29,741,213)	127,562,578
Profit for the year	-	-	40,995,483	-	-	-	-	-	40,995,483
Other comprehensive loss	-	-	-	-	-	(17,291,509)	-	-	(17,291,509)
Total comprehensive profit for the year	-	-	40,995,483	-	-	(17,291,509)	-	-	23,703,974
Share transactions									
- Treasury shares acquired	-	-	-	(8,544,976)	-	-	-	-	(8,544,976)
- Share-based payments	-	-	-	136,939	546,521	-	-	-	683,460
- Share options exercised and shares issued	-	-	-	481,976	(481,976)	-	-	-	-
- Shares cancelled	(28,791)	(1,327,551)	-	1,356,342	-	-	-	-	-
Dividends declared	-	-	(2,857,985)	-	-	-	-	-	(2,857,985)
Balance at 30 June 2020	2,868,457	173,609,067	96,084,007	(7,616,128)	3,937,489	(58,815,335)	(39,779,293)	(29,741,213)	140,547,051

The notes on pages 16 to 27 form an integral part of these condensed consolidated interim financial statements.

Sylvania Platinum Limited

Condensed Consolidated Statement of Cash Flows for the half year ended

	31 December 2020 \$ Reviewed	31 December 2019 \$ Reviewed
Cash flows from operating activities		
Receipts from customers	53,236,133	48,600,421
Payments to suppliers and employees	(27,182,538)	(22,619,632)
Finance income	841,313	662,737
Finance costs	(22,933)	(28,479)
Taxation paid	(14,544,455)	(6,840,155)
Net cash inflow from operating activities	12,327,520	19,774,892
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	3,536	68
Purchase of property, plant and equipment	(2,276,262)	(2,993,020)
Payments for exploration and evaluation expenses	(211,309)	(117,119)
Advance paid to TS Consortium	(109,129)	(107,843)
Net cash outflow from investing activities	(2,593,164)	(3,217,914)
Cash flows from financing activities		
Repayment of borrowings	(68,346)	(70,061)
Payment of lease liabilities	(40,514)	(44,378)
Purchase of treasury shares	(1,364,330)	(2,165,492)
Dividends paid	(5,859,375)	(2,853,641)
Net cash outflow from financing activities	(7,332,565)	(5,133,572)
Net increase in cash and cash equivalents	2,401,791	11,423,406
Effect of exchange fluctuations on cash held	8,816,921	596,652
Cash and cash equivalents at the beginning of reporting period	55,876,612	21,797,141
Cash and cash equivalents at the end of the reporting period	67,095,324	33,817,199

The notes on pages 16 to 27 form an integral part of these condensed consolidated interim financial statements.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements

1. Reporting entity

Sylvania Platinum Limited ("Sylvania" or the "Company") is a limited company incorporated and domiciled in Bermuda whose shares are publicly traded on the Alternative Investment Market ("AIM") of the London Stock Exchange. Sylvania's registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six months ended 31 December 2020 comprise the Company, its subsidiaries and joint arrangement (together referred to as "the Group").

The principal activity of the Group during the financial period was the mineral retreatment projects and investment in mineral exploration. Operational focus during the financial period was concentrated on the retreatment plants.

2. Basis of accounting

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard *IAS34 Interim Financial Reporting*. Accordingly, this report should be read in conjunction with the annual consolidated financial statements as at and for the year ended 30 June 2020 ("last annual financial statements"). It is also recommended that the interim financial statements be considered together with any public announcements made by the Company during the six months ended 31 December 2020 in accordance with the Group's continuous disclosure obligations.

The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements.

The interim financial statements do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

For the purpose of preparing the half year financial statements, the half year has been treated as a discrete reporting period.

3. Functional and presentation currency

The functional and presentation currency of the Group's interim financial statements are in US Dollars. All amounts have been rounded to the nearest US Dollar, unless otherwise indicated.

4. Significant accounting judgements, estimates and assumptions

In preparing these interim financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Notes to the Condensed Consolidated Financial Statements (continued)

4. Significant accounting judgements, estimates and assumptions (continued)

Key assumptions used in the assessment of impairment of assets

The recoverable amounts of the Group's retreatment plants have been based on cash flow projections as at 31 December 2020. The internal financial model is based on the known and confirmed resources for each plant.

The calculation of fair value less cost to sell is sensitive to changes in the available resources, discount rates, commodity price and operating costs. Changes in key assumptions could cause the carrying value of assets to exceed their recoverable amounts.

Resources – The resources for each plant, including the PGM grade and expected recoveries that have been modelled are based on extensive test work, sampling and surveying. Where the useful life of a plant is possibly longer than the material currently available to be processed, alternative feed sources have been considered and the likelihood of these materialising assessed by management.

Discount rate – The discount rate (real rate) reflects management's estimate of the time value of money and the risk associated with the plants. A range between 11% and 15% was used for the pre-tax discounted rate (2020: 11% and 15%).

Commodity price – The Group has used forecast commodity prices obtained from a reputable publication. Long term forecasts of \$1,267/oz (2020: range between \$865 and \$950) for platinum, \$1,448/oz (2020: range between \$1,735 to \$1,200) for palladium, and \$11,000/oz for rhodium (2020: range between \$6,750 to \$5,000) was used.

Operating costs – Operating costs are calculated on a ZAR/ton basis, known contractor rates and planned labour.

Exchange rates – Platinum group metals are priced in USD. The USD/ZAR exchange rate used in the discount cash flow model was 14.38 ZAR/\$1 (2020: range between 17.75 ZAR/\$1 and 18.00 ZAR/\$1).

The exploration and evaluation assets were considered for impairment under IFRS 6 *Exploration for and Evaluation of Mineral Resources*. There were no indicators of impairment.

5. New standards and interpretations not yet effective

Future accounting standards

In addition to those reported in the previous consolidated annual financial statements as at and for the year ended 30 June 2020, certain IFRSs and IFRICs have recently been issued or amended but are not yet effective. These amendments and new standards have been assessed by the Group; it will have no material impact on the annual periods beginning after 1 July 2020.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

6. Revenue

	Half year ended 31 December 2020 \$	Half year ended 31 December 2019 \$
PGM sales	58,424,795	52,808,658
Other sales	26,779,651	6,223,695
Total revenue	85,204,446	59,032,353

Other sales comprise subsequent movements in provisionally-priced sales.

7. Profit before income tax expense

	Half year ended 31 December 2020 \$	Half year ended 31 December 2019 \$
The following income and expense items are relevant in explaining the financial performance for the half year:		
Share based payment expense	429,430	371,137
Depreciation – property, plant and equipment	1,203,023	3,434,340
Realised foreign exchange profit	21,271	5,632
Royalty tax	2,595,982	122,401

8. Other financial assets

	As at 31 December 2020 \$	As at 30 June 2020 \$
Loans and receivables		
Loans receivable (a)	809,082	622,711
Rehabilitation debtor (b)	278,869	226,009
Balance at the end of period/ year	1,087,951	848,720
Non-current assets	278,869	226,009
Current assets	809,082	622,711
	1,087,951	848,720

- (a) Loans receivable consist of a loan granted to TS Consortium by Sylvania South Africa (Pty) Ltd. The loan is unsecured, bears interest at 7% per annum and is repayable on demand.
- (b) Contribution paid to the host mine for rehabilitation purposes. The rehabilitation debtor was re-classified from a current receivable to non-current during the 30 June 2020 reporting period.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

9. Exploration and evaluation assets

	As at 31 December 2020 \$	As at 30 June 2020 \$
Costs carried forward in respect of areas of interest in the following phase:		
Exploration and evaluation phase – at cost		
Balance at the beginning of period/ year	42,840,775	53,405,798
Foreign currency movements	937,584	(1,175,266)
Direct expenditure capitalised for the period/ year	211,309	211,615
Impairment	-	(9,504,774)
Assets held for sale	(46,326)	(96,598)
Balance at the end of period/ year	43,943,342	42,840,775

Ultimate recovery of exploration and evaluation expenditure carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively, by sale of the respective areas.

Specialist consultants have been appointed to assist Sylvania in evaluating the respective resources and exploring the economic potential of these deposits through a step plan strategy with the view of possibly upgrading the mineral resource either for development or sale.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

10. Property, plant and equipment

	Property	Mining property	Construction in progress	Plant	Equipment	Leasehold improvements	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
31 December 2020											
At 1 July 2020											
Cost	2,755,897	2,260,927	3,775,952	77,405,373	753,286	41,756	595,957	113,385	178,127	1,015,912	88,896,572
Accumulated depreciation	(192,500)	(1,975,977)	-	(54,169,896)	(639,788)	(26,183)	(503,813)	(101,800)	(124,913)	(689,475)	(58,424,345)
Carrying value	2,563,397	284,950	3,775,952	23,235,477	113,498	15,573	92,144	11,585	53,214	326,437	30,472,227
Period ended 31 December 2020											
Opening carrying value	2,563,397	284,950	3,775,952	23,235,477	113,498	15,573	92,144	11,585	53,214	326,437	30,472,227
Exchange differences	434,219	48,549	668,865	4,098,361	40,530	2,437	16,166	1,703	13,458	48,570	5,372,858
Additions	4,149	-	54,115	2,063,395	120,240	-	34,901	9,685	45,883	-	2,332,368
Depreciation charge	(28,597)	-	-	(1,022,849)	(35,209)	(2,094)	(30,385)	(834)	(14,851)	(68,204)	(1,203,023)
Carrying value	2,973,168	333,499	4,498,932	28,374,384	239,059	15,916	112,826	22,139	97,704	306,803	36,974,430
At 31 December 2020											
Cost	3,194,265	2,309,476	4,498,932	83,567,129	914,056	44,193	647,024	124,773	237,468	1,064,482	96,601,798
Accumulated depreciation	(221,097)	(1,975,977)	-	(55,192,745)	(674,997)	(28,277)	(534,198)	(102,634)	(139,764)	(757,679)	(59,627,368)
Carrying value	2,973,168	333,499	4,498,932	28,374,384	239,059	15,916	112,826	22,139	97,704	306,803	36,974,430

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

10. Property, plant and equipment (continued)

	Property	Mining property	Construction in progress	Plant	Equipment	Leasehold improvements	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
30 June 2020											
At 1 July 2019											
Cost	3,063,796	2,323,263	4,193,099	78,193,987	784,159	42,489	560,176	109,383	117,358	1,017,695	90,405,405
Accumulated depreciation	(106,938)	(1,975,977)	-	(48,845,895)	(580,794)	(20,951)	(445,210)	(92,842)	(91,005)	(568,854)	(52,728,466)
Carrying value	2,956,858	347,286	4,193,099	29,348,092	203,365	21,538	114,966	16,541	26,353	448,841	37,676,939
Year ended 30 June 2020											
Opening carrying value	2,956,858	347,286	4,193,099	29,348,092	203,365	21,538	114,966	16,541	26,353	448,841	37,676,939
Recognition of Right-of-use asset on initial application of IFRS 16 at 1 July 2019	257,616	-	-	21,383	-	-	-	-	36,088	-	315,087
Exchange differences	(568,862)	(62,336)	(811,245)	(5,240,435)	(30,873)	(3,644)	(20,406)	(2,760)	(11,375)	(76,150)	(6,828,086)
Additions	3,347	-	394,098	4,473,601	-	2,911	56,187	6,762	36,056	107,560	5,080,522
Disposals	-	-	-	(13,614)	-	-	-	-	-	(12,724)	(26,338)
Depreciation charge	(85,562)	-	-	(5,353,550)	(58,994)	(5,232)	(58,603)	(8,958)	(33,908)	(141,090)	(5,745,897)
Carrying value	2,563,397	284,950	3,775,952	23,235,477	113,498	15,573	92,144	11,585	53,214	326,437	30,472,227
At 30 June 2020											
Cost	2,755,897	2,260,927	3,775,952	77,405,373	753,286	41,756	595,957	113,385	178,127	1,015,912	88,896,572
Accumulated depreciation	(192,500)	(1,975,977)	-	(54,169,896)	(639,788)	(26,183)	(503,813)	(101,800)	(124,913)	(689,475)	(58,424,345)
Carrying value	2,563,397	284,950	3,775,952	23,235,477	113,498	15,573	92,144	11,585	53,214	326,437	30,472,227

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

11. Trade and other receivables

	As at 31 December 2020 \$	As at 30 June 2020 \$
Trade receivables	18,288,069	11,380,891
Other receivables	48,869,465	15,708,435
Assets held for sale	(50,079)	(15,157)
	67,107,455	27,074,169

Trade and other receivables increased due to the increase in the higher basket price. In terms of the off-take agreement, there is a four-month pipeline between delivery of ounces and invoicing.

Other receivables include the contract asset previously separately disclosed. The contract assets were re-classified to other receivables as they relate to the subsequent measurement of provisionally priced trade receivables.

12. Issued capital

	As at 31 December 2020 Number	As at 30 June 2020 Number	As at 31 December 2020 \$	As at 30 June 2020 \$
Ordinary shares fully paid	286,845,657	286,845,657	2,868,457	2,868,457

Dividend

The Board declared a final dividend of 1.6 pence per ordinary share on 7 September 2020. The record date for dividends was close of business on 30 October 2020. Dividends were paid on 4 December 2020.

Shares held in treasury

The following ordinary shares in Sylvania Platinum Limited were repurchased during the period. The shares are being held in treasury and it is intended to use these treasury shares for future allocations of shares to staff as part of the Company deferred share plan.

Date	Number of shares
Opening balance at 1 July 2020	14,993,315
Shares purchased through Share Buyback Programme	375,652
Shares purchased from employees	1,448,075
Issue of shares to directors	(75,000)
Exercise of share options	(2,505,000)
Closing balance at 31 December 2020	14,237,042

At 31 December 2020, the Company's issued share capital amounted to 286,845,657 Ordinary Shares, of which a total of 14,237,042 are held in Treasury. The total number of Ordinary Shares with voting rights is 272,608,615.

Notes to the Condensed Consolidated Financial Statements (continued)

13. Segment reporting

Segment information

For management purposes the chief operating decision maker, being the Board of Directors of Sylvania Platinum Limited, reports its results in the following segments:

- Sylvania Dump Operations (SDO) which includes the six operational plants;
- an open cast mining project and a Northern Limb project, which are both currently in the exploration phase;
- corporate and administrative costs are not reportable operating segments, as they are not separately included in the reports provided to the Board. The results of these operations are included in 'all other segments'.

Decision making by the Board is based by evaluating the operating plants as a group. Segment performance is evaluated on PGM ounce production and operating costs.

The following tables present revenue and profit information and certain asset and liability information regarding reportable segments for the periods ended 31 December 2020 and the year ended 30 June 2020.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

12. Segment reporting (continued)

	Reportable segments		All other segments	Consolidated
	SDO	Exploration projects		
	\$	\$	\$	\$
31 December 2020				
Segment assets	158,315,655	51,006,974	14,566,951	223,889,580
Capital expenditure*	31,804,092	46,771,527	2,342,153(a)	80,917,772
Other assets	126,511,563**	4,235,447	12,224,798(b)	142,971,808
Segment liabilities	18,051,082	8,348,902	2,541,046(c)	28,941,030
Segment revenue	85,204,446	-	-	85,204,446
Net profit for the period after tax	41,557,170	-	(1,023,231)(d)	40,533,939
Included within the segment profit/(loss):				
Depreciation	1,053,365	-	96,229	1,149,594(e)
Direct operating costs	26,155,650	-	-	26,155,650(f)
Other items:				
Income tax expense	16,438,260	-	425,456	16,863,716
Capital expenditure additions	2,181,535	211,309	150,833	2,543,677
30 June 2020				
Segment assets	104,077,553	48,776,628	9,861,749(a,b)	162,715,930
Segment liabilities	11,244,157	8,257,398	2,667,324(c)	22,168,879

* Capital expenditure consists of property, plant and equipment and exploration and evaluation assets.

** Other assets consist of trade and other receivables \$66,479,755, cash and cash equivalents \$56,178,870, inventory \$3,574,069 and other financial assets of \$278,869.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

12. Segment reporting (continued)

	Reportable segments		All other segments	Consolidated
	SDO	Exploration projects		
	\$	\$	\$	\$
31 December 2019				
Segment assets	102,973,093	60,813,845	13,178,972	176,965,910
Capital expenditure*	32,443,165	56,459,160	2,450,223	91,352,548
Other assets	70,529,928**	4,354,685	10,728,749	85,613,362
Segment liabilities	13,649,282	12,477,342	2,691,695	28,818,319
Segment revenue	59,032,353	-	-	59,032,353
Net profit for the period after tax	24,674,404	-	(765,878)(d)	23,908,526
Included within the segment profit/(loss):				
Depreciation	3,266,216	-	95,724	3,361,940(e)
Direct operating costs	21,340,064	-	-	21,340,064(f)
Other items:				
Income tax expense	9,751,668	-	-	9,751,668
Capital expenditure additions	3,111,505	119,485	63,598	3,294,588
30 June 2019				
Segment assets	81,619,891	60,590,455	10,384,952	152,595,298
Segment liabilities	11,894,760	12,458,310	679,650	25,032,720

* Capital expenditure consists of property, plant and equipment and exploration and evaluation assets.

** Other assets consist of trade receivables \$41,792,700, cash and cash equivalents \$24,074,932, inventory \$2,928,274 and tax assets of \$1,734,022.

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

12. Segment reporting (continued)

	Half year ended 31 December 2020 \$	Year ended 30 June 2020 \$	Half year ended 31 December 2019 \$
Major items included in all other segments			
(a) Capital expenditure and other assets			
Property, plant and equipment	2,342,153	2,005,836	
	<u>2,342,153</u>	<u>2,005,836</u>	
(b) Other assets			
Cash and cash equivalents	10,783,351	6,659,311	
Current tax asset	2,088	1,047	
Other financial assets	809,072	848,720	
Other receivables	630,287	346,835	
	<u>12,224,798</u>	<u>7,855,913</u>	
(c) Liabilities			
Interest-bearing loans and borrowings	207,106	219,108	
Trade payables	2,347,397	2,448,216	
Other	(13,457)	-	
	<u>2,541,046</u>	<u>2,667,324</u>	
(d) Unallocated expenses/(income)			
Administrative salaries and wages	656,257		742,355
Auditors' remuneration	58,319		120,425
Consulting fees	60,728		47,957
Depreciation	149,658		168,122
Dividend tax	421,053		-
Finance income	(888,300)		(697,509)
Finance costs	313,996		253,239
Foreign exchange loss	(21,271)		(5,632)
Legal expenses	10,202		14,510
Overseas travelling expenses	-		115,371
Share-based compensation expense	295,391		265,747
Other	(32,802)		(258,707)
	<u>1,023,231</u>		<u>765,878</u>
Reconciliations of total segment amounts to corresponding amount for the Group			
(e) Depreciation			
Included within cost of sales	1,149,594		3,361,940
Included within general and administrative costs	53,429		72,400
	<u>1,203,023</u>		<u>3,434,340</u>
(f) Cost of sales			
Direct operating costs	26,155,650		21,340,064
Depreciation	1,149,594		3,361,940
	<u>27,305,244</u>		<u>24,702,004</u>

Sylvania Platinum Limited

Notes to the Condensed Consolidated Financial Statements (continued)

13. Fair value determination of financial instruments

Fair value hierarchy

The following table presents the Group's financial assets measured and recognised at fair value at 31 December 2020 and 30 June 2020.

	Level 1 \$	Level 2 \$	Level 3 \$
Financial assets at fair value			
31 December 2020			
Trade and other receivables*	-	66,506,597	-
30 June 2020			
Trade and other receivables*	-	26,619,350	-

*The fair value was determined using the commodity prices and foreign exchange rates.

14. Events after the reporting date

The directors are not aware of any matter or circumstance arising since the end of the reporting period, not otherwise dealt with in the interim financial statements, which significantly affects the financial position of the Group or the results of its operations.

15. Going concern

The financial position of the Group, its cash flows, liquidity position and debt facilities are set out in the Group's condensed consolidated interim results for the six months ended 31 December 2020. The Group ended the period in a cash position of \$67.1 million (31 December 2019: \$33.8 and 30 June 2020: \$55.9 million).

The directors have considered the Group's cash flow forecasts for the foreseeable future under base case and downside scenarios, with consideration given to the uncertainty of the impact of the COVID-19 pandemic on both the wider macroeconomic environment and the Group's operations. In all of the scenarios modelled, the Group maintains sufficient liquidity throughout the period of assessment without the introduction of further mitigating actions.

After reviewing the effects of COVID-19, the financial position, operational performance, budgets and forecasts as well as the timing of cash flows and sensitivity analysis, the directors are satisfied that the Company and the Group's liquidity position is sufficient to sustain its operations for the foreseeable future. For this reason, the Group continues to adopt the going-concern basis in the preparation of its financial statements, including these condensed consolidated interim financial statements.