Sylvania Platinum Limited

Condensed Consolidated Interim Financial Statements for the half year ended 31 December 2018

Contents

Corporate Information

Directors	SA Murray TM McConnachie RA Williams E Carr
Company Secretary	Conyers Corporate Services (Bermuda) Limited
Principal registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
South African Operations	Constantia Park Cycad House Cnr 14th Avenue & Hendrik Potgieter Road Weltevredenpark 1709 South Africa Telephone: +27 (0)11 673 1171 Facsimile: +27 (0)11 673 0365
Share Registry	Computershare Services Plc The Pavilions Bridgewater Road Bedminster Down Bristol BS99 7NH United Kingdom
Auditors	KPMG Inc. KPMG Crescent 85 Empire Road Parktown, 2193 South Africa
Solicitors	Conyers Dill & Pearman Limited Claredon House 2 Church Street Hamilton HM11 Bermuda

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 2018. Unless otherwise stated, the financial information contained in this report is presented in US 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.
SA Murray – *Non-Executive Chairman*
TM McConnachie – *Chief Executive Officer*
RA Williams – *Non-Executive Director*
E Carr – *Non-Executive Director*

Review of Operations and Half Year Financial Results
Sylvania's 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 platinum group metals (PGMs) are generated in USD and operating costs are incurred in ZAR.

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

For the six months under review the average ZAR:USD exchange rate was ZAR14.19:$1 and the closing exchange rate at 31 December 2018 was ZAR14.44:$1.

Operational performance
The Sylvania Dump Operations (SDO) achieved 34,045 ounces for the first half of the 2019 financial year, a solid performance under very difficult operational circumstances, and a marginal improvement on the 33,892 ounces for the comparative period in the prior year. The half year presented a number of challenges, especially in the second quarter which had a direct impact on ounce production, resulting in a lower than anticipated production performance.

Although the half-year on half-year PGM production improved marginally, the six-monthly production was lower than planned primarily due to a combination of lower PGM plant feed tons and recovery efficiencies. The Lesedi operation in particular experienced significant downtime during November and December 2018 due to water shortages in the area, resulting in the plant only being able to treat 52% of its planned treatment tonnage for the second quarter, while Doornbosch's dump re-mining, where the current dump is reaching its end of life, experienced significant downtime and feed instability that impacted negatively on plant throughput and recovery efficiencies. Other contributors to lower than planned PGM production for the period were the lower percentage of fresh current arisings feed received from the host mines at both Tweefontein and Millsell during the last quarter, following DMR safety stoppages related to underground incidents external to Sylvania's operations, as well as oil contaminated feed material impacting on recoveries during the first quarter at Mooinooi.

Cash costs per ounce for the SDO increased by 16% in ZAR terms, primarily as a result of Lesedi's larger contribution of PGM ounces for the full H1 FY2019 period compared to only two months in the H1 of FY2018. Lesedi was acquired by the Group in November 2017 and work continues to bring its cash costs down in line with other operations. However, the unit cost at Lesedi was particularly high during the past period due to low PGM production brought about by water shortages. Additional re-mining cost at Doornbosch related to the re-mining challenges on the current dump. With most of the challenges now resolved and mitigation measures implemented, it is expected that cash costs will improve in line with the forecast increased ounce production in H2 FY2019.

In USD terms, this increase in cash costs was limited to 10% as a result of the weaker ZAR exchange rate compared to the comparative period in the prior year.

Capital projects

The Project Echo MF2 modules are progressing well with the Millsell and Doornbosch MF2 modules in operation since early 2018 and Mooinooi MF2 module under construction and expected to be commissioned during the last quarter of this financial year.

Doornbosch MF2 performed according to design since commissioning, but Millsell MF2 was performing below design and had some initial challenges related to new fines flotation technology implemented on this plant, which was only resolved with the retrofit and commissioning of new high-intensity flotation mechanisms in the circuit towards the end of 2018. The MF2 plants at both operations are expected to deliver to full potential going forward.

The Tweefontein MF2 is still delayed due to the constraints on the national power utility's electricity supply infrastructure to the Tweefontein mining complex. The upgrade by the power utility has commenced, however the completion date is currently undetermined.

The Lesedi chrome plant project, comprising of the dismantling and relocation of the redundant Steelpoort chrome circuit, has commenced and is expected to be completed in the second half of the year. This will enable chrome removal ahead of Lesedi's PGM plant, aligned with the standard SDO operating model employed at existing operations in the Group, and will contribute towards higher PGM feed grades and ounce production at the operation.

Financial performance

Revenue

The Gross basket price for PGMs for the six months to 31 December 2018 was $1,201/ounce compared to $1,057/ounce for the period ended 31 December 2017. Although the average price of Platinum has dropped, the steady increase of both Palladium and Rhodium has had a favourable impact on the basket price. The Group recorded net revenue of $32.1 million for the six months to 31 December 2018, as a result of the higher basket price. Revenue from by-products increased by $1.4 million from the comparative period in the prior year. Ruthenium increased from an average for the six months to 31 December 2017 of $98/ounce to an average of $262/ounce for the six months to 31 December 2018, a 167% improvement. Iridium increased from an average of $969 to $1,452 per ounce half-year on half-year.

Revenue split	**31 December 2018**	31 December 2017
	$'000	$'000
Revenue on sales (4E)[1]	26,516	23,779
Revenue (by products)[2]	3,020	1,645
Sales adjustments[3]	2,557	2,755
Net revenue	32,093	28,179

1 Sales revenue from Platinum, Palladium, Rhodium and Gold.
2 Sales revenue from other metals in the concentrate produced - 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.
Note: The above table is rounded to the nearest thousand.

Cost of sales

The cost of sales represent the direct and indirect costs of producing the PGM concentrate and amounted to ZAR265.9 million for the reporting period compared to ZAR228.1 million in the six months to 31 December 2017. The inclusion of the full six months of the Lesedi operation, acquired in November 2017, at a higher operating cost model, has impacted the total operating costs. The cost of sales includes ZAR46.0 million depreciation charge on plant and equipment (H1 FY2018: ZAR36.5 million) with the other main cost contributors being salaries and wages of ZAR98.1 million (H1 FY2018: ZAR86.5 million), mining costs of ZAR27.5 million (H1 FY2018: ZAR21.9 million), engineering and maintenance of ZAR26.0 million (H1 FY2018: ZAR21.7 million), reagents and milling costs of ZAR23.9 million (H1 FY2018: ZAR16.7 million) and electricity of ZAR35.5 million (H1 FY2018: ZAR26.4 million).

Cash costs per ounce for the Group were ZAR8,194/ounce compared to ZAR7,043/ounce in the previous corresponding period. The increased cost per ounce is due mainly to the total operational costs increasing with the Lesedi operation being accounted for the full six months, but the total ounces remaining static in comparison with the corresponding prior period. Cost saving initiatives continue at Lesedi and the cost per ounce is expected to reduce going forward as Project Echo and optimization project ounces come on stream in the second half of the financial year and with further cost saving initiatives at Lesedi. The all-in sustaining cost (AISC) for the Group amounted to ZAR8,369/ounce and an all-in cost (AIC) of ZAR9,819/ounce for the period to 31 December 2018, of which ZAR1,400/ounce is attributable to the capital expenditure on Project Echo and plant optimisation. This compares to the AISC and AIC for 31 December 2017 of ZAR7,127/ounce and ZAR8,515/ounce respectively.

Other expenses
Other expenses comprise mainly of general and administrative costs of $1.0 million for the six months. 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 7% per annum. A portion of cash is held in ZAR to fund the remainder of Project Echo and any other strategic production optimisation projects when identified. Interest is paid on instalment sale agreements for the purchase of movable plant and vehicles.

Mining and income tax
Income tax is paid in SA Rand on taxable profits generated at the South African operations. The corporate income tax rate is 28%. Income tax for the six months to 31 December 2018 was ZAR36.0 million compared to ZAR25.8 million for 31 December 2017. Deferred tax movements for the Group relate mainly to the unredeemed capital expenditure and provisions.

Cashflow
The Group cash is currently held in ZAR and USD. As at 31 December 2018, the Company's cash and cash equivalents balance was $20.2 million. Cash generated from operations was $11.9 million for the reporting period, which includes an outflow of $1.7 million for working capital changes and $2.5 million paid for income tax. The Company spent $3.9 million on capital expenditure and paid $1.3 million out in dividends. An amount of $0.6 million was withdrawn from the investment relating to the rehabilitation guarantees and was transferred to an insurance facility for these guarantees. With the majority of the cash generated and held in ZAR, the depreciation of the ZAR against the USD decreased the reported cash balance since the last reporting date of 30 June 2018 by $0.8 million.

The trade and other receivables have been split and invoiced trade receivables and contract assets are shown separately on the face of the Statement of Financial Position in line with the new disclosure requirements of IFRS 15 *Revenue from Contracts with customers*. Contract assets is the sales provision for the concentrate delivered, but not yet invoiced to the refineries.

Capital expenditure
The Group capital expenditure for the six months to 31 December 2018 was $3.9 million. This spend comprises $2.0 million on Project Echo, $0.5 million on specific production optimisation projects and $1.4 million on stay in business capital.

Health, safety and environment
There were no significant health or environmental incidents during the half year, with Lesedi and Millsell achieving the milestones of seven and four years Lost Time Injury (LTI) free respectively during the period. Tweefontein and Doornbosch operations remain LTI free for more than six years.

Health, safety and environmental compliance remains a key-priority for the Company and the combined effort between management and all the employees across the operations, together with the overall safety culture, contribute towards the high safety standards and plant conditions at the respective operations.

Mineral Asset Development and opencast mining projects
The Company has continued to upgrade the value of its mineral asset development activities during the period, so as to be able to continue to defend title. However, until an improvement in market conditions occurs, this will result in very limited spend.

Grasvally Chrome Exploration
The Mining Right granted in Q4 FY2018 has been executed and is in the process of being registered in the Mining Titles Office. Under the Mining Right, rehabilitation of the historical mining area has also commenced. A consulting company to prepare financial models and are exploring ways to optimise value through the possible sale of the Grasvally resource.

Corporate activities

Maiden Dividend

As announced on 28 August 2018, the Directors of Sylvania recommended the payment of a maiden cash dividend of 0.35 pence per Ordinary Share of $0.01 in the Company. The shareholders approved this recommendation at the Company's Annual General Meeting held on 23 November 2018 and the payment of the dividend was made on 30 November 2018.

The revised dividend policy, as referenced in the last annual report, has been uploaded onto the Company's website.

Share Buybacks and Cancellation of Shares

During the period and subsequent to the conclusion of the Share Buyback programme which ran from 21 August 2017 to 24 August 2018, the Company announced that it had cancelled the remainder of 892,257 $0.01 Ordinary Shares purchased under the programme, as well as a further adjustment to shares held in treasury of 120,000 ordinary shares.

The Company further agreed to buy back 516,632 shares at 16.00 pence per Ordinary Share and these were cancelled immediately.

Accordingly, at the end of the period the Company's issued share capital was 289,724,772 Ordinary Shares, of which a total of 4,209,635 Ordinary Shares were held in Treasury. Therefore, the total number of Ordinary Shares with voting rights in Sylvania was 285,515,137 Ordinary Shares.

Outlook

Management have taken very decisive corrective action and implemented various improvement measures to address challenges experienced during the first half of the financial year in order to mitigate the impact and to ensure that planned production targets are met for the remainder of the financial year. Although the SDO team is continuously looking at alternatives to compensate for H1 losses during H2, it would be prudent to revise the current PGM production guidance for the 2019 financial year to between 73,000 and 76,000 ounces.

T M McConnachie
Chief Executive Officer
15 February 2019

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 of the consolidated entity 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

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T M McConnachie
Chief Executive Officer
15 February 2018

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Independent Auditor's Report on Review of Condensed Consolidated Interim Financial Statements

To the shareholders of Sylvania Platinum Limited

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Sylvania Platinum Limited set out on pages 10 to 34 consisting of the condensed consolidated statement of financial position at 31 December 2018, the condensed consolidated Statements of profit or loss and other comprehensive income, the condensed consolidated Statements of changes in equity and the condensed consolidated Statements of cash flows for the six month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of the condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements at 31 December 2018 is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

KPMG Inc.

Per Nick van Niekerk
Chartered Accountant (SA)
Registered Auditor
Director
15 February 2019

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

	Note	**31 December 2018** **$** **Reviewed**	31 December 2017 $ Reviewed
Revenue		**32,092,210**	28,179,974
Cost of sales		**(21,958,523)**	(19,755,236)
Gross profit		**10,133,687**	8,424,738
Other income		**34,256**	5,056
Other expenses		**(1,086,176)**	(855,459)
Operating profit before net finance income and income tax expense		**9,081,767**	7,574,335
Finance income		**423,423**	469,576
Finance costs		**(183,625)**	(139,104)
Profit before income tax expense	2	**9,321,565**	7,904,807
Income tax expense		**(2,367,469)**	(2,504,486)
Net profit for the period		**6,954,096**	5,400,321
Other comprehensive income			
Items that are or may be reclassified subsequently to profit and loss:			
Foreign operations – foreign currency translation differences		**(3,109,160)**	3,286,081
Total other comprehensive (loss)/ income for the period (net of tax)		**(3,109,160)**	3,286,081
Total comprehensive income for the period		**3,844,936**	8,686,402
Profit attributable to:			
Owners of the parent		**6,954,096**	5,400,321
		6,954,096	5,400,321
Total comprehensive income attributable to:			
Owners of the parent		**3,844,936**	8,686,402
		3,844,936	8,686,402
Profit per share attributable to the ordinary equity holders of the Company:		**Cents**	Cents
Basic earnings per share		**2.43**	1.88
Diluted earnings per share		**2.41**	1.86

The notes on pages 16 to 34 form part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position at

	Note	31 December 2018 $ Reviewed	31 December 2017 $ Reviewed	30 June 2018 $ Audited
ASSETS				
Non-current assets				
Equity-accounted investees		**441,017**	474,418	416,442
Other financial assets	5	**-**	1,143,988	1,432,456
Exploration and evaluation assets	3	**57,050,976**	58,376,482	57,397,256
Property, plant and equipment	4	**34,762,216**	40,748,694	35,790,425
Deferred tax asset		**320,091**	-	-
Total non-current assets		**92,574,300**	100,743,582	95,036,579
Current assets				
Cash and cash equivalents		**20,220,425**	12,644,039	14,016,407
Trade and other receivables		**8,832,139**	23,378,244	25,429,912
Contract assets		**14,082,828**	-	-
Other financial assets	5	**953,502**	-	-
Inventories		**1,777,299**	1,865,263	1,488,382
Current tax asset		**4,670**	219,426	14,741
Total current assets		**45,870,863**	38,106,972	40,949,442
Total assets		**138,445,163**	138,850,554	135,986,021
EQUITY AND LIABILITIES				
Shareholders' equity				
Issued capital	6	**2,897,248**	2,911,337	2,911,337
Reserves		**64,972,265**	74,874,672	68,053,385
Retained earnings		**46,697,114**	35,437,010	41,025,586
Total equity		**114,566,627**	113,223,019	111,990,308
Non-current liabilities				
Borrowings		**190,090**	267,212	173,895
Provisions		**3,620,057**	3,884,511	3,685,257
Deferred tax liability		**14,265,371**	15,941,435	14,326,214
Total non-current liabilities		**18,075,518**	20,093,158	18,185,366
Current liabilities				
Trade and other payables		**5,623,866**	5,382,368	5,676,574
Borrowings		**151,794**	150,828	132,700
Current tax liability		**27,358**	1,181	1,073
Total current liabilities		**5,803,018**	5,534,377	5,810,347
Total liabilities		**23,878,536**	25,627,535	23,995,713
Total liabilities and shareholders' equity		**138,445,163**	138,850,554	135,986,021

The notes on pages 16 to 34 form part of these condensed consolidated interim financial statements.

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

Reviewed	Issued capital $	Share premium $	Retained earnings $	Treasury share reserve $	Share based payment reserve $	Foreign currency translation reserve $	Non-controlling interest reserve $	Equity reserve $	**Total equity** **$**
Balance at 1 July 2018	**2,911,337**	**175,137,088**	**41,025,586**	**(1,141,362)**	**3,567,504**	**(39,989,339)**	**(39,779,293)**	**(29,741,213)**	**111,990,308**
Profit for the period	-	-	6,954,096	-	-	-	-	-	6,954,096
Other comprehensive loss	-	-	-	-	-	(3,109,160)	-	-	(3,109,160)
Total comprehensive income for the period	**-**	**-**	**6,954,096**	**-**	**-**	**(3,109,160)**	**-**	**-**	**3,844,936**
Share transactions									
- Treasury shares acquired	-	-	-	(119,606)	-	-	-	-	(119,606)
- Share-based payments	-	-	-	-	133,557	-	-	-	133,557
- Shares cancelled	(14,089)	(200,470)	-	214,559	-	-	-	-	-
Dividends declared and paid	-	-	(1,282,568)	-	-	-	-		(1,282,568)
Balance at 31 December 2018	**2,897,248**	**174,936,618**	**46,697,114**	**(1,046,409)**	**3,701,061**	**(43,098,499)**	**(39,779,293)**	**(29,741,213)**	**114,566,627**

The notes on pages 16 to 34 form part of these condensed consolidated interim financial statements.

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

Reviewed	Issued capital $	Share premium $	Retained earnings $	Treasury share reserve $	Share based payment reserve $	Foreign currency translation reserve $	Non-controlling interest reserve $	Equity reserve $	**Total equity** **$**
Balance at 1 July 2017	**2,979,819**	**175,705,741**	**30,036,689**	**(1,063,273)**	**3,896,700**	**(36,395,551)**	**(39,779,293)**	**(29,741,213)**	**105,639,619**
Profit for the period	-	-	5,400,321	-	-	-	-	-	5,400,321
Other comprehensive income	-	-	-	-	-	3,286,081	-	-	3,286,081
Total comprehensive income for the period	**-**	**-**	**5,400,321**	**-**	**-**	**3,286,081**	**-**	**-**	**8,686,402**
Share transactions									
- Treasury shares acquired	-	-	-	(1,172,454)	-	-	-	-	(1,172,454)
- Share-based payments	-	-	-	-	69,452	-	-	-	69,452
- Share options and bonus shares exercised	-	-	-	663,811	(663,811)	-	-	-	-
- Share cancelled	(68,482)	(568,653)	-	637,135	-	-	-	-	-
Balance at 31 December 2017	**2,911,337**	**175,137,088**	**35,437,010**	**(934,781)**	**3,302,341**	**(33,109,470)**	**(39,779,293)**	**(29,741,213)**	**113,223,019**

The notes on pages 16 to 34 form part of these condensed consolidated interim financial statements.

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

Audited	Issued capital $	Share premium $	Retained earnings $	Treasury share reserve $	Share based payment reserve $	Foreign currency translation reserve $	Non-controlling interest reserve $	Equity reserve $	**Total equity** **$**
Balance at 1 July 2017	**2,979,819**	**175,705,741**	**30,036,689**	**(1,063,273)**	**3,896,700**	**(36,395,551)**	**(39,779,293)**	**(29,741,213)**	**105,639,619**
Profit for the year	-	-	10,988,897	-	-	-	-	-	10,988,897
Other comprehensive loss	-	-	-	-	-	(3,593,788)	-	-	(3,593,788)
Total comprehensive income for the year	**-**	**-**	**10,988,897**	**-**	**-**	**(3,593,788)**	**-**	**-**	**7,395,109**
Share transactions									
- Treasury shares acquired	-	-	-	(1,414,669)	-	-	-	-	(1,414,669)
- Share-based payments	-	-	-	-	370,249	-	-	-	370,249
- Share options and bonus shares exercised	-	-	-	699,445	(699,445)	-	-	-	-
- Shares cancelled	(68,482)	(568,653)	-	637,135	-	-	-	-	-
Balance at 30 June 2018	**2,911,337**	**175,137,088**	**41,025,586**	**(1,141,362)**	**3,567,504**	**(39,989,339)**	**(39,779,293)**	**(29,741,213)**	**111,990,308**

The notes on pages 16 to 34 form part of these condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows for the half year ended

	31 December 2018 $ Reviewed	31 December 2017 $ Reviewed
Cash flows from operating activities		
Receipts from customers	**33,870,458**	27,579,947
Payments to suppliers and employees	**(19,781,844)**	(19,458,684)
Realised foreign exchange loss	**(7,120)**	(2,183)
Finance income	**396,305**	457,108
Exploration expenditure	**-**	(19,842)
Finance costs	**(48,320)**	(23,385)
Taxation paid	**(2,503,791)**	(1,391,364)
Net cash inflow from operating activities	**11,925,688**	7,141,597
Cash flows from investing activities		
Payment for rehabilitation insurance guarantee	**(93,896)**	(99,478)
Refund received for rehabilitation insurance guarantee	**692,008**	-
Proceeds from disposal of property, plant and equipment	**12,773**	24,936
Purchase of property, plant and equipment	**(3,740,596)**	(4,282,262)
Payments for exploration and evaluation assets	**(113,933)**	(227,155)
Receipt of loan repayment from Ironveld Holdings	**-**	1,120,234
Investment in equity-accounted investees	**-**	(4,734)
Payments of loan to equity-accounted investees	**(195,788)**	-
Sylvania Lesedi acquisition	**-**	(6,272,453)
Net cash outflow from investing activities	**(3,439,432)**	(9,740,912)
Cash flows from financing activities		
Repayment of borrowings	**(66,354)**	(71,012)
Purchase of treasury shares	**(119,606)**	(1,172,454)
Dividends paid	**(1,290,254)**	-
Net cash outflow from financing activities	**(1,476,214)**	(1,243,466)
Net increase/(decrease) in cash and cash equivalents	**7,010,042**	(3,842,781)
Effect of exchange fluctuations on cash held	**(806,024)**	1,165,703
Cash and cash equivalents at the beginning of reporting period	**14,016,407**	15,321,117
Cash and cash equivalents at the end of the reporting period	**20,220,425**	12,644,039

The notes on pages 16 to 34 form part of these condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies

1.1 Reporting entity

The condensed consolidated interim financial statements (''interim financial statements'') of Sylvania Platinum Limited ("Sylvania'' or the ''Company'') as at and for the six months ended 31 December 2018 comprise the Company, its subsidiaries, associates and joint arrangement (together referred to as "the Group'') and were authorised for issue in accordance with a resolution of the directors on 15 February 2019. Sylvania 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.

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

1.2 Basis of accounting

The interim financial statements have been prepared in accordance with IAS34 *Interim Financial Reporting* and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2018. It is also recommended that the interim financial statements be considered together with any public announcements made by the company and its controlled entities during the six months ended 31 December 2018 in accordance with the Group's continuous disclosure obligations.

The interim financial statements do not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full annual financial statements. 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 consolidated financial statements.

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

The interim financial statements are presented in US dollars unless otherwise stated. All amounts have been rounded to the nearest US dollar, unless otherwise indicated.

This is the first set of the Group's financial statements where IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in the note 1.4.

1.3 Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of 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, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15 and IFRS 9, which are described in the note 1.4.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.3 Use of judgements and estimates (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 2018. 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 reflects management's estimate of the time value of money and the risk associated with the plants. The discount rate of 12.2% (FY2018:12.5%) is the weighted average cost of capital.

Commodity price – The Group has used forecast commodity prices obtained from reputable publications and these range for years from 2019 – 2023 between $799 and $1,106/oz for platinum (FY2018: between $961 and $1,114) and $1,194 to $1,450 for palladium (FY2018: between $794 and $1,224). Sensitivities have also been applied within the calculation at lower prices.

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 ranges for years from 2019 – 2023 from 13.95 ZAR/$1 to 14.79 ZAR/$1 (FY2018: 11.83 to 13.93 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 as there has been no change in the intention of the company with regard to any of the exploration and evaluation assets. There was no substantive expenditure on these projects during the reporting period as the rights are either pending approval or are in the process of execution.

1.4 Changes in significant accounting policies

Except as described below, the accounting policies in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous consolidated annual financial statements as at and for the year ended 30 June 2018.

The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 30 June 2019.

The Group has adopted all new and revised Standards and Interpretations issued by the IASB and the IFRS Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the accounting period beginning on 1 July 2018, including:

- *IFRS 9 Financial Instruments* – New standard issued and includes requirements for the classification, measurement and derecognition of financial instruments, including a new expected credit loss model for calculating impairment on financial assets.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.4 Changes in significant accounting policies (continued)

- *IFRS 15 Revenue from Contracts with customers* – Recognition of revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, which is achieved through a five-step methodology.

IFRS 9 – Financial Instruments
IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.*

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities
IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:
(i) fair value through profit or loss (FVTPL);
(ii) fair value through other comprehensive income (FVOCI); or
(iii) amortised cost.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price), is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:
- Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.4 Changes in significant accounting policies (continued)

- Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial instruments as at 1 July 2018.

Financial instrument	Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost
Loans receivable	Loans and receivables	Amortised cost
Rehabilitation insurance guarantee investment	Loans and receivables	Fair value through profit and loss
Finance lease liabilities	Amortised cost	Amortised cost
Trade and other payables	Amortised cost	Amortised cost

The original carrying amount under IAS 39 and the new carrying amount under IFRS 9 equates to each other as the impact of the new impairment requirements is not significant due to materiality considerations.

Impairment of financial assets
IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and contract assets recognized per IFRS 15. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents and loans receivable.

Under IFRS 9, loss allowances are measured on either of the following bases:
- *12-month ECLs*: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- *lifetime ECLs:* these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables and cash and cash equivalents at an amount equal to 12-month ECLs, and loan receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- The financial asset is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.4 Changes in significant accounting policies (continued)

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss and OCI.

Impairment losses on other financial assets are presented under 'finance costs', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and OCI due to materiality considerations.

Impact of the new impairment model
The Group has determined that the application of IFRS 9's impairment requirements at 1 July 2018 does not have a significant impairment.

	USD
Loss allowance at 30 June 2018 under IAS 39	**-**
Additional impairment recognized at 1 July 2018 on:	
- Trade and other receivables as at 30 June 2018	-
- Additional trade receivables recognised on adoption of IFRS 15	-
- Loan receivable	-
- Additional contract asset recognised on adoption of IRFS 15	-
- Cash and cash equivalents	-
Loss allowance at 1 July 2018 under IFRS 9	**-**

Trade receivables
The following analysis provides further detail about the calculation of ECLs related to trade receivables on the adoption of IFRS 9. The Group considers the model and some of the assumptions used in calculating these ECLs as key sources of estimation uncertainty.

The ECLs were calculated based on actual credit loss experience over the past five years. The Group performed the calculation of ECL rates separately for each customer.

Exposures within each customer was segmented based on common credit risk characteristics such as credit risk grade, geographic region, industry and age of relationship.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 1 July 2018.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.4 Changes in significant accounting policies (continued)

	Weighted-average loss rate	Gross carrying amount	Loss allowance	Credit - impaired
Current (not past due)	0%	8,832,139	-	No
		8,832,139	-	

IFRS 15 – Revenue from Contracts with customers
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2017 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarises the impacts of adopting IFRS 15 in the Group's interim statement of financial position as at 31 December 2018:

Assets	As reported	Adjustments	Amount without adoption of IFRS 15
Contract assets	14,082,828	(14,082,828)	-
Trade and other receivables	8,832,139	14,082,828	22,914,967

There was no impact on the Group's statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

Under IFRS 15, the revenue is recognised when a customer obtain control of the goods or services.

Type of products	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
PGM sales	Customer obtains control of the goods when the goods are delivered to and have been accepted at their premises. Invoices are subsequently generated based on the contract with the customer. Invoices are usually payable within 30 days.	Under IAS 18, revenue for these sales was recognised when the goods were delivered to the customer's premises, which was taken to be the point in time at which the customer accepted the goods and the related risk and rewards of ownership transferred. Revenue was recognised at that point provided that the revenue and the costs could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods. Under IFRS 15, there is no impact on revenue. However, the impact of these changes on items other than revenue are a decrease in trade and other receivable and an increase in a new contract asset.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.5 New standards and interpretations

Future accounting standards

In addition to those reported in the previous consolidated annual financial statements as at and for the year ended 30 June 2018, certain IFRSs and IFRICs have recently been issued or amended but are not yet effective and have not been adopted by the Group as at the interim reporting period ended on 31 December 2018.

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.5 New standards and interpretations (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
IFRS 3, IFRS 11, IFRS 12	Annual improvement to IFRS Standards 2015 2017 cycle – various standards	IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* Clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. • If a party maintains (or obtains) control, then the previously held interest is not remeasured. • If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. IAS 12 *Income Taxes* Clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.	1 January 2019	1 July 2019
Amendments to References to Conceptual Framework in IFRS Standards	Framework	The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes: - A new chapter on measurement; - Guidance on reporting financial performance; - Improved definitions of an asset and a liability, and guidance supporting these definitions; and - Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.	1 January 2020	1 July 2020

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation and accounting policies (continued)

1.5 New standards and interpretations (continued)

Reference	Title	Summary	Application date of standard	Application date for Group
Amendments to IAS 1 and IAS 8	Definition of Material	The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework. The changes in Definition of Material all relate to a revised definition of 'material' which is quoted below from the final amendments: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'' The Board has also removed the definition of material omissions or misstatements from IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*	1 January 2020	1 July 2020

Notes to the Condensed Consolidated Financial Statements

2. Profit before income tax expense

	Half year ended 31 December 2018 $	Half year ended 31 December 2017 $
The following income and expense items are relevant in explaining the financial performance for the half year:		
Share based payment expense	**133,557**	69,452
Depreciation – property, plant and equipment	**3,240,893**	2,747,812

3. Exploration and evaluation assets

	Half year ended 31 December 2018 $	Half year ended 31 December 2017 $	Year ended 30 June 2018 $
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	**57,397,256**	57,587,900	57,587,900
Foreign currency movements	**(460,213)**	561,427	(553,579)
Direct expenditure for the period/ year	**113,933**	227,155	362,935
Balance at the end of period/ year	**57,050,976**	58,376,482	57,397,256

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.

Notes to the Condensed Consolidated Financial Statements

4. Property, plant and equipment

	Property	Mining property	Construc-tion in progress	Plant	Equipment	Leasehold improve-ments	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	Total
	$	$	$	$	$	$	$	$	$	$	$
December 2018											
At 1 July 2018											
Cost	3,122,668	2,385,550	6,420,975	67,934,702	723,685	21,633	470,206	104,439	110,512	835,065	82,129,435
Accumulated depreciation	(90,442)	(1,799,499)	-	(42,817,350)	(534,071)	(21,141)	(411,588)	(85,869)	(85,495)	(493,555)	(46,339,010)
Carrying value	3,032,226	586,051	6,420,975	25,117,352	189,614	492	58,618	18,570	25,017	341,510	35,790,425
Period ended 31 December 2018											
Opening carrying value	3,032,226	586,051	6,420,975	25,117,352	189,614	492	58,618	18,570	25,017	341,510	35,790,425
Exchange differences	(137,579)	(24,851)	(269,879)	(1,172,293)	(9,665)	(44)	(2,662)	(810)	(1,111)	(16,757)	(1,635,651)
Additions	22,553	-	2,370,327	1,178,263	105,597	1,597	20,091	2,920	3,202	143,785	3,848,335
Depreciation charge	(8,694)	(113,401)	-	(2,997,446)	(33,851)	(154)	(19,674)	(5,018)	(4,703)	(57,952)	(3,240,893)
Carrying value	2,908,506	447,799	8,521,423	22,125,876	251,695	1,891	56,373	15,662	22,405	410,586	34,762,216
At 31 December 2018											
Cost	3,007,642	2,360,699	8,521,423	67,940,674	819,617	23,185	487,635	106,549	112,603	962,092	84,342,118
Accumulated depreciation	(99,136)	(1,912,900)	-	(45,814,796)	(567,922)	(21,294)	(431,262)	(90,887)	(90,198)	(551,506)	(49,579,902)
Carrying value	2,908,506	447,799	8,521,423	22,125,876	251,695	1,891	56,373	15,662	22,405	410,586	34,762,216

Notes to the Condensed Consolidated Financial Statements

4. Property, plant and equipment (continued)

	Property $	Mining property $	Construction in progress $	Plant $	Equipment $	Leasehold improve-ments $	Computer equipment and software $	Furniture and fittings $	Office equipment $	Motor vehicles $	Total $
December 2017											
At 1 July 2017											
Cost	3,251,862	2,511,008	2,232,696	62,482,155	819,255	22,252	424,679	56,011	108,721	856,038	72,764,677
Accumulated depreciation	(81,453)	(1,647,825)	-	(37,303,257)	(555,501)	(22,252)	(354,704)	(54,700)	(81,659)	(405,635)	(40,506,986)
Carrying value	3,170,409	863,183	2,232,696	25,178,898	263,754	-	69,975	1,311	27,062	450,403	32,257,691
Period ended 31 December 2017											
Opening carrying value	3,170,409	863,183	2,232,696	25,178,898	263,754	-	69,975	1,311	27,062	450,403	32,257,691
Exchange differences	167,963	36,143	379,709	1,818,930	11,717	-	4,831	2,702	1,507	20,893	2,444,395
Acquired through business combinations	17,233	-	558,788	3,911,829	-	-	16,725	19,250	-	13,269	4,537,094
Additions	11,008	-	2,343,715	1,895,654	9,660	-	15,421	-	6,804	-	4,282,262
Disposals	-	-	-	(22,164)	-	-	(1,536)	-	(1,187)	(49)	(24,936)
Depreciation charge	(3,934)	(111,787)	-	(2,505,412)	(35,214)	-	(29,150)	(1,456)	(4,352)	(56,507)	(2,747,812)
Carrying value	3,362,679	787,539	5,514,908	30,277,735	249,917	-	76,266	21,807	29,834	428,009	40,748,694
At 31 December 2017											
Cost	3,452,611	2,641,649	5,514,908	72,219,951	872,296	22,252	480,860	80,924	120,435	904,871	86,310,757
Accumulated depreciation	(89,932)	(1,854,110)	-	(41,942,216)	(622,379)	(22,252)	(404,594)	(59,117)	(90,601)	(476,862)	(45,562,063)
Carrying value	3,362,679	787,539	5,514,908	30,277,735	249,917	-	76,266	21,807	29,834	428,009	40,748,694

Notes to the Condensed Consolidated Financial Statements

4. Property, plant and equipment (continued)

	Property	Mining property	Construction in progress	Plant and	Equipment	Leasehold improve-ments	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	Total
	$	$	$	$	$	$	$	$	$	$	$
June 2018											
At 1 July 2017											
Cost	3,251,862	2,511,008	2,232,696	62,482,155	819,255	22,252	424,679	56,011	108,721	856,038	72,764,677
Accumulated depreciation	(81,453)	(1,647,825)	-	(37,303,257)	(555,501)	(22,252)	(354,704)	(54,700)	(81,659)	(405,635)	(40,506,986)
Carrying value	3,170,409	863,183	2,232,696	25,178,898	263,754	-	69,975	1,311	27,062	450,403	32,257,691
Year ended 30 June 2018											
Opening carrying value	3,170,409	863,183	2,232,696	25,178,898	263,754	-	69,975	1,311	27,062	450,403	32,257,691
Exchange differences	(158,029)	(26,241)	(370,787)	(928,097)	(8,779)	(36)	(1,149)	734	(1,302)	(14,857)	(1,508,543)
Acquired through business combination	17,233	-	558,788	3,907,474	-	-	16,725	19,251	-	13,269	4,532,740
Additions	16,614	-	4,000,278	3,540,282	10,086	528	31,580	3,324	9,905	12,407	7,625,004
Disposals	-	-	-	(423,320)	(2,189)	-	(213)	-	(980)	(57)	(426,759)
Depreciation charge	(14,001)	(250,891)	-	(6,157,885)	(73,258)	-	(58,300)	(6,050)	(9,668)	(119,655)	(6,689,708)
Carrying value	3,032,226	586,051	6,420,975	25,117,352	189,614	492	58,618	18,570	25,017	341,510	35,790,425
At 30 June 2018											
Cost	3,122,668	2,385,550	6,420,975	67,934,702	723,685	21,633	470,206	104,439	110,512	835,065	82,129,435
Accumulated depreciation	(90,442)	(1,799,499)	-	(42,817,350)	(534,071)	(21,141)	(411,588)	(85,869)	(85,495)	(493,555)	(46,339,010)
Carrying value	3,032,226	586,051	6,420,975	25,117,352	189,614	492	58,618	18,570	25,017	341,510	35,790,425

Notes to the Condensed Consolidated Financial Statements

5. Other financial assets

	Half year ended 31 December 2018 $	Half year ended 31 December 2017 $	Year ended 30 June 2018 $
Loans receivable (a)	**922,632**	573,299	794,838
Rehabilitation insurance guarantee (b)	**30,870**	570,689	637,618
Balance at the end of period/ year	**953,502**	1,143,988	1,432,456
Non-current assets	**-**	1,143,988	1,432,456
Current assets	**953,502**	-	-

(a) Loans receivable mainly consists of a loan granted to TS Consortium by Sylvania South Africa (Pty) Ltd, a South African subsidiary of the Group.

The loan is unsecured, bears interest at 7% per annum and is repayable on 31 December 2019.

(b) Investment linked to the rehabilitation insurance guarantee. Monthly instalments of R222 000 were paid to fund the investment. These guarantees have been transferred to a new facility and the investment was withdrawn and the account closed. The investment is no longer required as the method of funding the rehabilitation guarantee has changed. The balance of the funds were transferred to the Company in January 2019.

6. Issued capital

	Half year ended 31 December 2018 $	Half year ended 31 December 2017 $	Year ended 30 June 2018 $
Ordinary shares with a par value of $0.01	**2,897,248**	2,911,337	2,911,337

	Half year ended 31 December 2018 Number	Half year ended 31 December 2017 Number	Year ended 30 June 2018 Number	**Half year ended 31 December 2018 $**	Half year ended 31 December 2017 $	Year ended 30 June 2018 $
Movements in ordinary shares on issue						
At start of period/ year	**291,133,661**	297,981,896	297,981,896	**2,911,337**	2,979,819	2,979,819
Cancellation of shares*	**(1,408,889)**	(6,848,235)	(6,848,235)	**(14,089)**	(68,482)	(68,482)
At end of the period/year	**289,724,772**	291,133,661	291,133,661	**2,897,248**	2,911,337	2,911,337

* 516,632 shares were acquired from an employee and cancelled immediately and 892,257 shares were cancelled out of treasury.

On 21 August 2017 the Company announced a Share Buyback Programme (''Programme''). The purpose of the Programme was to facilitate the sale of shares held by small non-UK shareholders prohibited from doing so by the cost and administrative burden of trading certificated shares outside of the UK. Sylvania's Board approved a programme to offer to buy back up to 4,156,982 shares where the individual shareholding was no more than 175,000 ordinary shares and was in certificated

Notes to the Condensed Consolidated Financial Statements

6. Issued capital (continued)

format. The Company repurchased these shares at A$0.1619. The closing date for the Programme was 24 August 2018.

Dividend

At the Annual General Meeting of the Company on 23 November 2018, the shareholders approved a maiden dividend of 0.35 pence per share for the year 30 June 2018. The dividends were payable to all shareholders on the register as at close of business on 19 October 2018. The amount payable in dividends amounted to USD 1,282,568.

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 2018	**4,853,231**
Shares purchased	**636,632**
Shares purchased through Share Buyback Programme	**128,661**
Shares cancelled	**(1,408,889)**
Closing balance at 31 December 2018	**4,209,635**

At 31 December 2018 the Company's issued share capital is 289,724,772 Ordinary Shares, of which a total of 4,209,635 are held in Treasury. The total number of Ordinary Shares with voting rights is 285,515,137.

7. 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 seven operational plants;
- an open cast mining exploration project and a Northern Limb exploration project, which are both currently in the exploration phase.

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

The following items are not allocated to any segment as they are not considered to be part of the core operations of any segment:

- finance income;
- finance costs; and
- unallocated expenses.

The following tables present revenue and profit information for the periods ended 31 December 2018 and 31 December 2017 and certain asset and liability information regarding reportable segments for the periods ended 31 December 2018 and 31 December 2017 and the year ended 30 June 2018.

Notes to the Condensed Consolidated Financial Statements

7. Segment reporting (continued)

	SDO $	Exploration projects $	Corporate/ unallocated $	Consolidated $
31 December 2018				
Segment assets	68,992,097	60,371,229	9,081,837	138,445,163
Capital expenditure*	30,831,806	59,963,457	1,017,929(a)	91,813,192
Other assets	38,160,291**	407,772	8,063,908(b)	46,631,971
Segment liabilities	21,252,080	875,561	1,750,895(c)	23,878,536
Segment revenue	32,092,210	-	423,423	32,515,633
Segment result	7,848,573	-	(894,477)(d)	6,954,096
Net profit for the period after tax				6,954,096
Included within the segment profit/(loss):				
Depreciation	3,138,230	-	82,355	3,220,585(e)
Direct operating costs	18,737,938	-	-	18,737,938(f)
Other items:				
Income tax expense	2,367,469	-	-	2,367,469
Capital expenditure additions	3,653,176	113,933	195,159	3,962,268

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

** Other assets consist of trade receivables $21,607,367, cash and cash equivalents $13,826,362 and other receivables $2,726,562.

Notes to the Condensed Consolidated Financial Statements

7. Segment reporting (continued)

	SDO $	Exploration projects $	Corporate/ unallocated $	Consolidated $
31 December 2017				
Segment assets	69,565,996	62,080,086	7,204,472	138,850,554
Capital expenditure*	36,713,466	61,753,105	658,604(a)	99,125,175
Other assets	32,852,530**	326,981	6,545,868(b)	39,725,379
Segment liabilities	23,782,836	1,012,345	832,354(c)	25,627,535
Segment revenue	28,179,974	-	469,576	28,649,550
Segment result	6,003,097	(284)	(602,492)(d)	5,400,321
Net profit for the period after tax				5,400,321
Included within segment profit/(loss):				
Depreciation	2,640,010	-	82,971	2,722,981(e)
Direct operating costs	17,032,666	-	-	17,032,666(f)
Other items:				
Income tax expense	2,504,202	284	-	2,504,486
Capital expenditure additions	4,222,911	238,163	48,343	4,509,417
30 June 2018				
Segment assets	68,428,164	60,919,441	6,638,416	135,986,021
Segment liabilities	10,820,961	12,515,603	659,149	23,995,713

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

** Other assets consists of trade receivable $22,355,540, cash and cash equivalents $7,971,401 and other receivables $2,525,589.

Notes to the Condensed Consolidated Financial Statements

7. Segment reporting (continued)

	Half year ended 31 December 2018 $	Half year ended 31 December 2017 $	Year ended 30 June 2018 $
Major items included in corporate/unallocated			
(a) Capital expenditure and other assets			
Property, plant and equipment	**1,017,929**	658,604	984,143
	1,017,929	658,604	984,143
(b) Other assets			
Cash and cash equivalents	**6,339,462**	4,564,575	3,983,970
Current tax asset	**4,670**	219,426	1,017
Investment in joint arrangement	**441,017**	474,418	416,442
Other financial assets	**922,633**	573,299	794,838
Other receivables	**356,126**	714,150	458,006
	8,063,908	6,545,868	5,654,273
(c) Liabilities			
Interest-bearing loans and borrowings	**55,284**	216,778	36,627
VAT/GST payable	**11,574**	389,560	341,787
Trade payables	**553,708**	84,024	280,735
Accrued expenses	**1,130,329**	141,992	-
	1,750,895	832,354	659,149
(d) Unallocated expenses/(income)			
Administrative salaries and wages	**712,886**	700,799	
Auditors' remuneration	**95,348**	53,307	
Consulting fees	**89,579**	42,530	
Depreciation	**102,663**	107,802	
Finance income	**(423,423)**	(469,576)	
Finance costs	**183,625**	139,104	
Foreign exchange loss	**7,120**	2,183	
Legal expenses	**31,753**	17,422	
Overseas travelling expenses	**88,976**	85,049	
Premises leases	**35,881**	36,167	
Share-based compensation expense	**133,557**	69,452	
Other	**(163,488)**	(181,747)	
	894,477	602,492	
Reconciliations of total segment amounts to corresponding amount for the Group			
(e) Depreciation			
Included within cost of sales	**3,220,585**	2,722,981	
Included within general and administrative costs	**20,308**	24,831	
	3,240,893	2,747,812	
(f) Cost of sales			
Direct operating costs	**18,737,938**	17,032,255	
Depreciation	**3,220,585**	2,722,981	
	21,958,523	19,755,236	

Notes to the Condensed Consolidated Financial Statements

8. Fair value of financial instruments

For financial assets and liabilities, the fair value is a reasonable approximation of the carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments.

The following methods and assumptions were used to estimate fair values:

- Cash and short-term deposits, trade and other receivables, trade and other payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Contract assets and rehabilitation insurance guarantee approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Variable-rate receivables and borrowings are evaluated by the Group based on parameters such as interest rates. As at 31 December 2018, the carrying amounts of such receivables and borrowings were not materially different from their calculated fair values.

9. 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.

10. Going concern

After reviewing 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 Group has adequate resources to continue in operational existence for the foreseeable future. It is for this reason that the interim financial statements have been prepared on the going concern basis.