Audit committee report



Simon Scott

Chair of the audit committee

The audit committee's FY2026 programme responded to the Group's greater operational and financial complexity. Its work combined close scrutiny of the annual reporting process with oversight of assurance, risk, technology, liquidity, insurance and sustainability matters.

Dear Shareholder,

I am pleased to present the audit committee report for the year ended 30 June 2026. The committee's work during the year was shaped by the commissioning and ramp-up of the Thaba JV, continued volatility in commodity prices and foreign exchange markets, and higher expectations regarding governance, sustainability, technology, and assurance. Its programme therefore concentrated on reliable financial reporting, disciplined management of risk and controls and the effectiveness and independence of the Group's assurance providers.

The committee supports the Board by providing focused oversight of the Group's financial reporting, risk management, internal control environment, internal and external audit arrangements, treasury, insurance and technology-related risk. This oversight is intended to protect the quality of decision-making and reporting while sustaining transparent engagement with shareholders and other stakeholders.

The Company continues to use the QCA Corporate Governance Code 2023 as the foundation of its governance approach. Although the revised AIM Rules for Companies, effective from 5 August 2026, require AIM companies to explain their governance approach across five prescribed areas rather than formally applying a recognised code on a "comply or explain" basis, the Board considers the QCA Code to remain a suitable and proportionate framework for the Group's circumstances and stage of development.

The committee's formal charter defines its responsibilities for financial reporting, internal control, risk, external and internal audit, insurance, the code of conduct and whistleblowing. During FY2026, the charter was reviewed and approved by the committee for submission to the Board. The charter is aligned with the Company's governance framework and is made available on the Company's website.

Throughout FY2026, the committee comprised Simon Scott as Chair, and Adrian Reynolds, Non-Executive Director. Both members attended each of the four formal meetings held during the financial year. A further meeting was convened on 9 September 2026 to consider the final FY2026 annual financial statements and PwC's audit results. Details of the members' relevant experience and the annual attendance register are included in the Directors' report.

The Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the Group Financial Manager and other Non-Executive Directors participated by invitation when their input was relevant. Representatives of PricewaterhouseCoopers (PwC), the external auditor, and Binder Dijker Otte (BDO), the outsourced internal auditor and enterprise risk management adviser, also attended the appropriate sessions.

The committee and its Chair may communicate directly with both assurance providers, including without management present. PwC and BDO may also meet independently when matters affecting the broader control environment warrant discussion. The committee has unrestricted access to Group information, may request information from any employee and may obtain independent professional advice when required.

After each meeting, the committee Chair reports significant matters and recommendations to the Board, and the minutes are circulated to all Directors. The formal meeting cycle was supported by ongoing engagement among the Chair, management and the auditors on accounting judgements, financial reporting, treasury, risk and the audit process.

Key areas considered during FY2026 include:

Financial reporting oversight

The committee examined the Group's quarterly and half-year reporting, the consolidated annual financial statements and the related market disclosures. Its review considered whether the information was consistent with its understanding of the business, complied with IFRS Accounting Standards and the AIM Rules for Companies, and appropriately described the Group's material transactions, estimates and risk exposures.

Before publication of the interim and annual results, the committee challenged the principal assumptions, estimates, and management judgements and considered significant reporting matters arising during the year. The committee concluded that the judgements applied to material items were reasonable and that the FY2026 consolidated financial statements were appropriately prepared under the applicable reporting framework and the Group's accounting policies.

Significant judgements, estimates and audit focus areas

- Revenue recognition, including new chrome revenue and the measurement of receivables subject to provisional pricing;
- Management override of controls and the risk associated with journal entries;
- The recoverability of long-lived assets within the Sylvania Dump Operations and the Thaba JV;
- The carrying amount of exploration and evaluation assets, including the Hacra write-down;
- Environmental rehabilitation, restoration and decommissioning obligations;
- Accounting for the Thaba joint arrangement, its funding structure and material balances;
- Current and deferred taxation, including mineral royalty tax;
- Going concern, liquidity and the related sensitivity analysis; and
- Subsequent events and related-party disclosures.

External audit

PwC continued as the Group's external auditor. Following completion of the partner-rotation process after FY2025, Sizwe Mtetwa became the Group Engagement Partner for FY2026. The transition was supported by a refreshed engagement team and a structured handover.

In discharging its oversight responsibilities, the committee:

- Reviewed and approved PwC's half-year review and annual audit plans, scope, timetable and fees;
- Considered audit materiality, component scoping, and the treatment of sector-specific risks;
- Assessed the auditor's independence, objectivity and performance;
- Evaluated significant and elevated audit risks, the resulting findings and management's responses;
- Monitored outstanding audit evidence and completion activities; and
- Held in camera discussions with the auditors without management present.

PwC confirmed its independence and advised that no non-audit services requiring the committee's attention had been provided during FY2026. The committee found that the proposed scope, estimated materiality and key audit areas responded appropriately to risk at both the overall financial statement and individual account levels. The audit strategy remained consistent with prior years, while the work programme reflected the Group's current transactions and areas of complexity.

Internal audit, risk management and the control environment

The planning and reporting of the Group's internal audit function is monitored by the audit committee and the Board of Directors. BDO continued to deliver the outsourced internal audit function and facilitate the Group's enterprise risk management (ERM) process. Two procedures originally included in the FY2025 plan were carried into FY2026 because automation and system implementation were still progressing in those areas. The FY2026 programme, which was aligned with the Group's risk profile and prevailing industry risk trends, was substantially completed, with the administration of report finalisation being conducted at the reporting date. The committee and the Board monitored internal audit planning, delivery, findings, and management's remediation of control matters.

The Group's risk profile was assessed through management reviews, facilitated ERM workshops and BDO reporting. During FY2026, the committee supported enhancements to risk appetite and tolerance measures, the definition of residual-risk targets and the use of more frequent interim reviews when exposures increased. These measures complemented periodic control testing by the financial support function and management's continuing responsibility for maintaining effective controls and addressing identified shortcomings.

Audit committee report continued

Having considered the work performed and the reports received, the committee was satisfied that management actively reviewed the Group's principal risks and that the control and risk management framework remained sound. This conclusion does not remove management's responsibility for the design, operation and ongoing improvement of the control environment.

The Group maintained an independently operated whistleblowing facility, supported by monthly written reporting. The committee reviewed the effectiveness of the whistleblowing arrangements and the procedures for identifying potential fraud or misconduct. Reports received during FY2026 were investigated and concluded by independent consultants. Based on the matters reported and the investigations completed, the committee was satisfied that no misconduct or unethical behaviour had been identified within the organisation during the year.

Insurance

The committee's remit includes oversight of the Group's insurance arrangements. The insurance portfolio and coverage requirements were considered with management and specialist brokers, with attention given to the nature and level of cover, pricing and premiums across operating sites and the corporate office. On management's recommendation, the committee supported continuation of the programme with the existing brokers.

The Directors and Officers' insurance policy renewed from December 2025 remained part of the programme reviewed by the committee, which had previously concluded that the cover was relevant and sufficient. The committee continued to consider insurance within the context of the Group's evolving operational footprint and risk profile.

IT governance, cybersecurity and digital reporting

Technology governance and cybersecurity remained important components of the committee's oversight. The increasing reliance on digital systems, together with a changing threat environment, requires sustained attention to the protection of data, systems and stakeholder confidence.

Management, together with the relevant expert consultants, performed regular monitoring and risk assessments. IT governance was presented to the committee at least annually, or more frequently where concerns arose, and was considered monthly at Executive meetings. User awareness remained a core preventive control. Executive management also continued to review key IT policies, precautionary measures, and documented disaster recovery arrangements to confirm that responsibilities and response expectations were understood.

The committee's focus extended to the quality and control of digital reporting as technology and automation became more embedded in finance and operational processes. This was considered alongside the internal audit programme and the need for controls to develop in step with system implementation.

Treasury, liquidity and capital allocation

Treasury and cash management remained prominent on the committee's agenda. Treasury reporting to the committee covered the Group's cash position, principal financial exposures, dividends and other relevant liquidity matters. The committee also considered going concern forecasts and sensitivities as part of the year-end reporting process and remained satisfied that treasury risks were being actively and effectively managed.

Capital allocation was considered through the lens of resilience, disciplined reinvestment and shareholder value. The Group's approach seeks an appropriate balance among investment in existing operations, growth and sustainability projects, potential diversification opportunities and returns to shareholders. Despite volatile commodity markets and cash deployed during the year, the committee concluded that the Group remained solvent and liquid and that preparation of the financial statements on a going concern basis was appropriate.

ESG and sustainability reporting oversight

ESG reporting and audit readiness were recurring agenda items during FY2026. The committee considered year-end reporting readiness, the relevance of ESG performance and transparent disclosure to stakeholders, and the need to align the Group's reporting with developing investor expectations and applicable frameworks.

The integration of ESG measures into the risk register, together with monitoring of the related exposures, remained a joint focus of the committee and the Board. The committee supported initiatives intended to promote responsible, sustainable operations while maintaining proportionate governance and meeting applicable regulatory requirements.

Conclusion

The committee's FY2026 programme responded to the Group's greater operational and financial complexity. Its work combined close scrutiny of the annual reporting process with oversight of assurance, risk, technology, liquidity, insurance and sustainability matters. On the basis of the reports and evidence presented, the committee considers the Group's financial governance framework to be appropriate for the current operating environment and capable of adapting as the business develops.

I thank management and their teams, together with PwC and BDO, for their co-operation, professionalism and commitment throughout the year. For and on behalf of the audit committee of Sylvania Platinum Limited.



Simon Scott

Chair of the audit committee

14 September 2026



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