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

Update on Volspruit Mining Right Application

10 May 2013

Sylvania Platinum Limited, the low cost Platinum Group Metal (“PGM”) processor and developer, today announces an update on its +3 million ounce PGM development project at Volspruit in the Bushveld region of South Africa.

On the 29th September 2011 Sylvania advised that a Mining Right Application (MRA) for the Volspruit project had been submitted. Sylvania has been requested to supply additional information to complete the Environmental Impact Assessment (“EIA”). This information was planned to come from the regular flood event on the Nyl River which flows in close proximity to our proposed open pit mine. Since this flood event did not occur this year, the board has decided to simultaneously withdraw and resubmit a new MRA thus allowing the ground water specialist time to complete the study.

This new submission is not expected to delay the project in any way as the supply of power remains on the critical path for the project with a decision on the EIA expected within 120 days of submission of the new application.

There is no cost for the withdrawal and resubmission and since the new application will contain all the previous work that has already been done, the cost of this additional study and associated public meetings will be minimal.

Nigel Trevarthen, Deputy CEO, commented: “The Company is determined to ensure the Nylsvley nature reserve, situated approximately 40 km upstream of the project area, is not impacted materially by the mine’s operations and has taken this decision to allow further studies to be completed and thus the opportunity to better model the impact of the mine design on the environment. Since the impact on the overall project timeline is not affected, this action should improve the likelihood of the project being approved by the government and also demonstrates the Company’s commitment to environmentally responsible mine design and operation”

BACKGROUND

The Volspruit project is situated in the Northern Limb of the Bushveld Igneous Complex adjacent to the Nyl River, approximately 40 km downstream of the Nylsvley nature reserve and 18 km south of Mokopane. A critical part of the MRA is the approval of the Environmental Management Programme Report (“EMPR”) for the project. The Department of Mineral Resources (“DMR”) requested additional information on the possible ground water interaction between the Nyl river and the planned mine. The project team had installed several instruments which would have been able to supply much of this information, should the regular Nyl flood event have occurred. However, the flood did not occur this year. For this reason, the ground water specialists who have been assisting Sylvania with the EMPR, advised Sylvania to conduct a number of additional studies which would provide the necessary information to allow a decision to be made by the DMR on the project.

This additional work cannot be completed within the allotted time set by legislation. Sylvania has written a note to the minister requesting an extension of time for the report but since legislation does not provide for such exemptions and that since no response has been received, the decision to withdraw and simultaneously resubmit the MRA has been taken by the Board. This will give the study team the opportunity to finalise the work whilst being able to submit the work already completed as support to the application. Since the prospecting right over the Volspruit project runs until January 2015 there is little risk of losing the rights to the project through this action.



Due to the on-going depressed platinum price and generally weak demand the board is reviewing various options with respect to the Volspruit project of which a few of the options are to delay the start up, sell the project or relist the project as a new entity.

Further announcements in this regard will be made as soon as possible.

CORPORATE INFORMATION

Registered office: Sylvania Platinum Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Postal address: PO Box 976
Florida Hills, 1716
South Africa

Sylvania Website: www.sylvaniaplatinum.com

CONTACT DETAILS

For further information, please contact:
Terence McConnachie (Chief Executive Officer)
+44 777 533 7175

Nominated Advisor and Broker
Liberum Capital Limited
Michael Rawlinson/Tom Fyson/Christopher Kololian
+44 (0) 20 3100 2000

Communications
Newgate Threadneedle
Graham Herring/ Beth Harris
+44 (0) 20 7653 9850

