6 September 2021

Sylvania Platinum Limited
("Sylvania", the "Company" or the "Group")

Final Results to 30 June 2021

Sylvania (AIM: SLP) is pleased to announce its final results for the year ended 30 June 2021. Unless otherwise stated, the consolidated financial information contained in this report is presented in United States Dollars ("USD").

Achievements

- Sylvania Dump Operations ("SDO") achieved target production of 70,043 4E PGM ounces for the year (FY2020: 69,026 4E PGM ounces);
- Net revenue increased 79% to $206.1 million (FY2020: $115.1 million);
- Adjusted Group EBITDA increased 108% to $144.9 million (FY2020: $69.6 million);
- Group net profit increased 143% to $99.8 million (FY2020: $41.0 million);
- Basic earnings per share ("EPS") increased 151% to 36.65 US cents per share (FY2020: 14.62 US cents per share);
- Cash dividend of 4p per Ordinary Share declared by the Board of Directors; and
- Positive Group cash balance of $106.1 million with no debt and no pipeline financing.

Challenges

- Effects of the global COVID-19 pandemic on employees and operations; and
- Lower PGM feed grades and recovery potential associated with the significant increase in open cast ROM sources which led to associated higher costs.

Opportunities

- Lesedi secondary milling and flotation ("MF2") project progressing well and on track to start contributing towards production from early H2 FY2022;
- Development of the Tweefontein MF2 project has commenced with commissioning anticipated during H1 FY2023;
- Additional chrome tails current arisings from an existing Eastern Limb 3rd party chrome operation have been secured during the period with the potential to add approximately 2,000 to 3,000 ounces of PGMs per annum;
- The Group continues to maintain strong cash reserves to allow funding of capital expansion and process optimisation projects; the safeguarding of employees during these times of uncertainty; upgrading the Group's exploration and evaluation assets; and returning value to all stakeholders; and
- R&D efforts have identified potential that would enable the Company to re-treat low PGM grade tailings at selected sites that would otherwise be sterilised, thereby extending the operational life of these operations.

Post Period End

- Post-period end, operations have been temporarily suspended at Lesedi as a precautionary safety measure due to inadequate water drainage and increasing phreatic water levels at the tailings dam.

Commenting on the period, Sylvania's CEO Jaco Prinsloo said:

"I am proud to report on our strong performance in FY2021, a year in which we achieved our production target of delivering 70,043 4E PGM ounces, testament to the strength of our management team who achieved this whilst navigating the unchartered territory of a global pandemic. Further to this, we successfully managed to maintain our excellent standards in terms of health, safety and the environment, whilst ensuring our staff were well supported."

"With all operations back to normalised capacity and efficiencies during the year, the implementation of our process optimisation initiatives such as Project Echo modules and improved fines classification technology further contributed to the solid results throughout the period and enabled us to meet our stated production target for the year. However, as expected, the reduced mining operations of certain host mines has continued to impact on feed grades. Our management and technical teams continue to explore further opportunities to improve both feed grades and recovery efficiencies across operations that could add value in the near term, whilst we also continue to engage with various consultants to evaluate the potential of our existing longer-term mineral asset projects."

"The Company continues to benefit from the strong PGM price environment, which combined with strong operational performance, will continue to generate extremely healthy profits. Consequently, the Company was able to pay a windfall dividend of 3.75p per ordinary share ($14.3 million) in April 2021 and I am glad to report that the Board has declared an annual cash dividend of 4p per Ordinary Share for the period, which is a 150% increase on FY2020, payable on 3 December 2021. Should PGM prices remain favourable, the possibility of another windfall dividend for CY2021 will be evaluated by the Board during February 2022. We remain in a robust financial position with sufficient cash reserves to finance capital projects, fund future growth and enable us to mitigate any potential adverse impacts due to the ongoing uncertainty relating to COVID-19."

"I would like to thank our management and operations teams for their continued innovation and efforts in the face of some trying circumstances, enabling us to maintain production and performance. It is this dedication I believe that will put us on a strong platform for achieving the expected annual production target of approximately 70,000 4E PGM ounces for the 2022 financial year."

Disclaimer

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse regulation (EU) no.596/2014 as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019.

For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is being made on behalf of the Company by Jaco Prinsloo.

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 parent company is incorporated in Bermuda. Corporate and general and administration costs are incurred in USD, Pounds Sterling ("GBP") and ZAR.

For the twelve months under review, the average ZAR:USD exchange rate was ZAR15.34:$1 and the spot exchange rate was ZAR14.36:$1.

USD			Unit	Unaudited	Unit	ZAR		
FY 2020	**FY 2021**	**% Change**				**% Change**	**FY 2021**	**FY 2020**
				Production				
2,341,452	2,700,685	15%	T	Plant Feed	T	15%	2,700,685	2,341,452
2.00	1.88	-6%	g/t	Feed Head Grade	g/t	-6%	1.88	2.00
1,092,630	1,272,974	17%	T	PGM Plant Feed Tons	T	17%	1,272,974	1,092,630
3.44	3.17	-8%	g/t	PGM Plant Feed Grade	g/t	-8%	3.17	3.44
56.90%	53.99%	-5%	%	PGM Plant Recovery	%	-5%	53.99%	56.90%
69,026	70,043	1%	Oz	Total 4E PGMs	Oz	1%	70,043	69,026
92,105	94,041	2%	Oz	Total 6E PGMs	Oz	2%	94,041	92,105
2,015	3,690	83%	$/oz	Average gross basket price[1]	R/oz	81%	58,157	32,202
				Financials[2]				
104,424	188,293	80%	$'000	Revenue (4E)	R'000	78%	2,888,758	1,625,244
6,236	13,253	113%	$'000	Revenue (by-products including base metals)	R'000	109%	203,326	97,064
4,435	4,566	3%	$'000	Sales adjustments	R'000	1%	70,051	69,027
115,095	206,112	79%	$'000	Net Revenue	R'000	77%	3,162,135	1,791,335
41,456	51,394	24%	$'000	Operating costs	R'000	22%	788,471	645,225
2,169	2,375	9%	$'000	General and administrative costs	R'000	8%	36,429	33,764
69,589	144,860	108%	$'000	Adjusted EBITDA	R'000	105%	2,222,416	1,083,086
1,608	1,332	-17%	$'000	Net Interest	R'000	-18%	20,437	25,034
14,952	43,407	190%	$'000	Taxation	R'000	186%	665,934	232,705
5,746	2,980	-48%	$'000	Depreciation and amortisation	R'000	-49%	45,715	89,429
40,995	99,806	143%	$'000	Net profit	R'000	140%	1,531,204	638,053
5,412	7,519	39%	$'000	Capital Expenditure	R'000	37%	115,356	84,238
55,877	106,135	90%	$'000	Cash Balance	R'000	59%	1,524,365	961,434
				Ave R/$ rate	R/$	-1%	15.34	15.56
				Spot R/$ rate	R/$	-17%	14.36	17.20
				Unit Cost/Efficiencies				
615	729	19%	$/oz	SDO Cash Cost per 4E PGM oz[3]	R/oz	17%	11,189	9,577
461	543	18%	$/oz	SDO Cash Cost per 6E PGM oz[3]	R/oz	16%	8,334	7,177
622	755	21%	$/oz	Group Cash Cost Per 4E PGM oz[3]	R/oz	20%	11,590	9,683
466	563	21%	$/oz	Group Cash Cost Per 6E PGM oz[3]	R/oz	19%	8,632	7,256
654	907	39%	$/oz	All-in sustaining cost (4E)	R/oz	37%	13,910	10,181
713	981	38%	$/oz	All-in cost (4E)	R/oz	36%	15,052	11,103

[1] The gross basket price in the table is average gross basket for the year, used for revenue recognition of ounces delivered over FY2021, before penalties/smelting costs and applying the contractual payability.
[2] Revenue (6E) for FY2021, before adjustments is $201.0 million (6E prill split is Pt 48%, Pd 17%, Rh 9%, Au 0.2%, Ru 21%, Ir 5%).
[3] The cash costs include direct operating costs and exclude royalty tax.

A. OPERATIONAL OVERVIEW

Health, safety and environment

While dealing with COVID-19 and its associated challenges, the operations continued to focus on health, safety and environmental compliance. The Company is proud to report that there were no significant health or environmental incidents reported during the year and that the Company remains fatality-free since inception in 2006.

In terms of safety, the Doornbosch operation has achieved the significant industry milestone of nine years lost-time injury ("LTI") free during June 2021 and Mooinooi, Lannex and Lesedi all achieved one-year LTI-free milestones during the year. Unfortunately, Tweefontein and Millsell each recorded one LTI during the year after being LTI-free for eight and five years respectively. In targeting zero harm to employees, management continues to ensure that every injury that is recorded is fully investigated and corrective measures are implemented to prevent any future reoccurrences.

Impact of COVID-19

Since the emergence of COVID-19 in the country during March 2020, management has focused on identifying and minimising the various risks posed by the pandemic to employees and contractors. The Company provided relief to affected employees through the provision of access to medical assistance, as well as providing self-isolation facilities to those who were unable to safely self-isolate at home and may have posed a risk to their immediate families. Employees further received full salary and benefits during this time and local communities were offered assistance in the form of sanitisers and masks being issued on an ongoing basis to various schools and community centres, food parcels and the Company sponsored online learning material and text books to Grade 12 learners to assist with self-study when schools were closed due to lockdown. An ongoing monthly feeding scheme was also started for children in the community who lost parents due to the virus.

Having navigated through three waves of the virus since its emergence in the country, the Company has recorded 113 confirmed COVID-19 cases amongst its employees to date, with 107 affected employees thankfully recovered and returned to work after experiencing mild symptoms of the virus. Unfortunately, we sadly lost two colleagues during the financial year and our condolences go out to their family, friends and colleagues.

Through the collaborative efforts of management and all of our employees, we continuously strive to maintain high safety standards and a safe working environment at all operating sites, with each plant continuing to operate in accordance with legislated safety and occupational regulations pertaining to the industry and country as a whole.

Operational performance

The SDO met its expected production target for the 2021 financial year by delivering an annual production of 70,043 4E PGM ounces, a 1% increase year-on-year.

The substantial increase in PGM feed tons of 17%, following stabilisation of operations after the COVID-related disruptions during H2 FY2020, contributed significantly towards achieving our annual target, while both the PGM feed grades and recovery efficiencies were impacted by lower quality feed sources and blends associated with the slow-down of underground host-mines at some operations.

In order to mitigate the loss of underground ROM material due to the slow-down strategy at affected operations, the host mines started generating opencast ROM material as supplementary feed to SDO plants, assisting to keep plants running at capacity without having to substantially increase dump feed which would negatively impact the life of operations. However, these opencast sources are unfortunately typically of a lower PGM grade and have a lower PGM recovery potential due to the more oxidised nature compared to underground resources and hence the visible impact on both PGM feed grade and recovery efficiency during the past financial year.

PGM plant recovery efficiencies declined 5% during the year aligned with feed source blend, while plant feed grade declined 8%. Although the recovery efficiency range for individual operations typically range between 50% and 65% 4E PGM, depending on the specific circuit configuration and feed source blend, the recovery for the combined SDO remains within the 52% to 54% range communicated previously. Although we are expecting plant feed sources to remain similar for at least another eight to ten months. Management will ensure that operations focus on optimising feed grades from existing dump resources and balance PGM recoveries against mass pull and concentrate quality to optimise returns.

The SDO cash cost increased by 17% in ZAR (the functional currency) from ZAR9,577/ounce to ZAR11,189/ounce while the USD cash cost increased to $729/ounce against $615/ounce in FY2020. The increase in costs was primarily driven by higher than inflation power rate increases and higher process consumables and re-mining and transport costs associated with lower grade opencast ROM sources treated at some operations. A strengthening of the ZAR:USD exchange rate during H2 FY2021 further impacted the dollar cost increase.

Operational focus areas

The short to medium term changes made by operations to accommodate the alternative feed sources and changing blends had an impact on operating costs, as expected, but supported the PGM ounce production and protected the resource life of operations. As the higher costs associated with mitigating the impact of alternative feed sources and to secure additional ROM sources at some of the plants, are expected to remain a factor during H1 FY2022, management remains focused on initiatives to optimise re-mining costs and associated equipment hire for blending of feed sources as well as continue to balance the impact of higher operating costs in the short to medium terms against the impact on life of mine of operations, while ensuring stable PGM ounce production at operations.

Optimisation of flotation performance and recovery efficiencies remain a focus area of the Group, especially at the Western operations, where lower-grade and more oxidised open cast ROM material is being treated. After experiencing some post-commissioning challenges with instability and chokes on the new Mooinooi fines classification and fine chrome recovery circuit during Q4, the plant team has been optimising the circuit and has made significant improvements during recent months with operations expected to stabilise and start to realise benefits of the upgrade during H1 FY2022.

As was reported in the interim results, power disruptions and production losses related to load-shedding by the national power utility were less frequent during the year, however there was a significant increase in vandalism and theft of copper cables at various substations of the utility, particularly at the Western operations. To improve the stability of power supply to operations and to minimise resultant intermittent operational downtime experienced at some operations, specific power mitigation strategies have been developed with conceptual designs completed during recent months for those operations most significantly affected, and roll-out is anticipated to commence towards the end of FY2022.

Post the reporting period, during early August, specific concerns regarding slow water drainage rates and a high phreatic surface level at the current Lesedi tailings dam were raised as part of the Company's formal routine tailings dam inspection and monitoring. Specialist investigations indicate that the current situation is related to historical re-mining practices that damaged some perimeter drains of the dam, prior to Sylvania acquiring the operation in 2017. Management proactively decided to temporarily suspend operations at Lesedi during August 2021 to ensure the integrity of the tailings dam is maintained and remedial work instigated. The current tailings dam was expected to be de-commissioned towards the end of this current calendar year, when the new Lesedi tailings disposal facility is expected to be commissioned, but unfortunately the condition of the current facility deteriorated quicker than expected. Based on current mitigation measures already in place and being implemented, it is expected that Lesedi will resume operations towards the end of September 2021. The situation is disappointing, but a prudent decision to ensure we safeguard our operations, employees and protect our environment and its impact is likely to be marginal and is already included in our annual forecast for total SDO production for this financial year.

Capital Projects

The most significant capital projects planned for the year ahead include the roll-out of two further MF2 secondary milling and flotation modules at Lesedi and Tweefontein operations; construction of three new tailings storage facilities at Lesedi, Mooinooi and Doornbosch respectively; and completion of exploration in-fill drilling at Northern Limb mining project areas. Total planned capital expenditure for FY2022 is approximately $22.0 million.

The MF2 expansion at Lesedi, similar to existing Project Echo modules rolled out between 2016 and 2020, to improve the upgrading and recovery of PGMs is progressing well and is on track to start contributing towards production from early in the 2022 calendar year. In addition, the Tweefontein MF2 module is also now progressing and anticipated to commission during the second half of the 2022 calendar year.

The new tailings dam facilities will cater for extended life of operations that were originally anticipated to only last between five and ten years and further allows for flexibility at operations in terms of re-mining schedules and blending of feed sources from various dump and current arising sources. These new and improved tailings facilities comply to highest international standards and are designed to both reduce the impact of mine tailings on the environment and improve operability.

In terms of the exploration infill drilling programme, we are making steady progress with drilling approximately 56% and 25% complete for respective Hacra and Aurora mining right areas.

Following promising results from the Company's specific fine chrome recovery research and test work initiated in HY1 FY2020, a circuit configuration and technology was identified to enable the economic recovery of fine chrome from some existing dumps, which has historically been uneconomical to recover. Test work has been concluded and engagements with our host mine are at an advanced stage for the construction of the first circuit at one of our Eastern operations, but neither the benefits nor capital have been included in current forecasts for the year. This circuit will 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.

Outlook

Following a strong FY2021, we have entered FY2022 with a continued solid production performance from our operations, barring the disruption at Lesedi as mentioned above. This, combined with our optimisation initiatives which will come to fruition during the year ahead, supports management and the Board's confidence that Sylvania will achieve its production target of approximately 70,000 4E PGM ounces for FY2022.

With the market forecast for PGMs, and in particular palladium and rhodium, to remain in deficit throughout the 2021 calendar year, coupled with the demand for PGMs remaining robust, we are expecting PGM prices to remain healthy during FY2022, although not necessarily at the levels experienced during the past year.

While being cautiously optimistic on the PGM price outlook, as a Company our primary focus will remain on those things which we are able to control, which include specific focus on improving direct operating costs, maintaining a safe, stable and efficient production environment, and ensuring disciplined capital allocation and control.

Taking into consideration all of the above factors, the Board looks forward to the rest of FY2022 with confidence and to updating shareholders further as the year progresses.

B. FINANCIAL OVERVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 30 June

	Note	2021 $	2020 $
Revenue	1	**206,112,444**	115,094,940
Cost of sales		**(54,767,603)**	(47,062,555)
Royalties tax	2	**(8,276,344)**	(967,099)
Gross profit		**143,068,497**	67,065,286
Other income		**1,146,710**	58,123
Other expenses	3	**(2,334,764)**	(3,280,056)
Impairment of exploration and evaluation asset		**-**	(9,504,774)
Operating profit before net finance income/costs and income tax expense		**141,880,443**	54,338,579
Finance income		**1,705,366**	1,916,197
Finance costs		**(373,236)**	(307,756)
Profit before income tax expense		**143,212,573**	55,947,020
Income tax expense	4	**(43,406,522)**	(14,951,537)
Net profit/(loss) for the period		**99,806,051**	40,995,483
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to profit and loss:			
Foreign operations - foreign currency translation differences		**24,461,386**	(17,291,509)
Total other comprehensive loss (net of tax)		**24,461,386**	(17,291,509)
Total comprehensive income for the year		**124,267,437**	23,703,974
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share		**36.65**	14.62
Diluted earnings per share		**35.92**	14.26

1. Revenue is generated from the sale of PGM ounces produced at the six retreatment plants, net of pipeline sales adjustments, penalties and smelting charges.
2. The royalty tax increased by $7.3 million due to the change in tax brackets from 0.5% to 7.0% as a result of the SDO's having fully utilised the capital allowances which previously reduced the tax rate applied, as well as the increase in revenue due to higher basket prices compared to previous periods.
3. Other expenses relate to corporate activities and include consulting fees, audit fees, insurance, PR costs, directors' fees, share based payments and other smaller administrative costs.
4. Income tax expense include current tax, deferred tax and dividend withholding tax.

The average gross basket price for PGMs in the financial year was $3,690/ounce – an 83% increase on the previous year's $2,015/ounce. This increase in the overall PGM basket price was primarily due to an approximately 168% increase in rhodium prices to record highs during the year, and approximately 28% increase in palladium prices.

Revenue on 4E ounces delivered increased by 80% in dollar terms to $188.3 million year-on-year with revenue from base metals and by-products contributing $13.3 million to the total revenue. Net revenue, after adjustments for ounces delivered in the prior year but invoiced in the current financial year, increased 79% on the previous year's $115.1 million to $206.1 million.

The operational cost of sales is incurred in ZAR and represents the direct and indirect costs of producing the PGM concentrate and amounted to ZAR788.5 million for the reporting period compared to ZAR645.2 million for the period ended 30 June 2020. The main cost contributors being employee costs of ZAR270.5 million (FY2020: ZAR236.2 million), mining costs of ZAR106.6 million (FY2020: ZAR62.4 million), reagents and milling costs of ZAR60.5 million (FY2020: ZAR46.0 million) and electricity of ZAR99.5 million (FY2020: ZAR79.9 million). In addition to these the Company paid royalty tax of ZAR126.9 million (FY2020: ZAR15.1 million). The significant increase in mineral royalty tax is as a result of the increase in rate from 0.5% to 7.0%. The increase in the royalty tax cost is a result of the SDO having fully utilised its capital allowances, which previously reduced the tax rate applied, and the increase in revenue due to the significantly higher basket price. The rate is capped at 7.0% and in the absence of any future large capital spend, is set to remain at this rate going forward.

Group cash costs increased by 21% year-on-year from $622/ounce (ZAR9,683/ounce) to $755/ounce (ZAR11,590/ounce). Operating costs increased 22% in ZAR (the functional currency) from ZAR645.2 million to ZAR788.5 million, attributable to above-inflation electricity rate increases and higher re-mining costs, incurred in order to supplement the lower ROM and current arisings from the host mines and higher consumable costs associated with more oxidised alternative feed sources at selected operations.

All-in sustaining costs (“AISC”) increased by 39% to $907/ounce (ZAR13,910/ounce) from $654/ounce (ZAR10,181/ounce) primarily as a result of the significant increase in minerals royalty taxes that account for approximately $100/ounce and operational costs increases mentioned earlier. Similarly, all-in costs (“AIC”) of 4E increased by 38% to $981/ounce (ZAR15,052/ounce) from $713/ounce (ZAR11,103/ounce) recorded in the previous period.

General and administrative costs, included in the Group cash costs, are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs increased 9% in the reporting currency year-on-year mainly due to the increase in share-based payments expensed over the vesting period on Director and management bonus share awards and an increase in directors’ and officers’ liability insurance (FY2021: $2.4 million; FY2020: $2.2 million).

Adjusted Group EBITDA (excluding impairments) increased 108% year-on-year to $144.9 million (FY2020: $69.6 million). The taxation expense for the year was $43.4 million (FY2020: $15.0 million), as per the statement of profit or loss and other comprehensive income and includes deferred taxation movements and dividend withholding tax.

The Group net profit for the year was $99.8 million, a 143% improvement on the previous year’s $41.0 million.

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.

Income tax paid for the financial year amounted to ZAR697.8 million ($45.5 million) compared to ZAR229.7 million ($14.8 million) for the previous financial year. The increase is as a result of increased taxable profits mainly due to the increase in the basket price during the year. Income tax is paid in ZAR on taxable profits generated at the South African operations. Dividend withholding tax of $1.6 million (ZAR23.4million) was paid during the year.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers		**173,210,207**	112,398,238
Payments to suppliers and employees		**(59,436,882)**	(41,407,023)
Cash generated from operations		**113,773,325**	70,991,215
Finance income		**1,607,930**	1,844,683
Finance costs		**(34,574)**	(56,309)
Taxation paid		**(47,111,379)**	(14,756,364)
Net cash inflow from operating activities		**68,235,302**	58,023,225
Cash flows from investing activities			
Purchase of property, plant and equipment		**(6,104,381)**	(5,200,789)
Proceeds from sale of property, plant and equipment		**-**	64
Payments for exploration and evaluation assets		**(1,414,699)**	(211,551)
Advance paid TS Consortium		**(65,534)**	(291,774)
Assets held for sale cash		**(1,228)**	(7,915)
Net cash outflow from investing activities		**(7,585,842)**	(5,711,965)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 30 June

	Note	2021 $	2020 $
Cash flows from financing activities			
Repayment of borrowings		**(160,577)**	(194,611)
Payment of lease liabilities		**(80,288)**	(75,762)
Payment for treasury shares		**(1,602,765)**	(8,544,976)
Dividends paid		**(20,113,337)**	(2,853,641)
Net cash outflow from financing activities		**(21,956,967)**	(11,668,990)
Net increase in cash and cash equivalents		**38,692,493**	40,642,270
Effect of exchange fluctuations on cash held		**11,566,330**	(6,562,799)
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		**106,135,435**	55,876,612

The cash balance at 30 June 2021 was $106.1 million (FY2020: $55.9 million), including $0.9 million in financial guarantees (FY2020: $0.8 million). Cash generated from operations before working capital movements was $145.6 million, with net changes in working capital resulting in a reduction of $31.9 million due to the movement in trade receivables. Net finance income amounted to $1.6 million and $47.1 million was paid in income taxes during the year, including dividend withholding tax of $1.6million. Other major spend items include $1.4 million spent on exploration activities (FY2020: $0.2 million) and $6.1 million on strategic capital projects and stay in business capital for the SDO plants (FY2020: $5.2 million). At corporate level, $20.1 million (FY2020: $2.9 million) was paid out in dividends and 1.96 million shares (FY2020: 4.9 million) were bought back at a cost of $1.6 million (FY2020: $8.5 million). The impact of exchange rate fluctuations on cash held at year end was $11.6 million profit (FY2020: $6.6 million loss). It should be noted that the Group holds a large portion of cash in ZAR and a strengthening ZAR:USD exchange rate had a favourable impact on the Group cash balance, but a weakening of the ZAR against the USD will have the opposite impact.

CONSOLIDATED STATEMENT OF FINANCIAL POSTION

At 30 June

	Note	2021 $	2020 $
ASSETS			
Non-current assets			
Exploration and evaluation expenditure		**45,351,817**	42,840,775
Property, plant and equipment		**39,915,437**	30,472,227
Other financial assets	5	**298,864**	226,009
Total non-current assets		**85,566,118**	73,539,011
Current assets			
Cash and cash equivalents	6	**106,135,435**	55,876,612
Trade and other receivables	7	**68,612,119**	27,074,169
Other financial assets	5	**885,593**	622,711
Inventories	8	**3,838,147**	2,166,294
Current tax asset		**4,329,860**	-
		183,801,154	85,739,786
Assets held for sale		**4,216,190**	3,436,086
Total current assets		**188,017,344**	89,175,872
Total assets		**273,583,462**	162,714,883

CONSOLIDATED STATEMENT OF FINANCIAL POSTION

At 30 June

	Note	2021 $	2020 $
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	9	**2,861,557**	2,868,457
Reserves	10	**65,314,647**	41,594,587
Retained profit/(Accumulated losses)		**175,776,721**	96,084,007
Total equity		**243,952,925**	140,547,051
Non-current liabilities			
Borrowings	11	**70,956**	235,576
Provisions	12	**4,539,937**	3,646,044
Deferred tax liability		**11,154,515**	9,328,039
Total non-current liabilities		**15,765,408**	13,209,659
Current liabilities			
Trade and other payables		**13,652,017**	7,519,728
Borrowings	11	**212,651**	215,918
Current tax liability		**-**	1,198,277
		13,864,668	8,933,923
Liabilities directly associated with the assets classified as held for sale		**461**	24,250
Total current liabilities		**13,865,129**	8,958,173
Total liabilities		**29,630,537**	22,167,832
Total liabilities and shareholder's equity		**273,583,462**	162,714,883

5. Other financial assets mainly consist of the loan receivable granted to TS Consortium from Sylvania South Africa (Pty) Ltd, a South African subsidiary of the Group. TS Consortium is a joint operation research and development project. Sylvania South Africa (Pty) Ltd has a 50% interest in the joint operation.
6. The majority of the cash and cash equivalents are held in ZAR and USD.
7. Trade and other receivables consist mainly of amounts receivable for the sale of PGMs.
8. Inventory held is spares and consumables for the SDO.
9. The total number of issued ordinary shares at 30 June 2021 is 286,155,657 Ordinary Shares of US$0.01 each (including 13,681,792 shares held in treasury), 1,958,477 shares were purchased including shares purchased through the share buyback programme, 690,000 shares were cancelled and 2,580,000 share options were exercised.
10. Reserves include the share premium, foreign currency translation reserve, which is used to record exchange differences arising from the translation of financial statements of foreign controlled entities, share-based payments reserve, treasury share reserve, the non-controlling interests reserve and the equity reserve.
11. Interest bearing loans and borrowings are secured instalment sale agreements over various motor vehicles and plant and equipment as well as the right-of-use lease liability.
12. Provision is made for the present value of closure, restoration and environmental rehabilitation costs in the financial period when the related environmental disturbance occurs.

C. MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

The Group owns various mineral asset development projects on the Northern Limb of the South African Bushveld complex and has initiated studies to determine how best to optimize the respective projects by targeting more localized, higher-grade areas and considering less capital-intensive infrastructure and processes to unlock value.

Volspruit Platinum Project

Based on the preliminary mining design information and results from additional metallurgical test work generated as part of the recent specialist study that was commissioned in mid-2020, two new initiatives have been identified that will impact the feasibility and strategy for the project.

Firstly, various processing and off-take options are being evaluated for the typical PGM concentrate volumes and quality that can be produced based on current mining design and processing options and secondly, a resource optimization study has been commissioned that should be completed during the 2022 financial year.

The resource optimisation study will review and revise the geological interpretation and the continuity of the mineralisation at higher cut-off grades, reducing the orebody to a leaner, smaller resource volume, but of a higher quality. The expected outcome will be a smaller mine with optimised stripping ratios and higher concentrator feed grades. This optimised resource model will allow for a new mining schedule to be developed, feeding into further process optimisation work and an update of the key project economic assumptions.

The investment for the permitting requirements in support of the existing Mining Right continues with specialist technical teams continuing to work towards the authorisations which include the Water Use license for the mining and on-site processing of the ore, updating of the Environmental Impact Assessment and the finalization of the amended Social and Labour Plan (“SLP”) which will update the Local Economic Development (“LED”) project that is included in the Mining Right held by the Company. Most of the specialist studies need to be conducted during the rainy and/or summer months and will kick off towards the last quarter of the 2021 calendar year.

Grasvally Chrome Project

The Grasvally mine remains an asset for sale and the Option Agreement as negotiated and reported in the Company’s FY2020 report is still valid in terms of the potential sale of 100% of the shares in Grasvally and claims against Grasvally Chrome Mine (Pty) Ltd to Forward Africa Mining (Pty) Ltd (“FAM”). We continue to monitor progress on meeting the conditions precedent by FAM and the Board’s intention to sell the asset has not changed.

An updated second generation Social and Labour plan has been submitted to the DMRE for approval, while components of the LED project are currently being implemented on site.

Northern Limb Projects

Mining Rights for PGEs are held by the Company for both the Hacra and Aurora (Pan Palladium (“PPD”)) developments.

The Company has made a significant investment to further develop and unlock the value of the Hacra and Aurora PGM and Base Metal projects, through an infill drilling programme, with specialist geological and mining technical consultants appointed to oversee the project and study. Steady progress is being made with this study and drilling progress is approximately 56% and 25% complete for respective mining right areas.

The updated resource model will be subjected to a concept-level mining study to evaluate a new business case for the area of the Mining Right with the final study reports expected by the mid-2022 calendar year`.

D. CORPORATE ACTIVITIES

Dividend Approval and Payment

On 7 September 2020, the Board declared a final dividend of 1.6p per Ordinary Share, with a record date of 30 October 2020 and payment date of 4 December 2020.

In addition to the annual dividend paid, the Board recognised that the Company had enjoyed a significant positive cashflow impact as a result of the palladium and rhodium prices and approved a windfall dividend of 3.75p per Ordinary Share in February 2021, with a record date of 5 March 2021 and which was paid on 9 April 2021.

The Board has now declared the payment of a cash dividend for FY2021 of 4p per Ordinary Share, payable on 3 December 2021. Payment of the dividend will be made to Shareholders on the register at the close of business on 29 October 2021 and the ex-dividend date is 28 October 2021. The possibility of another windfall dividend being paid out in H2 FY2022 will be considered should prices remain favourable and in accordance with the six metrics of our dividend policy:

- Liquidity and forecast cash requirements of the business: the approximate six-month working capital cycle which needs to be provided for;
- Debt: some negative covenants could restrict the payment of dividends in the event the Company were to secure external funding;
- Capital expenditure initiatives: expansion capital required to grow the business and continue to extend the life of the SDO;
- Metal prices and Rand / Dollar exchange rate: fluctuations in prices can have a major impact on the Company’s results, especially with lengthy payment terms.
- Legal considerations: Bermudan law permits a company to declare or pay a dividend provided the liquidity and solvency requirements are met; and
- Sustainability: the Company’s ability to continue annual dividend payments.

Further to the dividends paid to shareholders, the Company rolled out an Employee Dividend Entitlement Plan (“EDEP”) whereby eligible employees receive an equivalent dividend paid on shares bought back by the Company in the market and ring-fenced for the EDEP. The first payment of equivalent dividends was made to employees in January 2021 following the FY2020 dividend. A total of ZAR7.4 million ($0.5 million) was paid out under the EDEP to date.

Transactions in Own Shares

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

At the close of FY2020, shares in the Company were valued at 41p per Ordinary Share and at the close of FY2021, the share price appreciated 193% to 120p per Ordinary Share.

During H1 FY2021, the Company concluded its second Share Buyback programme in which it bought back 1,047,599 shares from certificated non-UK shareholders who held 175,000 shares or fewer in the Company.

The Non-Executive directors of the Company were awarded 25,000 shares each and a total of 2,505,000 bonus share award 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 were repurchased to satisfy the tax liabilities of employees. An additional 529,575 shares were repurchased from employees and placed back into Treasury.

During the course of the financial year, a total of 690,000 shares held in Treasury were cancelled. Following the above transactions and as at the date of this report, the Company’s issued share capital is 286,155,657 Ordinary Shares, of which a total of 13,681,792 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights is 272,473,865.

Appointment of Director

Post period end the Company announced the appointment of Mr. Adrian Reynolds as Independent Non-executive Director to Sylvania Platinum, with effect from 1 August 2021. With over 40 years’ experience in the mining and minerals industry and having held directorship at many reputable companies in the mining and environmental sphere over the years, Mr. Reynolds brings a wealth of mining knowledge and experience to the Board and we look forward to his input and guidance. Mr. Reynolds is a fellow of the Institute of Materials, Minerals and Mining as well as of the Geological Society of South Africa. He is a registered Professional Natural Scientist and holds a Masters of Science in Geology, as well as a Graduate Diploma in Engineering.

Civil unrest in Gauteng and Kwa-Zulu Natal post period end

In the quarterly announcement released July 2021, the Company reported that it had become aware of enquiries made by some shareholders pertaining to the recent spate of civil unrest experienced in two of the country’s provinces in July, and any potential impact to Sylvania’s operations. Where the Board acknowledges the devastating effects the unrest has had on the communities affected, the Directors assured shareholders that there were no impacts to operations to date. SDO are located in the provinces of Mpumalanga and North West where no protest action or riots have occurred and, as such, operations continued unabated. However, management continues to monitor the situation and to evaluate potential risks to operations, particularly from a supply chain point of view and to ensure that any potential risks are mitigated.

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About Sylvania Platinum Limited

Sylvania Platinum is a lower-cost producer of platinum group metals (PGM) (*Platinum, Palladium and Rhodium*) with operations located in South Africa. The Sylvania Dump Operations (SDO) comprises six chrome beneficiation and PGM processing plants focusing on the retreatment of PGM-rich chrome tailings materials from mines in the Bushveld Igneous Complex. The SDO is the largest PGM producer from chrome tailings re-treatment in the industry. The Group also holds mining rights for PGM projects and a chrome prospect in the Northern Limb of the Bushveld Complex.

For more information visit https://www.sylvaniaplatinum.com/

ANNEXURE

The following definitions apply throughout the period:

4E PGMs	4E PGM ounces include the precious metal elements Platinum, Palladium, Rhodium and Gold
6E PGMs	6E ounces include the 4E elements plus additional Iridium and Ruthenium
Adjusted Group EBITDA	Earnings before interest, tax, depreciation and amortisation adjusted for impairments
AGM	Annual General Meeting
AIM	Alternative Investment Market of the London Stock Exchange
All-in sustaining cost	Production costs plus all costs relating to sustaining current production and sustaining capital expenditure.
All-in cost	All-in sustaining cost, plus non-sustaining and expansion capital expenditure
Bonus Shares	Sylvania Platinum Limited Bonus Share Award Plan
CGU	Cash generating unit
Current risings	Fresh chrome tails from current operating host mines processing operations
DMRE	Department of Mineral Resources and Energy
EA	Environmental Authorisation
EBITDA	Earnings before interest, tax, depreciation and amortisation
EDEP	Employee Dividend Entitlement Plan
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
FAM	Forward Africa Mining (Pty) Ltd
GBP	Pounds Sterling
HDP	Historically Disadvantaged Persons
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
I&APs	Interested and Affected Parties
IRR	Internal Rate of Return
JO	Joint operation
LED	Local Economic Development
LEDET	Limpopo Department of Economic Development, Environment and Tourism
Lesedi	Phoenix Platinum Mining Proprietary Limited, renamed Sylvania Lesedi
LSE	London Stock Exchange
LTI	Lost time injury
MAR	Market Abuse (Amendment) (EU Exit) Regulations 2019
MF2	Milling and flotation technology
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
NWA	National Water Act 36 of 1998
PDMR	Persons displaying managerial responsibilities as defined by the Market Abuse Regulation
PGM	Platinum group metals comprising mainly Platinum, Palladium, Rhodium and Gold
Phoenix	Phoenix Platinum Mining Proprietary Limited, renamed Sylvania Lesedi
Pipeline ounces	6E ounces delivered but not invoiced
Pipeline revenue	Revenue recognised for ounces delivered, but not yet invoiced based on contractual timelines
Pipeline sales adjustment	Adjustments to pipeline revenues based on the basket price for the period between delivery and invoicing
Programme	Sylvania Platinum Share Buyback Programme
Project Echo	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install additional new additional fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein and Mooinooi.
Revenue (by products)	Revenue earned on Ruthenium, Iridium, Nickel and Copper
ROM	Run of mine
SDO	Sylvania dump operations
SLP	Social and Labour Plan
Shares	Common shares
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
TS Consortium	Tizer Sylvania Consortium
USD	United States Dollar
VWAP	Volume-weighted average price
WIP	Work in progress
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand