



## By Electronic Lodgement System

19 March 2012

**Sylvania Platinum Limited  
("Sylvania Platinum", "Sylvania" or the "Company")  
(ASX: SLP, AIM: SLP)**

### **Operations and Production Update**

Sylvania Platinum, the low cost Platinum Group Metal ("PGM") processor and developer, today announces that the cumulative impact of unusually severe weather conditions, neighbouring mine strike action which has exceeded 2 weeks and safety related stoppages at the Sylvania Dump Operations ("SDO") and host mines will impact on the Company's year-end production outlook. Whilst these factors will have an effect on expected production figures, the Company still expects to increase annual production by 22% during the 2012 financial year.

The impact of tropical storms during the summer months is normally confined to the Mozambique channel but unusually, the impact of these storms has recently extended into inland areas where flooding of roads and tailings facilities has caused production to be halted. The three Eastern operations have been affected by tropical storm Dando and operations were stopped for between four and seven days at Steelpoort/Lannex and Doornbosch respectively. Whilst efforts have been put in place to recover these production losses, the impact of the prolonged industry-wide strike action which remains on-going has exceeded the company's ability to recover to the planned production levels. The impact of Department of Mineral Resources (DMR) imposed safety related stoppages and strike action is well-documented and is an industry wide issue that has been affecting many mining operators in South Africa, including the major producers. It should be stressed that the Sylvania workers are not part of any strike action but are being prevented from gaining access to the Company's Western operations by neighbouring picket lines.

It was previously announced that the Company had planned an approximate 50% increase on Sylvania's 2011 performance, but due to the external factors detailed above the Company has lowered its FY'12 SDO & CTRP production outlook from 60,000 oz to 50,000 oz (this reduced forecast will still represent an approximate 25% increase on the financial year 2011).

Commenting today Terry McConnachie, CEO, said: "It is disappointing that a combination of factors outside of our control has resulted in a lower production outlook. However, we remain confident that with the recent commissioning of the 6<sup>th</sup> plant at Mooinooi, the Company still has the capability of achieving the targeted 15 000 oz per quarter. What is pleasing is that despite the lower than planned production volumes during this quarter, the Eastern plants have been able to continue operating and the expansion projects will continue as planned."

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## ABOUT SYLVANIA

*The Sylvania strategy is to realise profitable metal production from a series of PGM tailings and near surface mining development projects that do not require the high development costs of deep reef mining.*

**Strategy: Grow the company by developing high margin & low capital cost PGM opportunities**

- **Expand life and output of tailings plant operations**
  - Tweefontein phase 1 plant under construction
  - Tweefontein phase 2 plant being designed
  - Advanced discussions underway with other PGM producers outside the current SDO host mines to recover PGMs from tailings.
- **Develop near surface mining projects**
  - Everest North project well advanced and proposed JV with Aquarius Platinum awaiting board approval
  - Development of new production route from known mining, smelting and alloy processing techniques to allow exploitation of extensive prospecting rights held in the Northern Limb through low cost open pit mining methods.

## Ends

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