31 July 2018

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

Fourth Quarter Report to 30 June 2018

The Directors are pleased to present the results for the quarter ended 30 June 2018 (“Q4” or the “quarter”). Unless otherwise stated, the consolidated financial information contained in this report is presented in USD.

Achievements

- Record production of 20,278 4E PGM ounces in Q4, to achieve a total of 71,026 ounces for FY2018;
- Net Revenue up 39% to $20.0 million from Q3;
- SDO cash cost down 5% in ZAR terms and 10% in USD from Q3;
- Group EBITDA of $8.6 million and Group net profit of $3.9 million for Q4;
- Cash balance of $14.0 million, after capital spend of $1.4 million and income tax of $2.1 million; and
- Outstanding safety records achieved by Lesedi with seven years LTI-free, and Doornbosch and Tweefontein both achieving six years LTI-free during the quarter.

Challenges

- The continual drop in Platinum price resulted in the basket price remaining under pressure with an average of $1,167/ounce for Q4, despite the stronger rhodium price; and
- Power supply infrastructure integrity and supply capacity from the power utility continues to present challenges as the supply of electricity to the SDO for existing operations and expansion projects is affected.

Opportunities

- Project Echo MF2 module for Mooinooi fast-tracked to counter delays experienced at Tweefontein;
- Relocation of redundant Steelpoort chrome circuit to Lesedi identified to improve chrome removal ahead of flotation and to enable higher PGM feed as per standard SDO operating model; and
- Company continues to fund capital expansion projects with existing cash resources.

Commenting on the Q4 results, Sylvania's CEO Terry McConnachie said:

“*I am pleased to present the Q4 figures with a record production of 20,278 4E ounces. Our Operations and Management teams have faced considerable challenges during the period, the large majority of them outside of the Company’s control. They have risen to the challenge, shown great resilience and to return record production figures, whilst ensuring that our staff’s safety remains our key priority, is highly commendable.”*

USD			Unit	Unaudited	Unit	ZAR		
Q3 2018	**Q4 2018**	**% Change**				**% Change**	**Q4 2018**	**Q3 2018**
				Production				
561,973	643,019	14%	T	Plant Feed	T	14%	643,019	561,973
2.50	2.46	-2%	g/t	Feed Head Grade	g/t	-2%	2.46	2.50
318,808	338,167	6%	T	PGM Plant Feed Tons	T	6%	338,167	318,808
3.53	3.75	6%	g/t	PGM Plant Feed Grade	g/t	6%	3.75	3.53
46.53%	49.67%	7%	%	PGM Plant Recovery	%	7%	49.67%	46.53%
16,857	20,278	20%	Oz	Total 4E PGMs	Oz	20%	20,278	16,857
22,017	27,062	23%	Oz	Total 6E PGMs	Oz	23%	27,062	22,017
1,141	1,167	2%	$/oz	Average gross basket price	R/oz	15%	15,509	13,503
				Financials				
12,759	16,243	**27%**	$'000	Revenue (4E)	R'000	**35%**	205,372	152,634
1,302	1,653	**27%**	$'000	Revenue (by products)	R'000	**34%**	20,905	15,576
407	2,195	**439%**	$'000	Sales adjustments	R'000	**470%**	27,756	4,872
14,468	20,092	**39%**	$'000	Net revenue	R'000	**47%**	254,032	173,082
10,587	11,052	4%	$'000	Operating costs	R'000	**10%**	139,732	126,648
3,363	8,600	156%	$'000	Group EBITDA	R'000	**172%**	108,682	39,996
143	65	-55%	$'000	Net Interest	R'000	**-52%**	820	1,708
1,111	3,914	252%	$'000	Net profit	R'000	**272%**	49,489	13,292
2,016	1,508	-25%	$'000	Capital Expenditure	R'000	**-21%**	19,070	24,119
17,431	14,017	-20%	$'001	Cash Balance	R'000	**-15%**	177,217	208,522
			R/$	Ave R/$ rate	R/$	**6%**	12.64	11.96
				Unit Cost/Efficiencies				
615	553	-10%	$/oz	SDO Cash Cost Per 4E PGM oz	R/oz	-5%	6,996	7,355
471	415	-12%	$/oz	SDO Cash Cost Per 6E PGM oz	R/oz	-7%	5,242	5,631
662	562	-15%	$/oz	Group Cash Cost Per 4E PGM oz	R/oz	-10%	7,101	7,916
507	421	-17%	$/oz	Group Cash Cost Per 6E PGM oz	R/oz	-12%	5,323	6,061
682	550	-19%	$/oz	All-in sustaining cost (4E)	R/oz	-15%	6,953	8,154
781	612	-22%	$/oz	All-in cost (4E)	R/oz	-17%	7,740	9,343

1 The Sylvania cash generating subsidiaries are incorporated in South Africa with the functional currency of these operations being ZAR. Revenues from the sale of PGMs are incurred 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, GBP and ZAR.

A. OPERATIONAL OVERVIEW

Health, safety and environment

There were no significant health or environmental incidents during the quarter, with three operations achieving significant safety milestones by industry standards. The Tweefontein and Doornbosch plants both achieved six years LTI-free while Lesedi achieved seven years LTI-free during the quarter. Millsell and Lannex have remained LTI-free for more than three years.

Operational performance

After the record monthly production achieved during March 2018, the SDO continued to build on the strong performance and again delivered new consecutive production records of approximately 6,650 ounces and 7,400 ounces for May and June 2018 respectively. Ultimately, this performance generated a new record quarterly production figure of 20,278 ounces for the Group.

While plant feed grade was marginally lower compared to the previous quarter, higher plant feed tons (up 14%), and improved chrome yields enabled higher PGM upgrade ratios and feed grades to the flotation, together with a 7% improvement in recovery efficiencies contributed to the higher PGM ounce production.

The higher plant feed tons resulted from improved plant utilisation and stability at Millsell, Mooinooi, Doornbosch and Tweefontein, with the latter achieving higher PGM feed grades and recovery efficiencies. Feed grades and recovery efficiencies were slightly lower at the Lesedi operations during the quarter.

In terms of the first modules of Project Echo commissioned at Millsell and Doornbosch earlier in the year, the PGM recovery efficiencies at both these operations improved significantly, contributing towards overall recovery improvement of 7% for the Group.

The SDO cash costs for the period in ZAR terms decreased approximately 5% to ZAR6,996/ounce, assisted by higher PGM ounce production. In USD terms cash costs decreased by 10% to $553/ounce, due to the additional impact of a 6% weakening of the ZAR in the ZAR/USD exchange rate during the period.

Operational focus areas

While the newly commissioned Doornbosch MF2 has been performing as per design, the Millsell MF2 module experienced some challenges during the quarter with higher than anticipated wear rates on equipment associated with the new technology selected, which impacted on plant stability and recovery. This is currently being resolved with the supplier and should have a positive contribution during coming quarters.

Operational opportunities

With the delay in the execution of the Tweefontein MF2 module of Project Echo, the MF2 module for Mooinooi is being fast-tracked to counter delays experienced at Tweefontein in order to mitigate any impact on production and sustain expected Group production profiles.

The relocation of the redundant Steelpoort chrome circuit to the Lesedi operation is planned to improve chrome removal ahead of flotation, which will enable chrome removal ahead of Lesedi's PGM plant and contribute towards higher PGM feed grades as per the standard SDO operating model employed at existing operations in the Group.

B. FINANCIAL OVERVIEW

Financial performance

The gross basket price for PGMs for the quarter was $1,167/ounce, a 2% improvement on Q3's $1,141/ounce. Although the Platinum and Palladium prices dropped during the quarter, the Rhodium price continued its upward trend. With the basket price remaining fairly flat quarter-on-quarter, the 39% increase in revenue (net of adjustments) is a direct result of increased production and movement in the exchange rate.

The total operating costs increased 10% to ZAR140.0 million compared to the ZAR127.0 million in Q3, mainly due to the increased ounce production. However, the higher ounces resulted in a decrease of 5% in SDO cash costs in ZAR terms from ZAR7,355/ounce to ZAR6,996/ounce and a 10% decrease per ounce in USD. The Group cash cost decreased 10% from ZAR7,916/ounce to ZAR7,101/ounce.

The all-in sustaining cost for the Group reduced by 15% against Q3 to ZAR6,953/ounce (Q2: ZAR8,154/ounce) due to lower production costs per ounce and the lower capital spend in Q4. The Group all-in cost for Q4 is ZAR7,740/ounce.

The majority of surplus cash is still held in ZAR mainly to fund the balance of the Project Echo MF2 modules and other strategic production optimisation projects when identified. An average interest rate of 7% was earned on surplus cash.

The Group cash balance at 30 June 2018 was $14.0 million (including guarantees), a $3.4 million decrease on the previous quarter's $17.4 million. Cash generated from operations before working capital movements was $8.7 million with net changes in working capital amounting to a decrease of $7.2 million due mainly to the increase in trade debtors. An amount of $1.4 million was spent on capital comprising $0.8 million on Project Echo and $0.6 million on stay-in-business capital. The Group also paid $2.1 million for its second provisional income tax assessment for the 2018 financial year. The impact of exchange rate fluctuations on cash held at the quarter end was a reduction of $1.3 million.

Financial management

Management continues to focus on the cost controls for both the operations and corporate general and administration. Surplus cash reserves are being invested to earn the best possible return, while capital expenditure is scrutinised carefully to ensure it is in line with approved projects. The main challenges that are within management's control remain prudent control of costs and ensuring that cash reserves are effectively utilised. Both cost controls and cash management are monitored closely and strict internal controls are in place to ensure that shareholders receive the best possible return on their investment.

The Platinum price averaged $875/ounce for Q4, continuing to put pressure on the basket price. The weakening of the ZAR assisted in mitigating the impact of the Platinum price in ZAR terms. Although not under management's control, metal prices and the ZAR/USD exchange rate continue to be monitored.

C. EXPLORATION AND OPENCAST MINING PROJECTS

Northern Limb Projects

The Company has not pursued its exploration activities during the quarter, but will continue to defend title as and when this becomes necessary, until an improvement in market conditions warrants further development.

CORPORATE INFORMATION

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[This announcement is released by Sylvania Platinum Limited and contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("**MAR**"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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 Terence McConnachie].

ANNEXURE

GLOSSARY OF TERMS FY2018

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
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
ASX	Australian Securities Exchange
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
DMR	Department of Mineral Resources
EBITDA	Earnings before interest, tax, depreciation and amortisation
EA	Environmental Authorisation
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
GBP	Great British Pound
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
I&APs	Interested and Affected Parties
Ironveld	Ironveld Plc
IRR	Internal Rate of Return
JV	Joint venture
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
MF2	Milling and flotation technology
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
MTO	Mining Titles Office
NOMR	New Order Mining Right
NWA	National Water Act 36 of 1998
Option Plan	Sylvania Platinum Limited Share Option Plan
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PAR	Pan African Resources Plc
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
Shares	Common shares
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
USD	United States Dollar
WIP	Work in progress
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand