

28 July 2022

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

**Fourth Quarter Report to 30 June 2022**

Sylvania (AIM: SLP) announces its results for the quarter ended 30 June 2022 (“Q4” or the “quarter”). Unless otherwise stated, the consolidated financial information contained in this report is presented in United States Dollars (“USD” or “\$”).

**Achievements**

- Sylvania Dump Operations (“SDO”) achieved 18,837 4E PGM ounces in Q4 (Q3: 15,840 ounces), making a strong contribution towards a total 67,053 4E PGM ounces achieved for FY2022;
- SDO recorded \$34.9 million net revenue for the quarter (Q3: \$47.9 million), reflecting a 22% lower PGM basket price received during the quarter;
- Group EBITDA of \$16.8 million (Q3: \$30.0 million);
- Group cash balance of \$121.3 million, after payment of the windfall dividend, share buyback and year-end taxes (Q3: \$138.0 million);
- Doornbosch achieved 10-years Lost-Time Injury (“LTI”) Free during June 2022 and received the ‘Best-in-class Safety Performance’ award by the Mine Metallurgical Managers Association of SA;
- Tweefontein operation achieved record monthly, quarterly and annual PGM production performance; and
- Sale of Grasvally Chrome Mine (Pty) Ltd became unconditional 8 July 2022.

**Challenges**

- PGM feed grade of ROM ore from the host mine at Moolinoi has improved during the past quarter, but remains a focus area to ensure output ounce targets are achieved in the future; and
- The effect of high global inflation and uncertainty continues to impact the cost of reagents, fuel and transport.

**Opportunities**

- Tweefontein MF2 project is currently in execution and expected to contribute to production ounces from early in the 2023 calendar year;
- Lannex MF2 opportunity was assessed and a project was initiated during the past quarter to target commissioning of a new MF2 plant towards the end of the 2023 calendar year; and
- The Group maintains strong cash reserves to allow funding of capital expansion and process optimisation projects, upgrading the Group’s exploration and evaluation assets and to return value to shareholders.

Commenting on the Q4 results, Sylvania’s CEO, Jaco Prinsloo said:

*“I am very pleased with the strong finish to the financial year where the SDO achieved 18,837 ounces for the quarter. The strong performance was achieved on the back of a solid production effort from all operations, especially Tweefontein plant which achieved record monthly and quarterly PGM ounces, improved ROM PGM feed grade*

*received from the host mine at Mooi-nooi and the contribution of the recently commissioned Lesedi MF2 circuit also added to our performance.”*

*“The 22% lower PGM basket price received during the quarter impacted both the 4E revenue as well as the sales adjustment for the quarter. Consequently, revenues and profits were lower, but still resulted in a strong cash position after the payment of the windfall dividend, taxes and share buybacks during the period.”*

*“On the cost front, SDO cash costs decreased 13% in rand and 15% in dollar terms, benefitting from the higher ounces produced, but operations are still navigating higher global cost inflation impacts and thus operating cost focus will remain a priority.”*

*“Despite the challenges faced over the past few quarters, I am pleased with the significantly improved production performance of the SDO for Q4. The Company was therefore able to achieve a PGM production of 67,053 ounces for FY2022 to meet the mid-range of our earlier stated guidance for the year.”*

USD			Unit	Unaudited	Unit	ZAR		
Q3 FY2022	Q4 FY2022	% Change				% Change	Q4 FY2022	Q3 FY2022
<b>Production</b>								
561,110	647,249	15%	T	Plant Feed	T	15%	647,249	561,110
1.98	2.04	3%	g/t	Feed Head Grade	g/t	3%	2.04	1.98
300,869	331,578	10%	T	PGM Plant Feed Tons	T	10%	331,578	300,869
3.17	3.30	4%	g/t	PGM Plant Feed Grade	g/t	4%	3.30	3.17
51.59%	53.49%	4%	%	PGM Plant Recovery	%	4%	53.49%	51.59%
15,840	18,837	19%	Oz	Total 4E PGMs	Oz	19%	18,837	15,840
20,080	23,751	18%	Oz	Total 6E PGMs	Oz	18%	23,751	20,080
<b>Financials<sup>2</sup></b>								
38,462	34,397	-11%	\$'000	Revenue (4E)	R'000	-8%	536,161	585,639
3,004	3,232	8%	\$'000	Revenue (by-products including base metals)	R'000	10%	50,381	45,743
6,415	-2,683	-142%	\$'000	Sales adjustments	R'000	-143%	-41,825	97,671
47,881	34,946	-27%	\$'000	Net revenue	R'000	-25%	544,717	729,054
<b>Operating Costs</b>								
12,000	12,175	1%	\$'000	Direct operating costs	R'000	4%	189,782	182,767
4,955	3,600	-27%	\$'000	Indirect operating costs	R'000	-26%	56,107	75,469
751	758	1%	\$'000	General and administrative costs	R'000	3%	11,816	11,442
30,009	16,787	-44%	\$'000	Group EBITDA	R'000	-43%	261,678	456,929
424	499	18%	\$'000	Net Interest	R'000	20%	7,781	6,459
21,165	13,817	-35%	\$'000	Net profit	R'000	-33%	215,384	322,275
<b>Capital Expenditure</b>								
4,241	4,350	3%	\$'000	Capital Expenditure	R'000	5%	67,810	64,580
<b>Cash Balance</b>								
138,037	121,268	-12%	\$'000	Cash Balance	R'000	-2%	1,985,958	2,020,382
<b>Exchange Rates</b>								
			R/\$	Ave R/\$ rate	R/\$	2%	15.59	15.23
			R/\$	Spot R/\$ rate	R/\$	12%	16.38	14.64
<b>Unit Cost/Efficiencies</b>								
758	646	-15%	\$/oz	SDO Cash Cost Per 4E PGM oz <sup>3</sup>	R/oz	-13%	10,075	11,538
598	513	-14%	\$/oz	SDO Cash Cost Per 6E PGM oz <sup>3</sup>	R/oz	-12%	7,990	9,102
938	794	-15%	\$/oz	Group Cash Cost Per 4E PGM oz <sup>3</sup>	R/oz	-13%	12,390	14,287
740	630	-15%	\$/oz	Group Cash Cost Per 6E PGM oz <sup>3</sup>	R/oz	-13%	9,826	11,270
1,141	911	-20%	\$/oz	All-in sustaining cost (4E)	R/oz	-18%	14,205	17,368
1,379	1,108	-20%	\$/oz	All-in cost (4E)	R/oz	-18%	17,269	21,002

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.

<sup>1</sup> The gross basket price in the table is the June 2022 gross 4E basket used for revenue recognition of ounces delivered in Q4 FY2022, before penalties/smeltering costs and applying the contractual payability.

<sup>2</sup> Revenue (6E) for Q4, before adjustments is \$37.6 million (6E prill split is Pt 52%, Pd 19%, Rh 9%, Au 0.3%, Ru 16%, Ir 4%). Revenue excludes profit/loss on foreign exchange.

<sup>3</sup> The cash costs include direct operating costs and exclude indirect cost for example royalty tax and EDEP payments.

## A. OPERATIONAL OVERVIEW

### Health, safety and environment

The Company is pleased to report that no significant occupational health or environmental incidents occurred during the quarter. The Doornbosch operation achieved a phenomenal ten-years Lost-time Injury (“LTI”) free during June 2022 and the operation received an industry award from the Mine Metallurgical Managers Association for the best achievement in the Small Plant category. Both Lesedi and Doornbosch have exceeded two-years LTI-free, and all SDO were LTI-free for the quarter.

### Operational performance

The SDO delivered 18,837 4E PGM ounces for the quarter, a 19% increase quarter-on-quarter as the new Lesedi MF2 circuit and Mooinooi grade improvements, together with Tweefontein’s record performance for the quarter, increased output at the plants.

The increased PGM ounce production was achieved through a combination of 10% higher PGM feed tons attributable to Lesedi’s throughput which stabilised after tailings-related interruptions during previous quarters. A 4% PGM feed grade and 4% recovery efficiency improvement during the quarter also contributed to the increase in ounces. The PGM feed grades improved through collaboration with the host mine to improve the feed grade from ROM ore sources, while the post-commissioning optimisation of the Lesedi MF2 circuit and reagent optimisation at Lannex assisted to improve the PGM recovery efficiency at those two plants. Tweefontein in particular had an excellent production quarter, achieving both record monthly PGM ounces in June 2022 and record quarterly production for Q4, resulting in FY2022 being a record year for the flagship operation.

SDO operating cash costs per 4E PGM ounce decreased 13% in rand and 15% in dollar terms quarter-on-quarter to ZAR10,075/ounce and \$646/ounce (Q3: ZAR11,538/ounce and \$758/ounce). The higher ounce production had a positive influence on unit costs while reagent price increases, transport costs and fuel price increases continued to impact on operating costs. The average ZAR:USD exchange rate depreciated by 2% during the quarter.

The Group incurred capital expenditure of ZAR67.8 million (\$4.4 million), which is aligned with planned capital project schedules. A significant portion was spent on the construction of the Lesedi TSF and newly commissioned Lesedi MF2 projects. In addition, funds were spent on the new Mooinooi and Doornbosch TSFs as well as the Tweefontein MF2 project.

### Operational focus areas

The new Lesedi TSF was successfully commissioned during March 2022 with the new MF2 tailings pipeline and infrastructure feeding the dam, together with the return water system to the plant, also being successfully commissioned and are now operational. The optimisation of the Lesedi MF2 plant is continuing and management’s focus is on improving recovery efficiencies and resultant ounce contribution.

The ROM PGM feed grade from the host mine at Mooinooi has increased significantly over the past quarter following various collaborative efforts on site during recent months. PGM plant performance has also consequently improved. Focus remains on tracking the source and quality of material being received to ensure production targets are achieved and maintained into the future.

### Operational opportunities

Operational opportunities include technical focus on improving recoveries and cost saving initiatives at all operations. In addition, the completion of construction and commissioning of the Tweefontein MF2 by the end of the 2022 calendar year is further expected to contribute towards improved PGM recovery efficiencies and ounces.

### Impact of COVID-19 and South African Government imposed lockdown regulations

During the quarter, the lockdown regulations imposed on South Africa were lifted as the country emerged from its fifth wave of coronavirus infections. Consequently, the mandatory requirement to wear masks in public was removed and the limitations imposed on gatherings was ended. The Company reported no active cases of COVID-19 during the quarter and thus remains at a total of 142 infections reported since the start of the pandemic.

While all regulations have been lifted, Sylvania continues to encourage responsible behaviour amongst employees and will continue to monitor the situation and to implement measures for both the corporate office and operations to limit interaction and exposure where possible.

## B. FINANCIAL OVERVIEW

### Financial performance

Despite the higher ounce production, revenue (4E) for the quarter decreased 11% to \$34.4 million (Q3: \$38.5 million) on the back of the 22% lower basket price recorded in June and applied to calculate revenue for ounces produced and delivered in the quarter but only invoiced in Q1 FY2023. The average 4E gross basket price for Q4 was \$2,589/ounce against \$3,327/ounce in Q3. Net revenue for the quarter, which includes base metals and by-products, and the quarter-on-quarter sales adjustment as a result of the lower basket price was \$35.0 million (Q3: \$47.9 million). Net revenue also includes attributable revenue received for ounces produced from material processed from a third-party on a trial basis.

Group cash costs per 4E PGM ounce decreased by 13% in rand from ZAR14,287/ounce to ZAR12,390/ounce and decreased 15% in dollar terms from \$938/ounce in the previous quarter to \$794/ounce during Q4.

General and administrative costs increased slightly quarter-on-quarter from \$0.75 million to \$0.76 million. These costs are incurred in USD, GBP and ZAR and are impacted by the exchange rate fluctuations over the reporting period.

Group EBITDA decreased from \$30.0 million to \$16.8 million and net profit decreased from \$21.2 million to \$13.8 million, primarily as a result of the decrease in the basket price.

The Group cash balance decreased from \$138.0 million to \$121.3 million during the quarter. Cash generated from operations before working capital movements, was \$18.8 million with net changes in working capital amounting to a decrease of \$0.1 million. Dividend withholding tax of \$1.1 million was paid during Q4 and provisional income tax and mineral royalties' taxes of \$14.3 million were paid at the end of June 2022 at rates of 28% and 7% respectively. The Group spent \$4.4 million on capital during the current quarter and paid \$8.3 million as a windfall dividend in April 2022. A total of \$7.1 million was spent on the share buyback programme in the quarter. The 12% depreciation of the spot ZAR exchange rate against the USD quarter-on-quarter had a \$5.0 million negative effect on the cash held at quarter end.

## C. MINERAL ASSET DEVELOPMENT

### Volspruit Project

The Volspruit Project technical report is expected to be completed during Q2 FY2023. It will include a new mineral resource estimate based on further borehole information and a new orebody model. It will also include ore reserve conversion based on a mining study to pre-feasibility level as well as a scoping level assessment of the planned processing plant and related infrastructure.

The outstanding metallurgical test work for PGM flotation is expected to be completed during Q1 FY2023.

The Preliminary Economic Assessment, slightly delayed by a change in scope, will be completed by end Q1 FY2023 (September 2022).

The final reporting for the environmental field studies completed during Q2 and required for the amendment of the Environment Impact Assessment ("EIA") and the Water Use Licence Application ("WULA"), is expected to be completed during the first quarter of FY2023. The drafting for the amendment to the approved EIA and the WULA continue concurrently, and the applications are due to be submitted to the relevant authorities during the Q2 FY2023.

Further work will be carried out in the forthcoming financial year to progress the feasibility status of the processing plant and TSF to allow for a JORC compliant Ore Reserve and increased confidence in the feasibility status of the entire opportunity.

### Northern Limb Projects

All core logging of recently-drilled boreholes for the target area, (which represents approximately 10% of the overall Northern Limb deposit strike length), is complete, including the relogging programme reported in Q3. The Quality Assurance and Quality Control ("QAQC") procedures have been completed to measure and assure the quality of the

product during the period. The final stage requiring the interpretation and modelling of the data collected during the current programme for a resource estimation over the first target area will be completed during August 2022. The results of the resource estimation will be released when available.

Based on the findings from the initial study and results from the first target area, the same study philosophy is planned to be applied to two to three additional target areas during the next financial year, contributing towards increasing and improving the overall mineral resource for the Northern Limb project.

## Grasvally

Post period end the Company reported on 11 July 2022 that all of the conditions precedent for the sale of 100% of the shares in, and claims against Grasvally Chrome Mine (Pty) Ltd, to Forward Africa Mining (Pty) Ltd ("FAM") have been fulfilled and the sale became unconditional as of 8 July 2022. As announced in the HY1 FY2022 report, sales proceeds of ZAR100.0 million (~\$5.96 million as at 8 July 2022) will be paid in fifteen equal quarterly instalments.

## D. CORPORATE ACTIVITIES

### Share Buyback and Cancellation

During the period, the Company announced a Share Buyback up to a total value of \$8.5 million. The purpose of the Share Buyback was to reduce the share capital of the Company and all Ordinary Shares purchased would be cancelled. There was no guarantee that the Share Buyback would be implemented in full or that any repurchases would be made, however, at the end of the period, the Company had bought back a total of 6,590,923 shares at the average price of 85.93 pence per share, equating to \$7.1 million.

On 27 June 2022, the Company announced that 6 million Ordinary Shares held in Treasury were cancelled. Following these transactions, the Company's issued share capital is 280,155,657 Ordinary Shares, of which, a total of 14,024,869 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights in Sylvania is 266,130,788 Ordinary Shares.

### Notice of Transactions by PDMRs

The Company was notified during the period that two of its Non-Executive Directors, namely Simon Scott and Eileen Carr, had each purchased 20,000 Ordinary Shares in the Company. Following these transactions, Simon's shareholding in the Company totals 20,000 Ordinary Shares, and Eileen's shareholding totals 70,000 Ordinary Shares, representing a respective 0.007% and 0.026% of the Company's total number of Ordinary Shares with voting rights.

## CONTACT DETAILS

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## CORPORATE INFORMATION

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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 in the Northern Limb of the Bushveld Complex.

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

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.

## ANNEXURE

### GLOSSARY OF TERMS FY2022

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
CLOs	Community Liaison Officers
Current risings	Fresh chrome tails from current operating host mines processing operations
DMRE	Department of Mineral Resources and Energy
EBITDA	Earnings before interest, tax, depreciation and amortisation
EA	Environmental Authorisation
EAP	Employee Assistance Program
EEFs	Employment Engagement Forums
ESG	Environment, social and governance
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
ESG	Environment, Social and Governance
GBP	Pounds Sterling
GHG	Greenhouse gases
IASB	International Accounting Standards Board
ICE	Internal combustion engine
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
Lesedi	Phoenix Platinum Mining Proprietary Limited, renamed Sylvania Lesedi
LSE	London Stock Exchange
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
MF2	Milling and flotation technology
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
NWA	National Water Act 36 of 1998
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PAR	Pan African Resources Plc
PDMR	Person displaying management responsibility
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
Project Echo	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install additional new fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein, Mooinooi and Lesedi.
Revenue (by products)	Revenue earned on Ruthenium, Iridium, Nickel and Copper
ROM	Run of mine
SDO	Sylvania dump operations
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
tCO <sub>2</sub> e	Tons of carbon dioxide equivalent
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
UNSDGs	United Nations Sustainability Development Goals
USD	United States Dollar
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand