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Sylvania Platinum Limited
30 January 2023

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

Second Quarter Report to 31 December 2022

Sylvania (AIM: SLP), the platinum group metals ("PGM") producer and developer with assets in South Africa, announces its results for the quarter ended 31 December 2022 ("Q2" or the "quarter"). Unless otherwise stated, the consolidated financial information contained in this report is presented in United States Dollars ("USD" or "$").

Highlights

- Sylvania Dump Operations ("SDO") produced 19,276 4E PGM ounces in Q2 (Q1: 19,194 ounces);
- SDO recorded $37.1 million net revenue for the quarter (Q1: $42.9 million);
- Group EBITDA of $20.0 million (Q1: $26.4 million);
- Group cash balance of $123.9 million (Q1: $138.6 million) after payment of the FY2022 dividend amounting to $25.6 million, as well as provisional income and royalty taxes during the period;
- Zero Lost-time Injury ("LTI") across all SDO;
- ROM grades at Mooinooi have increased significantly contributing to additional ounce production;
- Construction of the Tweefontein MF2 is complete with optimisation to be concluded during Q3 FY2023;
- Mineral Resource Estimate ("MRE") and Scoping Study for the Volspruit Project, which focussed solely on the Volspruit North Body announced; and
- An updated MRE for the La Pucella Target area of the Aurora Project and Exploration Results for the Hacra Project on the Far Northern Limb reported during the quarter.

Outlook

- FY2023 production guidance increased, targeting 70,000 to 72,000 4E PGM ounces following strong production in the first half of FY2023;
- Construction of the Lannex MF2 project continues and is scheduled for commissioning towards the end of Q4 FY2023;
- Back-up power generation projects for Lesedi and Millsell are currently in execution phase with targeted commissioning during Q4 FY2023;
- An updated MRE and Scoping Study is underway to combine the Volspruit North and South Body and to include rhodium. This is anticipated to be completed by Q1 FY2024;
- Focus remains on operational cost controls and reagent optimisation at all SDO to explore improved efficiencies; and
- The Group maintains strong cash reserves to: allow funding of capital expansion and process optimisation

projects; upgrade the Group's exploration and evaluation assets; and return value to shareholders.

Commenting on the Q2 results, Sylvania's CEO, Jaco Prinsloo said:

"I am pleased with the strong quarterly production of 19,276 4E PGM ounces achieved by the SDO, delivering higher than planned ounces benefiting from higher PGM feed grades and improved recovery efficiencies at the Lannex and Mooinooi operations. Following a good start to the year, with excellent Q1 and Q2 production performances, the Board has decided to revise the annual production target to 70,000 to 72,000 4E PGM ounces for the 2023 financial year.

"During the period, the Company paid the FY2022 dividend of 8 pence per Ordinary Share, as well as provisional income and royalty taxes. At 31 December 2022, the Group remains in a strong cash position allowing it to fund existing capital projects and growth opportunities and to return value to shareholders.

"During October 2022, the Company announced results of the initial optimisation studies for the Northern Limb Mineral Assets and progress continues to be made on the optimisation of value from these exploration assets. I look forward to receiving the results from our next phase of work and communicating them to the market as we pursue these future value drivers as part of the Company's growth strategy.

"Sylvania's interim financial results will be released on Tuesday, 21 February 2023 and I, and the Group CFO, Lewanne Carminati, will be hosting investor webinars and shareholder meetings over the course of the week of release. I look forward to engaging with our valued stakeholders during this time."

USD			**Unit**	**Unaudited**	**Unit**	**ZAR**		
Q1 FY2023	**Q2 FY2023**	**% Change**				**% Change**	**Q2 FY2023**	**Q1 FY2023**
				Production				
691,953	645,832	-7%	T	Plant Feed	T	-7%	645,832	691,953
1.89	1.94	3%	g/t	Feed Head Grade	g/t	3%	1.94	1.89
349,384	341,528	-2%	T	PGM Plant Feed Tons	T	-2%	341,528	349,384
3.15	3.22	2%	g/t	PGM Plant Feed Grade	g/t	2%	3.22	3.15
54.26%	57.78%	6%	%	PGM Plant Recovery[1]	%	6%	57.78%	54.26%
19,194	19,276	0%	Oz	Total 4E PGMs	Oz	0%	19,276	19,194
24,067	24,630	2%	Oz	Total 6E PGMs	Oz	2%	24,630	24,067
2,650	2,432	-8%	$/oz	4E Gross basket price[2]	R/oz	-5%	42,859	45,161
				Financials[3]				
36,905	33,113	-10%	$'000	Revenue (4E)	R'000	-7%	583,437	628,830
3,382	3,587	6%	$'000	Revenue (by-products including base metals)	R'000	10%	63,210	57,626
2,634	357	-86%	$'000	Sales adjustments	R'000	-86%	6,283	44,879
42,921	37,057	-14%	$'000	Net revenue	R'000	-11%	652,930	731,335
11,789	11,382	-3%	$'000	Direct operating costs	R'000	0%	200,542	200,876
4,032	4,208	4%	$'000	Indirect operating costs	R'000	8%	74,137	68,703
690	788	14%	$'000	General and administrative costs	R'000	18%	13,887	11,756
26,423	20,005	-24%	$'000	Group EBITDA[5]	R'000	-22%	352,486	450,242
830	990	19%	$'000	Net Interest	R'000	23%	17,439	14,147
18,621	13,647	-27%	$'000	Net profit[5]	R'000	-24%	240,468	317,303
2,554	3,621	42%	$'000	Capital Expenditure	R'000	47%	63,802	43,520
138,629	123,895	-11%	$'000	Cash Balance	R'000	-16%	2,112,416	2,509,178
			R/$	Ave R/$ rate	R/$	3%	17.62	17.04
			R/$	Spot R/$ rate	R/$	-6%	17.05	18.10
				Unit Cost/Efficiencies				
614	590	-4%	$/oz	SDO Cash Cost Per 4E PGM oz[4]	R/oz	-1%	10,404	10,465
490	462	-6%	$/oz	SDO Cash Cost Per 6E PGM oz[4]	R/oz	-2%	8,142	8,347
737	751	2%	$/oz	Group Cash Cost Per 4E PGM oz[4]	R/oz	5%	13,237	12,563
588	588	0%	$/oz	Group Cash Cost Per 6E PGM oz[4]	R/oz	3%	10,360	10,019
873	867	-1%	$/oz	All-in sustaining cost (4E)	R/oz	3%	15,279	14,876
987	1,010	2%	$/oz	All-in cost (4E)	R/oz	6%	17,803	16,823

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.

1 PGM plant recovery is calculated on the production ounces that include the work-in-progress ounces of approximately 1,500 ounces delivered in January 2023.

2 The gross basket price in the table is the December 2022 gross 4E basket used for revenue recognition of ounces delivered in Q2 FY2023, before penalties/smelting costs and applying the contractual payability.

3 Revenue (6E) for Q2, before adjustments is $36.7 million (6E prill split is Pt 51%, Pd 17%, Rh 9%, Au 0%, Ru 16%, Ir 4%). Revenue excludes profit/loss on foreign exchange.

4 [illegible]

The cash costs include direct operating costs and exclude indirect cost for example royalty tax and EDEP payments.

[5] The net profit and Group EBITDA excludes the profit on the sale of Grasvally Chrome Mine (≈$1.4 million) previously held as an asset held for sale.

A. OPERATIONAL OVERVIEW

Health, safety and environment

Health, safety and environment remains a focus area on all operations and the Company is pleased to report that no significant occupational health or environmental incidents occurred during the quarter and that all plants were LTI-free for the period. The Doornbosch operation remains at 10 years LTI-free, Lesedi achieved three-years LTI-free during the period and Lannex has exceeded two-years LTI-free. Mooinooi and Tweefontein have each exceeded one-year LTI-free.

Operational performance

The SDO delivered 19,276 4E PGM ounces for the quarter. The overall SDO PGM recovery increased by 6%, and plant feed head grade increased 3% quarter-on-quarter. PGM ounces were only marginally higher due to higher concentrate work-in-progress inventory at the end of December 2022, which was delivered in January 2023.

Lannex in particular achieved a step change improvement in recovery, following the implementation of a new flotation reagent regime, whilst Mooinooi achieved significantly improved recovery efficiencies due to better quality Run of Mine ("ROM") material received from the host mine during the period.

Despite South Africa experiencing significant Eskom loadshedding during recent months, production was only impacted to a minor extent at Lesedi and Millsell, which experienced total downtimes of five and two days respectively.

SDO operating cash costs per 4E PGM ounce decreased 1% in rand terms and decreased 4% in dollar terms to ZAR10,404/ounce and $590/ounce (Q1: ZAR10,465/ounce and $614/ounce) respectively. The average ZAR:USD exchange rate depreciated by 3% during the quarter.

The Group incurred capital expenditure of ZAR63.8 million ($3.6 million), in line with planned capital project schedules.

Operational focus areas

The successful implementation of the formal planned maintenance system at Millsell is expected to improve plant availabilities and runtime, leading to improved process stability and increased efficiencies. The roll out of the system at selected priority operations is underway.

The Mooinooi operation continues to focus on communication with the host mine in relation to the preferred source of ROM and associated grades. ROM grades have increased significantly, and continued efforts are being made to sustain this.

Operational opportunities

Continuous focus on improving availabilities, runtime and associated stability has improved performance, resulting in an increase in metal recoveries during the quarter. Reagent optimisation continues at all plants to explore improved efficiencies.

Tweefontein MF2 construction is complete, and commissioning commenced during December 2022. Improved performance is expected during the current quarter with a steady increase in recoveries at the operation as the new flotation circuit is optimised. Full optimisation is planned to be reached during Q3 FY2023. The Lannex MF2 project is under construction and scheduled for commissioning towards the end of Q4 FY2023.

Cost management on all operations remains a focus area and costs have been well controlled during the quarter. Continuous efforts are being made throughout the SDO to further reduce costs.

B. FINANCIAL OVERVIEW

Financial performance

Revenue (4E) for the quarter decreased by 10% to $33.1 million (Q1: $36.9 million) impacted by the 8% decrease in the basket price recorded in December and applied to calculate revenue for ounces produced and delivered in the quarter but only invoiced in Q3, as well as the impact of the average USD to ZAR exchange rate changes. The average 4E gross basket price for the quarter was $2,432/ounce against $2,650/ounce in Q1. Net revenue for the quarter, which includes base metals and by-products, and the quarter-on-quarter sales adjustment was $37.1 million (Q1: $42.9 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 increased by 5% in rand terms from ZAR12,563/ounce to ZAR13,237/ounce and increased 2% in dollar terms from $737/ounce in the previous quarter to $751/ounce.

General and administrative costs increased from $0.69 million to $0.79 million. These costs are incurred in USD, GBP and ZAR and are impacted by the exchange rate fluctuations over the reporting period.

Group EBITDA for the quarter was $20.0 million (Q1: $26.4 million) and net profit was $13.6 million (Q1: $18.6 million), the decrease was primarily a result of the lower basket price and slightly higher costs.

The Group cash balance was $123.9 million at the quarter end (Q1: $138.6 million). The cash dividend for FY2022 of 8 pence per Ordinary Share, amounting to $25.6 million, was paid in December 2022 as well as the payment of provisional income and royalty taxes of $10.8 million (ZAR189.7 million) and $2.7 million (ZAR47.9 million) respectively.

Cash generated from operations before working capital movement was $19.9 million, with net changes in working capital amounting to $2.2 million, which is mainly due to the changes in trade debtors and trade creditors. As trade debtors arise from the concentrate delivered in the quarter but paid for in the following quarter per the off-take agreement, the decrease in basket price during Q2 resulted in a lower trade debtors balance quarter-on-quarter.

The Group spent $3.6 million on capital for the quarter compared to $2.6 million in the previous quarter.

The impact of exchange rate fluctuations on cash held at the end of Q2 FY2023 was $2.2 million profit due to the spot ZAR to USD exchange rate at 31 December 2022 appreciating by 6%.

C. MINERAL ASSET DEVELOPMENT

Volspruit Project

During October 2022, the Company announced results of the initial Scoping Study for the Volspruit exploration asset located on the northern limb of the Bushveld complex and which focussed on the North Body of the project area. The

North Body constitutes approximately 58% of the total project area and indicated a positive investment return based on a conservative set of assumptions used at the time. While the initial Volspruit Scoping Study economics for the North Body do not meet the Company's internal investment criteria and would not currently support a formal investment decision, the inclusion of the rhodium resource, which was excluded in the initial study due to classification of available data at the time, and the inclusion of additional ore from the South Body material could contribute upside potential.

In the first quarter of the current financial year the studies continued on the basis of including the South Body and rhodium resource in an updated Scoping Study. The relogging of the Volspruit South Body commenced and is near completion and the sampling of the historical core will be undertaken during the third quarter to provide a full PGM assay (6E), which includes platinum, palladium, rhodium, gold, ruthenium and iridium grades. The logging and sampling data will be subject to a MRE during the fourth quarter, with the results thereof becoming available during Q1 FY2024. Upon completion of these studies an updated MRE which includes a rhodium resource, and a Preliminary Economic Assessment ("PEA") across both the North and South Bodies will be published.

We continue to meet the investment and workstream requirements relating to the permits under the existing Mining Right, with specialist technical teams currently working on the authorisations. These authorisations include the Water Use Licence for the mining and on-site processing of the ore, updating of the Environmental Impact Assessment ("EIA") and the finalisation 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.

Far Northern Limb Projects

Following the declaration of an updated JORC compliant Mineral Resource over the La Pucella exploration asset, an initial target area of the Aurora Project, and the exciting discovery of the presence of the attractive near surface T-Zone, as announced during October 2022, further resource optimisation work continues to ensure future value can be captured from these assets.

A concept level mining study over the JORC compliant Mineral Resource at La Pucella is currently in progress with initial results identifying the potential to improve the project valuation by increasing the volume of the Mineral Resource. The relogging of boreholes in the strike extension immediately north of La Pucella, into the Nonnenworth area, was completed during the quarter. A new geological interpretation will now be completed with the aim of increasing the mineral resource. An infill drilling programme is planned to start during Q3 FY2023 on the approximately 2km of the Nonnenwerth area to provide the required samples to subject the increased area to an MRE. This will then allow for approximately 25% of the strike length held in Mining Rights by the Company to be subject to an updated PEA rather than initial 12% for La Pucella only. This is expected to be completed during Q2 in FY2024.

A re-assay programme will run concurrently with the infill drilling programme to improve the analytical confidence for the rhodium, copper and nickel deposits over the La Pucella study area. The re-assay programme will further include the analysis of iridium and ruthenium to ensure that a full range of metals is considered.

The previous reported exploration results subjected to an MRE has been completed for the Hacra Project where a maiden Inferred Resource has been declared on the deep underground study area. A relogging project of historical core commenced during Q2 FY2023 and will be completed during Q3 FY2023. The relogged data will be subject to an MRE during Q3 and Q4 FY2023 and will provide an updated MRE for the Hacra Project including the maiden deep level Inferred Resource completed and the near surface Mineral Resource located in the south of the project area at the financial year end.

D. CORPORATE ACTIVITIES

Cancellation of Ordinary Shares

The Company announced on 16 December 2022 that it had cancelled 1,155,657 ordinary shares of $0.01 each ("Ordinary Shares") held in treasury.

Following the cancellation, the Company's issued share capital is 279,000,000 Ordinary Shares, of which a total of 12,199,212 Ordinary Shares are held in treasury. Therefore, the total number of Ordinary Shares with voting rights in Sylvania is 266,800,788 Ordinary Shares.

Interim financial results announcement

The Company will announce its interim results for the six months ended 31 December 2022 on Tuesday 21 February 2023.

Analyst presentation

The Company will be hosting a webinar for analysts on the day of release of its interim results. To register your interest, please email sylvania@BlytheRay.com.

Online investor presentation

Sylvania's CEO, Jaco Prinsloo, and CFO, Lewanne Carminati, will host a live investor presentation, via the Investor Meet Company platform, on Wednesday 22 February 2023 at 12:00 GMT.

The Company is committed to ensuring that there are appropriate communication channels for all elements of its shareholder base so that its strategy, business model and performance are clearly understood.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 09.00 GMT the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and include Sylvania Platinum Limited via
https://www.investormeetcompany.com/sylvania-platinum-limited/register-investor

Investors who have already registered and elected to meet the Company, will be automatically invited.

CONTACT DETAILS

For further information, please contact:

Jaco Prinsloo CEO	+27 11 673 1171
Lewanne Carminati CFO	

Nominated Adviser and Broker

Liberum Capital Limited	+44 (0) 20 3100 2000
Richard Crawley / Scott Mathieson / Kane Collings	

Communications

Communications
BlytheRay +44 (0) 20 7138 3205
Tim Blythe / Megan Ray / Rachael Brooks sylvania@BlytheRay.com

CORPORATE INFORMATION

Registered and postal address: Sylvania Platinum Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

SA Operations postal address: PO Box 976
Florida Hills, 1716
South Africa

Sylvania Website: www.sylvaniaplatinum.com

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 FY2023
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
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
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
ESG	Environment, Social and Governance
GBP	Pounds Sterling
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
JORC	Australian Joint Ore Reserves Committee
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
MRE	Mineral Resource Estimate
NWA	National Water Act 36 of 1998
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PDMR	Person displaying managerial responsibility
PEA	Preliminary Economic Assessment
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
PFS	Pre-Feasibility Study
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
Rh	Rhodium
ROM	Run of mine
SDO	Sylvania dump operations
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
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

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