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Sylvania Platinum Limited
28 April 2023

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

Third Quarter Report to 31 March 2023

Sylvania (AIM: SLP), the platinum group metals ("PGM") producer and developer with assets in South Africa, announces its results for the quarter ended 31 March 2023 ("Q3" 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 17,926 4E (22,884 6E) PGM ounces in Q3 (Q2: 19,276 4E (24,630 6E) PGM ounces);
- SDO recorded $26.5 million net revenue for the quarter (Q2: $37.1 million);
- Group EBITDA of $9.8 million (Q2: $20.0 million);
- Group cash balance of $144.2 million (Q2: $123.9 million);
- Successful commissioning of Tweefontein MF2 improves metal recoveries; and
- Optimisation of blending improves results, especially at the Eastern operations.

Outlook

- FY2023 production guidance increased, targeting 72,000 to 74,000 4E PGM ounces following strong production to date;
- Lannex MF2 construction in progress, with commissioning scheduled during HY1 FY2024, which will further improve PGM recovery efficiencies;
- The recent relogging and additional sampling data collected at Volspruit will be subject to an updated Mineral Resource Estimate ("MRE") during Q4 FY2023, which will include a rhodium resource over 100% of the project area;
- Available data from recently completed La Pucella study and historical exploration are being analysed to develop an exploration strategy to prove continuity over the entire Aurora strike length;
- Work on the Hacra project continues towards a MRE, using updated data from the recently completed relogging program; 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 Q3 results, Sylvania's CEO, Jaco Prinsloo said:

"The SDO delivered 17,926 4E PGM ounces for the quarter, which was ahead of expectations. Traditionally Q3 is a lower quarter in terms of production as a result of the slower start-up after the December break at the host mines

and the shorter February month. In comparison with Q3 FY2022, production increased by 13.2% due to various interventions at the operations which have assisted in improving the recovery efficiencies at some of the plants.

"The 21% decrease in the basket price for the quarter, particularly reflecting the rhodium and palladium prices, impacted revenues but the Company remains in a strong cashflow and cash position.

"With the strong production performance for the year to date and positive results following the post-commissioning optimisation of the Tweefontein MF2, the Company is pleased to increase the annual PGM production guidance to between 72,000 and 74,000 4E PGM ounces for FY2023."

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.

USD			**Unit**	**Unaudited**	**Unit**	**ZAR**		
Q2 FY2023	**Q3 FY2023**	**% Change**				**% Change**	**Q3 FY2023**	**Q2 FY2023**
				Production				
645,832	575,973	-11%	T	Plant Feed	T	-11%	575,973	645,832
1.94	1.92	-1%	g/t	Feed Head Grade	g/t	-1%	1.92	1.94
341,528	322,366	-6%	T	PGM Plant Feed Tons	T	-6%	322,366	341,528
3.22	2.98	-7%	g/t	PGM Plant Feed Grade	g/t	-7%	2.98	3.22
57.78%	55.58%	-4%	%	PGM Plant Recovery[1]	%	-4%	55.58%	57.78%
19,276	17,926	-7%	Oz	Total 4E PGMs	Oz	-7%	17,926	19,276
24,630	22,884	-7%	Oz	Total 6E PGMs	Oz	-7%	22,884	24,630
2,432	1,932	-21%	$/oz	4E Gross basket price[2]	R/oz	-20%	34,305	42,859
				Financials[3]				
33,113	25,034	-24%	$'000	Revenue (4E)	R'000	-24%	444,488	583,437
3,587	3,193	-11%	$'000	Revenue (by-products including base metals)	R'000	-10%	56,681	63,210
357	-1,717	-581%	$'000	Sales adjustments	R'000	-585%	-30,486	6,283
37,057	26,510	-28%	$'000	Net revenue	R'000	-28%	470,683	652,930
11,382	12,337	8%	$'000	Direct operating costs	R'000	9%	219,045	200,542
4,208	3,404	-19%	$'000	Indirect operating costs	R'000	-18%	60,434	74,137
788	733	-7%	$'000	General and administrative costs	R'000	-6%	13,018	13,887
20,005	9,784	-51%	$'000	Group EBITDA[5]	R'000	-51%	173,764	352,486
990	1,581	60%	$'000	Net Interest	R'000	61%	28,079	17,439
13,647	6,112	-55%	$'000	Net profit[5]	R'000	-55%	108,549	240,468
3,621	1,864	-49%	$'000	Capital Expenditure	R'000	-48%	33,106	63,802
123,895	144,182	16%	$'000	Cash Balance	R'000	22%	2,567,881	2,112,416
			R/$	Ave R/$ rate	R/$	1%	17.76	17.62
			R/$	Spot R/$ rate	R/$	4%	17.81	17.05
				Unit Cost/Efficiencies				
590	688	17%	$/oz	SDO Cash Cost Per 4E PGM oz[4]	R/oz	17%	12,219	10,404
462	539	17%	$/oz	SDO Cash Cost Per 6E PGM oz[4]	R/oz	18%	9,572	8,142
751	843	12%	$/oz	Group Cash Cost Per 4E PGM oz[4]	R/oz	13%	14,972	13,237
588	660	12%	$/oz	Group Cash Cost Per 6E PGM oz[4]	R/oz	13%	11,722	10,360
867	932	7%	$/oz	All-in sustaining cost (4E)	R/oz	8%	16,548	15,279
1,010	1,007	0%	$/oz	All-in cost (4E)	R/oz	0%	17,883	17,803

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 exclude the work-in-progress ounces of approximately 1,500 ounces from December, delivered in January 2023.

2 The gross basket price in the table is the March 2023 gross 4E basket used for revenue recognition of ounces delivered in Q3 FY2023, before penalties/smelting costs and applying the contractual payability.

3 Revenue (6E) for Q3, before adjustments is $28.0 million (6E prill split is Pt 52%, Pd 17%, Rh 9%, Au 0%, Ru 17%, Ir 5%). Revenue excludes profit/loss on foreign exchange.

4 The cash costs include direct operating costs and exclude indirect costs such as 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. While Lannex achieved three-years Lost-Time Injury ("LTI") free during the period and Doornbosch operation remains at 10 years LTI-free, we unfortunately experienced one LTI at the Mooinooi operation (ankle sprain), and one LTI at the Lesedi operation (knee sprain) during March 2023. Millsell and Tweefontein both remain LTI-free for more than a year.

Operational performance

The SDO delivered 17,926 4E PGM ounces for the quarter. This is above target as the third quarter historically yields lower production as a result of the January ramp up at the host mines, but still represented a 7% decrease in ounces on the previous quarter. PGM feed grades and volumes were consequently impacted due to lower ROM and current arisings material during the period, and the shorter February month. PGM feed grade and recoveries were 10% and 8% above the business plan for the quarter while quarter on quarter performance was lower with PGM flotation plant throughput decreasing by 6%.

Although the total SDO recovery efficiency is slightly down for the quarter in line with expectations for blend of feed material received, the commissioning and optimisation of the Tweefontein MF2 has contributed to an 8% above plan recovery, which will be a significant contributor going forward. Overall, the SDO operations performed well and further improvements are expected during the fourth quarter.

Lesedi experienced increased Eskom load curtailment this quarter of 95.6hrs, which impacted throughput, stability and performance. As part of its mitigating measures, the Company is in the process of procuring back-up power generators for Lesedi and Millsell, and these should be commissioned during Q1 FY2024. Lannex recoveries under the revised reagent regime remain above business plan with further optimisation ongoing.

SDO operating cash costs per 4E PGM ounce increased 17% in both rand and dollar terms to ZAR12,219/ounce and $688/ounce (Q2: ZAR10,404/ounce and $590/ounce) respectively. The increase in cash costs per ounce is principally a result of the lower ounces produced in the quarter and the 1% depreciation of the average ZAR:USD exchange rate.

The Group incurred capital expenditure of ZAR33.1 million ($1.9 million), in line with planned capital project schedules. The main contributors were ZAR11.4 million ($0.6 million) spent on the MF2 project, ZAR8.2 million ($0.5 million) on stay-in-business capital and tailings dams and ZAR8.9 million ($0.5 million) on exploration.

Operational focus areas

The successful implementation of the formal planned maintenance system at Millsell, together with the operational focus on equipment runtime and stability, has produced improved results at the plant for the quarter. The roll out of the system at additional operations is underway.

The Mooinooi operation continues to monitor the ROM grades received from the host mine which have decreased but remained above the business plan, and this is an ongoing focus area for the Company.

Cost control and optimisation continues with positive results and unit costs well in line with the business plan year to date. Ongoing improvements remain a focus area on all operations and are expected to further reduce costs.

Operational opportunities

Optimisation of blending opportunities from the current SDO surface resources has provided positive results, especially at the Eastern operations.

Construction of the Lannex MF2 Plant continues and is on target to commence commissioning during Q1 FY2024, which follows the successful roll-out and performance of similar MF2s at all other SDO operations between 2017 and 2023.

Testwork on reagent optimisation is ongoing in collaboration with suppliers.

B. FINANCIAL OVERVIEW

Financial performance

Revenue (4E) for the quarter decreased by 24% to $25.0 million (Q2: $33.1 million), impacted by the 21% decrease in the basket price recorded in March and applied to calculate revenue for ounces produced and delivered in the quarter but only invoiced in Q4. The average 4E gross basket price for the quarter was $1,932/ounce against $2,432/ounce in Q2 with the largest commodity price drop noted in rhodium and palladium. Net revenue for the quarter, which includes base metals and by-products and the quarter-on-quarter sales adjustment, was $26.5 million (Q2: $37.1 million). The downwards sales adjustment in dollar and rand terms is due to the reversal of provisional revenue raised in Q2, which was reversed and re-raised in Q3 at the actual prices in accordance with the off-take agreements. 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 13% in rand terms from ZAR13,237/ounce to ZAR14,972/ounce and increased 12% in dollar terms from $751/ounce in the previous quarter to $843/ounce.

General and administrative costs decreased from $0.79 million to $0.73 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 $9.8 million (Q2: $20.0 million) and net profit was $6.1 million (Q2: $13.6 million), the decrease was primarily a result of the lower basket price and higher total group costs (direct and indirect cash and non-cash costs).

The Group cash balance increased 16% to $144.2 million at the quarter end (Q2: $123.9 million). Cash generated from operations before working capital movement was $9.8 million, with net changes in working capital amounting to $12.9 million, which is mainly due to the changes in trade debtors. The decrease in the basket price and lower ounce production during Q3 resulted in a lower trade debtors balance quarter-on-quarter, as trade debtors arise from the concentrate delivered in the quarter but paid for in the following quarter per the off-take agreement.

The Group spent $1.9 million on capital for the quarter compared to $3.6 million in the previous quarter. Dividend tax of $0.5 million was paid to the authorities on the payment of a dividend from a subsidiary to the holding company.

The impact of exchange rate fluctuations on cash held at the end of Q3 FY2023 was $1.4 million loss due to the spot ZAR to USD exchange rate at 31 March 2023 depreciating by 4%.

C. MINERAL ASSET DEVELOPMENT

The Group owns various mineral asset exploration and development projects on the Northern Limb of the Bushveld Igneous Complex located in South Africa, for which it has approved mining rights. Targeted studies are underway on both the Volspruit and Northern Limb PGM opportunities to determine how best to optimise the respective projects. Progress has been made towards unlocking mineral potential on these projects to generate value for shareholders.

Volspruit Project
Following the release of the Results and Resource Statement in October 2022, the revised Scoping Study to include the remaining 42% of the total project area consisting of the South Body is currently underway. Relogging of the South Body has been completed and the remaining relogging of the North Body will be completed in early May. The results from the rhodium sampling will be received during Q4 FY2023 and will also include iridium and ruthenium to be evaluated as part of the same study. While the initial Scoping Study completed on the North Body relied on the validated borehole database to complete the Study, further relogging was scheduled to define the geological constraints of the mineralisation. The relogging and additional sampling data collected will be subject to an updated Volspruit MRE, which will include rhodium resource over 100% of the project area. The updated MRE will then be subject to a Preliminary Economic Assessment ("PEA") during Q1 FY2024 as previously reported.

The permitting requirements under the Mining Right as communicated in the interim report continues. The Water-Use Licence, the updating of the Environmental Impact Assessment ("EIA") and the finalisation of the Social and Labour Plan are all included within these activities.

Far Northern Limb Projects
Continued resource optimisation studies are underway on the entire strike extent of the newly discovered T-Zone of the Aurora project. By applying the new geological interpretation, relogging of the historical boreholes in the possession of the Company has been completed over 8.4km of the 16.7km of the projects near surface strike length. It can be reported that of the historical core, 102 of the 159 drillholes in the Company's possession have been fully relogged. The relogging will inform the continuity of mineralised T-Zone and provide inputs for an optimised exploration strategy. The outcomes of the optimised exploration strategy will be subject to a preliminary MRE, which will indicate the size of a potential MRE over the entire strike length of the Aurora project and determine any infill studies that may be required. A PEA will only be commissioned once an updated MRE for the combined Aurora project is available.

Progress towards declaring a maiden Mineral Resource on the Hacra project continues, and the relogging of both the Hacra North underground and the Hacra South near surface historical core, implementing the new geological interpretation, has been completed.

D. CORPORATE ACTIVITIES

Notification of Transaction by PDMR
The Company announced on 31 March 2023 that Eileen Carr, Non-Executive Director sold and subsequently purchased 13,811 ordinary shares of $0.01 each in the Company ("Ordinary Shares") for her Self-Invested Pension Plan ("SIPP") at 89 pence per Ordinary Share.

Following the two transactions her shareholding in the Company remained unchanged at 70,000 Ordinary Shares, representing 0.02% of the total number of Ordinary Shares with voting rights.

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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/

ANNEXURE

GLOSSARY OF TERMS FY2023

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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