VALUE-DRIVEN RESULTS

SYLVANIA PLATINUM LIMITED

2016 ANNUAL REPORT

VALUE-DRIVEN RESULTS

WE VALUE THE SAFETY AND HEALTH OF ALL

Employees are at the heart of our company; we place their safety and health above all else in everything that we do.

WE VALUE THE FUNDAMENTAL RIGHTS OF PEOPLE

We treat all people with dignity and respect.

WE VALUE HONESTY AND INTEGRITY

We act honestly and show integrity by continually striving towards "doing what we say we are going to do" and showing commitment towards our accountabilities of delivering high performance outcomes, thus projecting an image of professionalism and meeting the expectations of our colleagues, investors, business partners and social partners.

WE RESPECT THE ENVIRONMENT

We act in a manner that is sustainable and environmentally responsible, applying professional and innovative methods.

WE VALUE THE CULTURE, TRADITIONAL RIGHTS AND SOCIETY IN WHICH WE OPERATE

Our actions will support the communities in which we work while honouring their heritage and traditions.

CONTENTS

REPORT PROFILE

This annual report presents a review of the operational and financial performance of Sylvania Platinum Limited (Sylvania) or (the Company) for the 12 months ended 30 June 2016. The report includes an analysis of the Company's material issues and the steps taken to operate successfully and sustainably within its governance and risk framework.

Sylvania Platinum Limited is a

LOW-COST

PRODUCER

of platinum group metals (PGMs) including platinum, palladium and rhodium.

The consolidated financial statements, set out on pages 24 to 70, were approved on 30 August 2016. They include the Company's financial results and were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements represent the ongoing activities of the Sylvania Group.

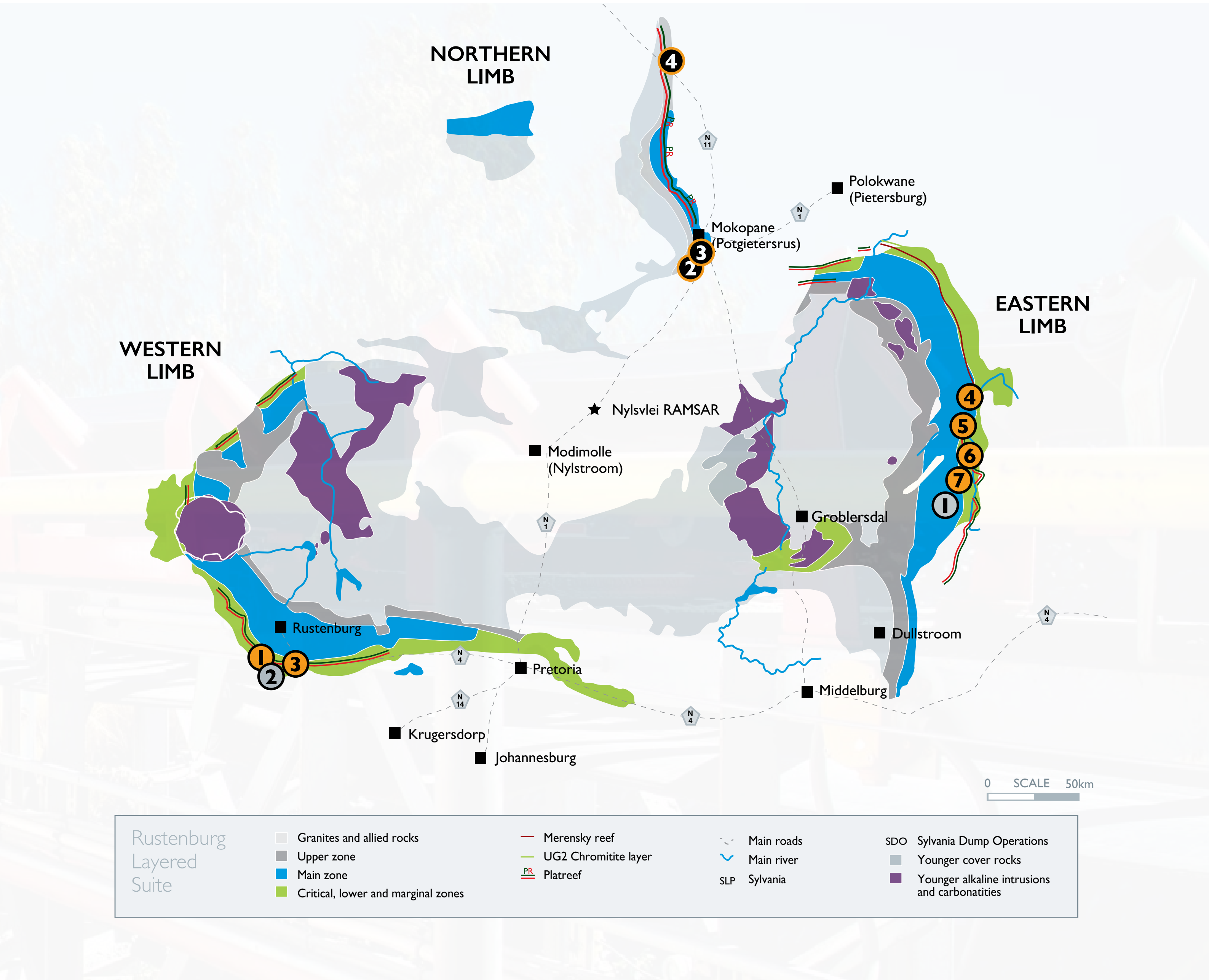
Throughout the report, financial data is reported in US Dollars, unless otherwise stated.

The Company, being listed on London's Alternative Investment Market (AIM:SLP), is not required to comply with the UK Corporate Governance Code, re-issued in September 2014 and applicable to periods beginning on or after October 2014, or the City Code on Mergers and Takeovers (the Codes). However, the Directors support the objectives of the Codes and intend to comply with those aspects that they consider relevant to the Group's size and circumstances. The Corporate Governance Statement can be found on page 20.

This annual report is available on www.sylvaniaplatinum.com

LOCATION OF OPERATIONS AND PROJECTS

LOCALITY WITHIN SOUTH AFRICA



LEGEND

Operating Sylvania complexes

1. Millsell (SDO)
2. CTRP (25% JV)
3. Mooinooi – Dump and ROM (SDO)
4. Doornbosch (SDO)
5. Steelpoort (SDO)
6. Lannex (SDO)
7. Tweefontein (SDO)

Mineral projects

1. Everest North
2. Volspruit
3. Grasvally
4. Northern Limb projects

Impaired during financial year ended 30 June 2014

VISION

To be the
LEADING
MID-TIER,
lowest unit cost,
PGMs mining company.

STRATEGY

Sylvania Platinum Limited is a low-cost producer of PGMs, including platinum, palladium and rhodium. The Company's core business is the retreatment of PGM rich chrome tailings material. The Company also holds prospecting and mining rights for a number of PGM projects on the Northern Limb of the Bushveld Igneous Complex.

In order to strengthen the Company's position as a low-risk specialist in the low-cost production of PGMs, Sylvania operates according to the following business priorities:

- Identifying projects that balance minimal operational and financial risk with the potential for high margins;
- Ensuring that the management teams are always well resourced with the right combination of skills;
- Focus on cash generation during uncertain economic times; and
- Continually apply appropriate practices/technology to maintain the Company as a lower quartile producer.

The Company's focus is on cash generation and it will return capital to shareholders according to the dividend policy.

To generate wealth for all of our stakeholders using safe and innovative processes with a focus on PGMs while exploiting any value-adding associated minerals.

FINANCIAL AND OPERATING SNAPSHOT IN 2016

OPERATIONS

LTI – FREE

across all operations for the year

Third consecutive year of RECORD

SDO production at steady state, achieving

60,643 ounces

– a 5% increase from the previous record of 57,587 ounces achieved in FY2015

Group cash cost

$470/oz,

33% below the Company's guidance of $700/oz

FINANCIAL

EBITDA increased 3% to $13.0 million for SDO (FY2015: $12.6 million)

Group adjusted EBITDA improved by 9% to $11.1 million (FY2015 $10.1 million)

General and administrative costs are down by 31% from $3.3 million in FY2015 to $2.3 million

Gross profit up by 19% year-on-year from $6.5 million in FY2015 to $7.7 million

Profit after income tax of $3.7 million achieved (FY2015: $1.7 million)

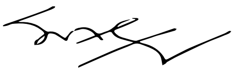
Group cash profit achieved of $8.2 million (FY2015: $8.4 million)

Basic earnings per share (EPS) improved 125% to 1.28 US cents per share from 0.57 US cents per share in FY2015

Group capital and exploration expenditure down by 56% to $1.8 million (FY2015: $4.1 million)

CHAIRMAN'S LETTER

If 2015 was difficult from a PGMs perspective, 2016 was worse. The past financial year was characterised by further declines in PGM prices, ameliorated by some degree of weakness in the Rand, as well as political problems related to South Africa's possible ratings downgrade.



Stuart Murray
Chairman

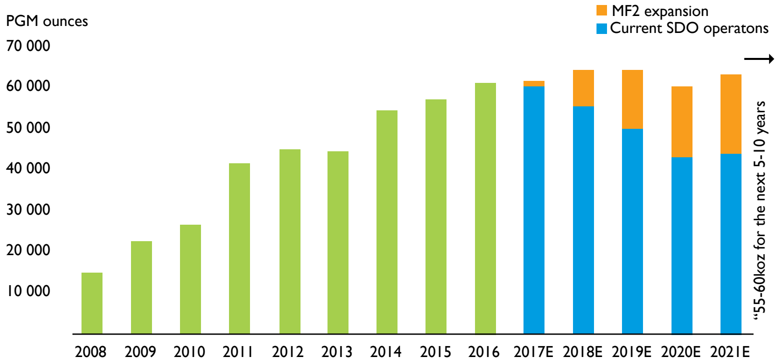
We opened the financial year with $1,082 per ounce platinum, dropping as low as $814 per ounce in January 2016 and ending the financial year at $1,021.

Management's response to the challenging environment has been most gratifying. PGMs output rose by 5% from a record of 57,587 ounces in FY2015 to 60,643 ounces in FY2016, while cost containment has been excellent with cash costs per 3E & Au ounce and general and administrative costs decreasing 28% and 31% year-on-year respectively. We are reaping the rewards of stricter operational controls and improved capital management – and the proof is in our performance. We maintained a prudent balance sheet: we opened the year with a cash balance of $8.4 million, closing with $6.7 million. This after having spent $1.1 million on share transactions to satisfy Sylvania Share Option Scheme exercises and bonus share awards to prevent any dilution to shareholders, repayment of the pipeline finance of $1.9 million and tax payments of $3.6 million for the year. This is commendable in the prevailing environment. I am also pleased to report that our plants were lost time injury (LTI) free throughout the year, which is testament to the health and safety procedures we uphold and the commitment of management and employees.

A long-running criticism of the Company has been the Company's finite production profile and diminishing life. A year long strategic review of the Sylvania tailings retreatment operations, which is made up of between 60% to 70% dump material and 30% to 40% current arisings, collectively referred to as Sylvania Dump Operations (SDO), has revealed an opportunity not only to maintain PGM production of around 60,000 ounces, but also to substantially prolong Group production at this rate for many more years. This is, of course, subject to our host mine holding chrome output at a steady rate.

I am delighted to introduce our shareholders and stakeholders to Project "ECHO" which addresses the SDO's diminishing and finite life, and focuses on improving PGM recovery efficiencies by adding secondary milling and flotation modules to existing operations over the next two to three years. Sylvania has consistently maintained that treating tailings from single stage milling and flotation (MF1) operations a second or even a third time – where grade allows – has the dual benefit of recovering PGMs from the primary process, while lowering the initial capital requirement for processing plants. Metallurgical performance and test work on the second pass treatment of dumps, as well as operational improvements in recent years, means that the primary and secondary milling and flotation (MF2) strategy will be more beneficial owing to lower overall PGM recovery efficiency, and will result in lower combined operating costs, increased cash generation and extended profitable operating life of operations.

Sylvania SDO production profile



Despite difficult market conditions, we have created a more

STABLE

production environment

Capital expenditure of around $12.0 million, to be funded from Group cash flows without recourse to any form of debt, will be spent over the next four years to bring this project to fruition. This new initiative will improve margins and fundamentally change the outlook for the Company. Ongoing capital expenditure, which is a sustained cost in the mining industry, has been well controlled by the Group and has been reduced by 56% year-on-year. It is anticipated that once metal prices, in both US Dollar and Rand terms, rise to create the margins received in the past, shareholders can look forward to dividends and buy backs as and when the margins of the business finally improve.

Dump reprocessing remains the primary focus of the business and the Board's decision to suspend exploration in favour of defending title has proven to be sound. We see insufficient tangible improvement in capital markets to warrant exploration for PGMs and/or chromite. Our Board had indicated that we would, subject to the appropriate process, sell or spin-out the Grasvally chrome opportunity. This remains in our sights, but progress has slowed due to continued difficult chrome market conditions. As a result of production curtailment by responsible producers, there are signs that chrome ore markets are recovering and as such there is renewed interest in the Grasvally opportunity. We will not rush into a process that does not capture the full opportunity for shareholders.

During the course of the year, project development costs of $0.15 million were expended in examining an opportunity outside of South Africa, in a related business, for the reclamation of value from substantial dumps using our technical ability. Given the political risks and uncertainty attached to the project, our Board decided not to proceed. This is evidence that we continue to examine other opportunities, but they need to stack up to the benchmark of our own SDO to be considered significantly valuable. We will not do anything that endangers the balance sheet in these tough times.

Disappointingly, community protests have had some impact on our operations. Unfortunately, we have again borne the brunt of regional service delivery inadequacies. While we have not been able to circumvent the issue, we can and will continue to safeguard the interests of our employees.

Shareholders need not be concerned that the Company will be seeking further funding as has been the case with several major platinum producers in the short or longer term. It is apparent that equity investors continue to leave the platinum space as they see that the fundamentals are not improving as anticipated. In Sylvania's case, there has been some sell-down among our larger shareholders, mostly as a result of portfolio adjustments and an ongoing weak AIM market, but not, we believe, as a reflection of Company performance. We have continued to judiciously buy shares to augment our employee share plan authorised by shareholders five years ago, to avoid the issue of new shares. This is in the interests of all shareholders as it avoids dilution. Our Board remains intent on continuing share buybacks and/or paying a dividend as and when this is warranted by free cash flow. All buybacks are contemplated opportunistically, subject to the availability of cash.

It remains cause for concern that platinum demand ended its fourth successive year in deficit, while supply rose by 19% globally. It is, we believe, the irresponsible refusal of South African producers to match supply and demand that has continued to cause platinum to sink below the $900 per ounce mark during the year.

Platinum demand is however growing in tandem with the automotive sector, while jewellery is starting to show signs of life only because the price has collapsed. Despite this, above ground stocks continue to fund deficits and consequently no meaningful price activity is evident. In fact, as previously mentioned, prices have fallen as low as $814 per ounce platinum, which can be traced back to holders of investment products who have either stayed or quit.

Nevertheless, every year, it is worth saying that things will get better. Inevitably they will. But, until we see fundamental non-stock movement related deficits in the major metals we produce, conditions will remain difficult.

We have heard mutterings about recent events in Europe affecting us as an AIM listed Company. The fact is that we are too small, and largely irrelevant in terms of the platinum markets, to be concerned about the macro-economic events of Brexit and the Euro. Importantly, the automotive markets of the world continue to consume more metal for catalytic converters and the financial speculation component of the PGM market will, for the foreseeable future, probably outweigh any of the fundamentals for consumption of metals demand hurting the market. There is very little we can do given we represent approximately 2% of the market.

Our focus for FY2017 will be on achieving SDO excellence and liberating value for chrome and platinum exploration as well as the project plays. This will be best achieved with careful attention to and husbanding of the balance sheet while management pursues operational excellence. We are aiming to maintain our +60,000 ounce profile, keep a lid on costs by maintaining cost controls, keep our cash flow and EBIT positive and embark on our new Project "ECHO", which is a self-funded extension of SDO life, in 2017/2018.

As it was last year, our mantra remains: **KEEP PROCESSING, NOT DIGGING**

In conclusion, I extend thanks to management, our employees and contractors as without them we would not be where we are today. Our performance is testament to your efforts in continuing to thrive during adverse conditions. I am confident that, as we move into the next financial year, you will continue to make your Board proud. Thanks also to our Board for your ongoing contribution and level-headedness that has steered us to where we are. We keep a finger on what we can control and buckle up for those aspects that we cannot control, like the exchange rate and platinum price.

CEO'S REVIEW

As promised, during the past financial year we have focused on ensuring tight control over operating costs and capital expenditure, as well as ensuring that planned production targets and efficiencies were met. I also said that we would watch market conditions and ensure that we adapted as potential changes arose.

Terry McConnachie
Chief Executive Officer

We were tested over the first half of the year when the gross basket price dropped to $785/oz in the second quarter. However, despite this, and thankfully due to disciplined cost controls, we still managed to produce profitably. Group EBITDA in H2 rose to $7.2 million from $3.6 million in H1 and, despite the purchase of 7,383,974 Sylvania shares to be held in treasury to satisfy the Share Option Scheme and any future management awards, as well as the payback of the SDO pipeline finance, we are sitting with no debt or project finance facilities and a modest amount of cash in the bank.

2016 FINANCIAL PERFORMANCE

The Group cash balance was $6.7 million at 30 June 2016, having decreased by $1.7 million (20%) from $8.4 million in the previous year. Group cash profit (earnings after interest and tax paid before non-cash items including depreciation, amortisation, impairment, foreign exchange gain/loss, share-based payments, rehabilitation provision movements and deferred tax) was $8.2 million.

Cash generated from operations before working capital movements was $11.5 million, with net changes in working capital amounting to a reduction of $6.2 million, $1.9 million of which can be attributed to the repayment of the 3 month pipeline financing on the sale of concentrate. A further $3.6 million in tax payments was made. During the year, $0.3 million was spent on the rehabilitation insurance guarantee, $0.3 million on exploration activities and $1.2 million on stay in business capital for the SDO plants (FY2015: $2.7 million). A repayment of $0.3 million was received from Ironveld Holdings (Pty) Ltd under the terms of the loan agreement with Ironveld plc. The Company spent $1.1 million on share transactions and the impact of exchange rate fluctuations on cash held at the year-end was $0.8 million.

As at 30 June 2016, the Group cash balance grew by 31% from $5.1 million reported at the end of H1 to $6.7 million in H2. The Company further achieved a profit after income tax of $3.73 million – an improvement of 120% from $1.7 million in FY2015. General and administrative costs are down by 31% from $3.3 million in FY2015 to $2.3 million this year, with gross profit showing a 19% growth year-on-year from $6.5 million in FY2015 to $7.7 million. The Company's basic earnings per share (EPS) improved significantly from the prior year to 1.28 US cents per share (a 125% improvement). Group capital expenditure is also down by 56% to $1.8 million from $4.1 million in FY2015.

2016 OPERATIONAL PERFORMANCE

For the third consecutive year at steady state, SDO production set an annual record by achieving 60,643 ounces – a 5% increase from the previous record of 57,587 ounces achieved in FY2015. We exceeded stated and revised guidance of 57,000 ounces to 58,000 ounces and broke through the 60,000 ounces mark for the first time. This marks the third consecutive year that we have met, and exceeded, stated guidance. For this, we commend management.

Our aim for FY2016 was to obtain a cash cost of under $700/oz and a capital expenditure cap of $3.0 million – this target has also been exceeded with cash costs per PGM feed ton decreasing by 28% to $23/ton (FY2015: $32/ton) and cash costs per 3E & Au ounce decreasing 28% to $437/oz from $603/oz disclosed in the previous year. SDO capital expenditure is also down 51% from $2.9 million recorded in FY2015 to $1.42 million – 53% below our stated cap.

The SDO continued to build on steady performance in recent years and, despite a lower PGM feed grade and some production interruptions due to the electrical substation fire at Mooinooi, as well as community protests related to municipal service delivery and job opportunities at our Eastern Limb operations during the year, the operations managed to improve on the treatment tons of FY2015 and significantly exceeded the previous recovery efficiency in order to achieve a record annual PGM ounce production.

While the overall plant feed head grades were slightly higher than in FY2015, the FY2016 PGM feed grades were 5% lower at 4.03g/ton from 4.22g/ton in the previous year. Plant feed tons for the year are up 2% to 2,179,468 tons from 2,129,352 tons recorded in FY2015, and PGM plant recovery increased by 13% from 38% in FY2015 to 43%.

More disciplined production management, improved plant stability and continuous process improvement initiatives helped maintain stable feed tonnages and to achieve higher PGM recovery efficiencies over the past year. We are now able to build further on this by expanding our metallurgical plant infrastructure in order to achieve even higher process efficiencies at lower overall production cost through the execution of Project "ECHO". This project will enable transformation of the Millsell, Doornbosch, Tweefontein and Mooinooi Dump and ROM operations from single stream milling and flotation (MF1) circuits to primary and secondary milling and flotation (MF2) circuits over the next two to three years.

From a financial perspective, SDO revenue decreased by 17% year-on-year to $39.5 million from $47.8 million in FY2015, primarily due to the gross basket price dropping 21% from $1,072/oz in FY2015 to $850/oz. However, SDO EBITDA improved by 3% to $13.0 million from $12.6 million recorded in FY2015, aided by significantly lower operating costs during the period. SDO capital expenditure decreased by 51% as a result of stringent cost controls.

FAR NORTHERN LIMB OPERATIONS

As mentioned by our Chairman, over the course of the financial year, the Company continued with capital expenditure on exploration projects in a bid to defend title. We will not, however, embark on any action requiring new debt uptake.

HARRIET'S WISH, AURORA AND CRACOUW EXPLORATION (HACRA)

The Company submitted financial guarantees in order to provide for the reduced financial

EMPLOYEE SAFETY, HEALTH AND THE ENVIRONMENT

I am proud to report that the Company achieved an LTI-free year at all operations and did not receive any Section 54 stoppage notices from the Department of Mineral Resources (DMR) during the year. This is an exceptional achievement, which again demonstrates our commitment towards the safety of our employees and operations. Particularly notable is the Steelpoort Plant, which has been LTI-free for more than eight years while Tweefontein and Doornbosch both achieved the significant milestone of four years LTI-free during the year.

Health, safety and environmental compliance remains a key priority for the Company. The collaborative efforts of management and all employees across the operations, upholding the safety culture, contribute to the high safety standards and plant conditions at the respective operations.

"Unfortunately, due to the recent performance of the chrome market, potential purchasers have been slow to show interest. However, we expect this to change as the market improves."

security for rehabilitation, as required by the DMR, and notarial execution of the mining right for this project occurred on 9 December 2015.

In terms of the Mineral and Petroleum Resources Development Act (MPRDA), application to transfer the right to mine iron ore, vanadium and heavy minerals to Ironveld, pursuant to the iron ore transaction concluded in FY2013, was granted on 15 April 2016. We also concluded the notarial cession of this right and the documents were lodged with the Mining Titles Office for registration. When any further update is available, this will be communicated to all stakeholders.

We intend to proceed with a water use licence application (WULA) but, as communicated in our Interim Report this year, this process will be delayed as transfer of the title deeds from the deceased original landowners to lawful occupants and descendants will need to be facilitated.

VOLSPRUIT

In the first quarter, we reported that a biodiversity and wetland offset strategy was delivered to the Limpopo Department of Economic Development, Environment and Tourism (LEDET) and the DMR on 14 September 2015. This forms the basis of implementing remediation towards zero net impact should planned mitigation during the mine's operation prove to be insufficient. In the form of an addendum to the environmental impact assessment (EIA), as part of the Company's application for environmental authorisation (EA), the documents were submitted together with the comments and responses report following public review. Unfortunately, in the third quarter, we were informed that the EA application had been refused, and that LEDET had listed various reasons for the refusal. Our advisors believe that the reasons for the refusal indicated that LEDET had not duly considered the contents of the addendum submitted in the first quarter and, as such, an appeal against the refusal was submitted to the relevant authority on 3 June 2016.

Sylvania continues to await the outcome of the mining right application (MRA) from the DMR for this project, believing that a decision will be reached when the appeal of the EA has been concluded.

As communicated in the prior year, the Company intends to proceed with a WULA although this will require preliminary detailed civil designs of all dam facilities. As this will incur additional costs, it has been postponed pending the decision on the MRA and EA as part of our continuous focus on improving cost controls.

GRASVALLY CHROME OPERATION

A mineral resource estimate statement, which declared a South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) compliant resource over the entire strike length of 5.2km of the known chromitite body on the prospect of this project, was completed in the second quarter of the financial year. This is necessary for the Company to exercise a mining right over the resource.

The MRA for Grasvally was submitted in the first quarter and public participation meetings with interested and affected parties were held in February 2016. Stakeholders at these meetings requested an assessment of potential loss of agriculture and income should the project proceed. The DMR then granted a 50-day extension to the submission of the EIA, which was finally submitted on 10 May 2016. We await a decision by the DMR.

In addition, the WULA for opencast mining and waste rock treatment was submitted to the Department of Water and Sanitation (DWS) on 1 June 2016 and we also await a decision on this application.

During the second quarter, we communicated that the Company intends to sell this asset. An international agent was appointed to manage the process and a marketing "teaser" was released in March 2016. Unfortunately, due to the recent performance of the chrome market, potential purchasers have been slow to show interest. However, we expect this to change as the market improves.

OUTLOOK

Based on current resources, plant infrastructure and operational performance, we should see similar production performance in FY2017 and, with planned process expansion projects over the next two to three years, we should be able to maintain production levels at around 58,000 ounces to 60,000 ounces of PGMs for many years going forward.

STAKEHOLDER ENGAGEMENT

At Sylvania, the Board are serious about stakeholder engagement and view communication with all of our stakeholders as a means to identify shortcomings and implement strategies that address any issues.

Our stakeholder engagement is presented in quarterly reports in the month following the quarter end, an interim report at the end of the first half of the financial year including the half year financial statements, as well as an annual report including the full year financial statements. After the publication of our annual report in August every year, the Company engages with a specialist corporate communications firm to print it in a glossy, illustrated format. As and when management and our Board considers it material, information is announced to the public as soon as reasonably possible after a decision has been mandated in terms of the requirements of AIM. The Board also conduct Investor Roadshows to present results to the public every quarter. All of the presentations, announcements and reports are placed on the Company's website where they are available to the public at any time. Whenever possible, shareholders' queries are addressed via email, although replies are limited by the availability of information that has already been shared with the public. In these communiqués, we stress that information will be released to the public as soon as it has been deemed material and shareholders are advised accordingly.

SAFETY AND HEALTH

The Company remains committed to zero harm, focusing constantly on compliance at all operations in order to eliminate safety deviations and to maintain the highest standards.

The Company achieved one year LTI-free at all operations and did not receive any Section 54 stoppage notices from the DMR during the financial year. This is an exceptional achievement, which again demonstrates our commitment towards the safety of our employees and operations. Our Steelpoort Plant has been LTI-free for more than eight years while Tweefontein and Doornbosch both achieved the significant milestone of four years LTI-free during the year.

In that we operate off our host mine's footprint and in terms of its mining licence, the Company holds itself accountable to the Integrated Management System (IMS) safety requirements of our host mine. Accordingly, we use our host mine's procedures and standards on quality, safety and environment. We are audited in terms of the IMS requirements, as well as the ISO 9001, ISO 14001 and OSHAS 18001 standards.

Technical training is provided at the Process and Engineering departments, and legislated safety training is presented on first aid, hazard

"The Company achieved one year LTI-free at all operations and did not receive any Section 54 stoppage notices from the DMR during the financial year."

EMPLOYEES

The Company is progressing continuously towards employment equity and transformation within the workplace. An employment equity committee has been established to deal with the implementation of the Employment Equity Act, 1998 (Act No 55 of 1998).

Wage negotiations are conducted biannually with organised labour in terms of a recognition agreement with the National Union of Mineworkers (NUM), which allows the Company to enter into collective bargaining with the union. In terms of recent wage agreements, over and above a basic salary, employees are offered a provident fund and medical aid as well as, in certain instances, a commuting allowance. Certain employees, particularly at the lowest income level, also qualify for a housing allowance.

Our employee relations are sound and we comply with the provisions of the Labour Relations Act, 1995 (Act No 66 of 1995). The Company also upholds freedom of association – employees may choose whether or not to be a member of a union.

identification and risk assessment (HIRA), working at heights and mobile machinery, among others.

Employee health and wellness programmes are aligned with those of the host mine and typical medical conditions, such as high blood pressure and noise-induced hearing loss (NIHL), are monitored with annual examinations. Our healthcare services include treatment of minor injuries on duty at our host mine's medical facility and referral of serious injuries to a suitable facility. Drug and alcohol testing is conducted in terms of our host mine's programmes: employees and contractors are tested randomly at the entrance to the property before a shift begins. If any substance is detected, the individual is referred to the mine clinic immediately.

The Company recently undertook a business risk assessment to assess the potential for a Section 54 stoppage order by the DMR and found, at the time of writing, that all legislated safety, wellness and training requirements were in place.

Health, safety and environmental compliance remains a key priority for the Company as a collaborative effort by management and employees across all operations, with safety culture in mind, in order to uphold the highest safety standards and plant conditions.

ENVIRONMENT

As we operate on the environmental footprint of our host mine, we adhere to the culture and standards of their policies and practices at all times.

In the past financial year, there have been no reportable environmental incidents, which is testament to the work ethos of the teams at the operations. The Company generates minimal hazardous waste and waste removal is conducted by a contractor with the necessary permits to remove and transport hazardous waste to a designated landfill site.

Our electrical teams have noted an increase in energy use and are currently identifying energy-efficient projects aimed at reducing wasteful energy consumption. Low-energy lighting is being installed in all our plants and offices, replacing existing lamps with LEDs. The use of synthetic, environmentally-friendly oil in our transformers, for cooling purposes, is being investigated as an alternative to less expensive mineral-based oil as synthetic oils are believed to be far superior in terms of heat dissipation and cooling. In addition, we match our motor selection closely to the power requirement of the driven equipment to reduce overall power consumption and we have standardised premium efficiency-rated motors on all plants for greater efficiency at the same power consumption.

Power factor-correction equipment has been installed at the Lannex and Doornbosch operations. Equipment has been reinstated at Mooinooi where failure in August 2015 resulted in a substation fire and production downtime of one week. Generators have been installed at the Tweefontein and Lannex plants. When required, co-generation of power parallel with Eskom is used for plants through a complex synchronisation system. At Lannex, approximately 1,000kVA is generated, which constitutes about 60% of the plant's requirements. At Tweefontein, approximately 2,000kVA is generated, which is enough power to run the entire plant.

COMMUNITIES

The Company employs a total of 420 people in permanent positions throughout the organisation. At the plants, residents of local communities are sourced unless specialised skills are not available locally. The Company also procures goods and services from local businesses unless specific goods are not readily available locally.

The Company regularly assists with local development projects. In the past year, these involved the following projects:

- borehole pump maintenance and repair, as well as cable replacement, for local drinking water supply;
- maintenance and control of vegetation around a school to discourage snakes, as well as sponsorship of kit for the school's soccer team;
- sponsorship of a borehole pump to irrigate a vegetable garden at a school for disabled children, as well as regular visits with treats;
- orphaned and vulnerable children continued to receive a meal every day through a feeding scheme sponsored by the Company, including maintenance of the kitchen and administration support; and
- the Company has committed to supply building material for construction of a new community school.

RA Williams SA Murray E Carr TM McConnachie

INFORMATION ON **DIRECTORS**

Your directors present their report on the consolidated entity (the Group) consisting of Sylvania Platinum Limited (the Company or Sylvania) and the entities it controlled at the end of, or during, the financial year ended 30 June 2016. Sylvania is a limited company incorporated and domiciled in Bermuda. Unless otherwise stated, the consolidated financial information contained in this report is presented in US Dollars.

DIRECTORS

The names of the directors who held office during or since the end of the year and until the date of this report are as follows.

SA Murray	Independent Non-executive Chairman
TM McConnachie	Chief Executive Officer
RA Williams	Independent Non-executive Director
E Carr	Independent Non-executive Director

The directors of Sylvania were in office from 1 July 2015 unless otherwise stated.

SA Murray

Mr Murray has over 25 years of executive experience in the Southern African platinum sector, commencing his career at Impala Platinum's Refineries in 1984. He held a number of positions at Impala Platinum, Rhodium Reefs Ltd, Barplats, and Middelburg Steel and Alloys, before joining Aquarius Platinum Limited in 2001 as Chief Executive Officer, holding that position until 2012. He is currently a non-executive director of Talvivaara Mining Company Plc, the Finnish nickel miner and on 22 July 2015 joined Luiri Gold Limited as Deputy Chairman and Managing Director.

Special responsibilities

Independent Non-executive Chairman of the Board

Member of the Remuneration Committee

Company Secretary

The Company Secretary role is held by Codan Services Limited and they are assisted by E Carr.

Principal activities

The principal activity of the Group during the financial year was the low cost extraction of PGMs from chrome dumps and current arisings as well as investment in mineral exploration. Further information is provided in the CEO's review.

TM McConnachie

Mr McConnachie has over 26 years of experience in mining, beneficiation of ferroalloys and precious metals. He was the founder of Merafe Resources Limited (formerly South African Chrome & Alloys Limited), a successful chrome mining company, black empowered and listed on the Johannesburg Stock Exchange. He is well known for identifying mining opportunities and has started many new green-field operations in gold, manganese, aluminium, graphite and tantalite. He has been CEO of a number of mining, mining services and smelting companies in South Africa.

Special responsibilities

Chief Executive Officer

RA Williams

Mr Williams was appointed to the Board on 29 December 2011. He is a Chartered Accountant with over 20 years' international experience in mining finance, and with an honours degree in French and Spanish. After joining Randgold Resources in 1997, he was appointed Group Finance Director in 2002. Mr Williams went on to become Chief Financial Officer of JSE-listed AECI Limited before moving to BSG Resources Limited. He is currently a director of Taurus Gold and Commercial Executive for Digby Wells & Associates environmental consultants.

Special responsibilities

Chairman of the Audit and Remuneration Committees

E Carr

Ms Carr joined the Board of Sylvania Platinum Limited on 1 May 2015. She is a Chartered Certified Accountant with an MSc in Management from London University and is a SLOAN fellow of London Business School (LBS). Ms Carr has over 25 years of experience within the resources sector. She was appointed Finance Director of Cluff Resources in 1993 and has, since that time, held several executive directorships in the resource sector. Her first non-executive role was for Banro Corp in 1998 and more recently she has been a non-executive director for Talvivaara Mining Company Plc, the Finnish nickel miner. Currently, Ms Carr is a non-executive director of Nobel Holdings Investments Ltd, a Russian oil and gas company.

Special responsibilities

Member of the Audit Committee

BUSINESS **REVIEW**

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to a variety of risks, specifically those relating to the mining and exploration industry. The CEO, assisted by the senior management, undertakes on-going risk assessments to identify and consider major internal and external risks to the business model of the Group. Risks identified are linked to the Group deliverables in order to ensure continuous mitigation of these risks, which is aligned with corporate objectives.

Outlined below is a description of the principal risk factors that the Board feel may affect performance. The risks detailed below are not exhaustive and further risks and uncertainties may exist which are currently unidentified or considered to be immaterial. The risks are not presented in any order of priority.

"The Group is subject to a variety of risks, specifically those relating to the mining and exploration industry."

Commodity price

Risk and impact:	Mitigation:
Commodity prices are subject to high levels of volatility and are impacted by a number of factors that are outside of the control of the Group. Low PGM prices may affect the ability of the Group to fund any future growth. The Group's ability to raise sufficient capital, through debt or equity, for further exploration, investment or development is limited.	The Board and management constantly monitor the market in which the Group operates. Long term financial planning is undertaken on a regular basis and production is focussed on the extraction of low cost ounces. Any expansion of existing operations will be funded out of surplus cash and/or pipeline finance. Any major development capital for the Northern Limb and Volspruit projects remains on hold until the market improves significantly and/or mining rights are obtained and will be reassessed by the Board on an on-going basis.

Sustained resources

Risk and impact:	Mitigation:
The retreatment of dump material has a finite life and it is essential for the long-term continuation of the SDO that additional feed material is found and committed to the plants.	The majority of operations have dump resources which will provide several years of production. The risk is further mitigated by the current arisings from the host mines which are fed through the SDO. These feed sources will be available to the Group for the life of the mine and are currently not at risk. A new project has been identified to increase forecast ounce production from dump resources. Opportunities to acquire additional resources and the ability to expand the life of the SDO are continually being investigated by the Board and senior management.

Capital project selection

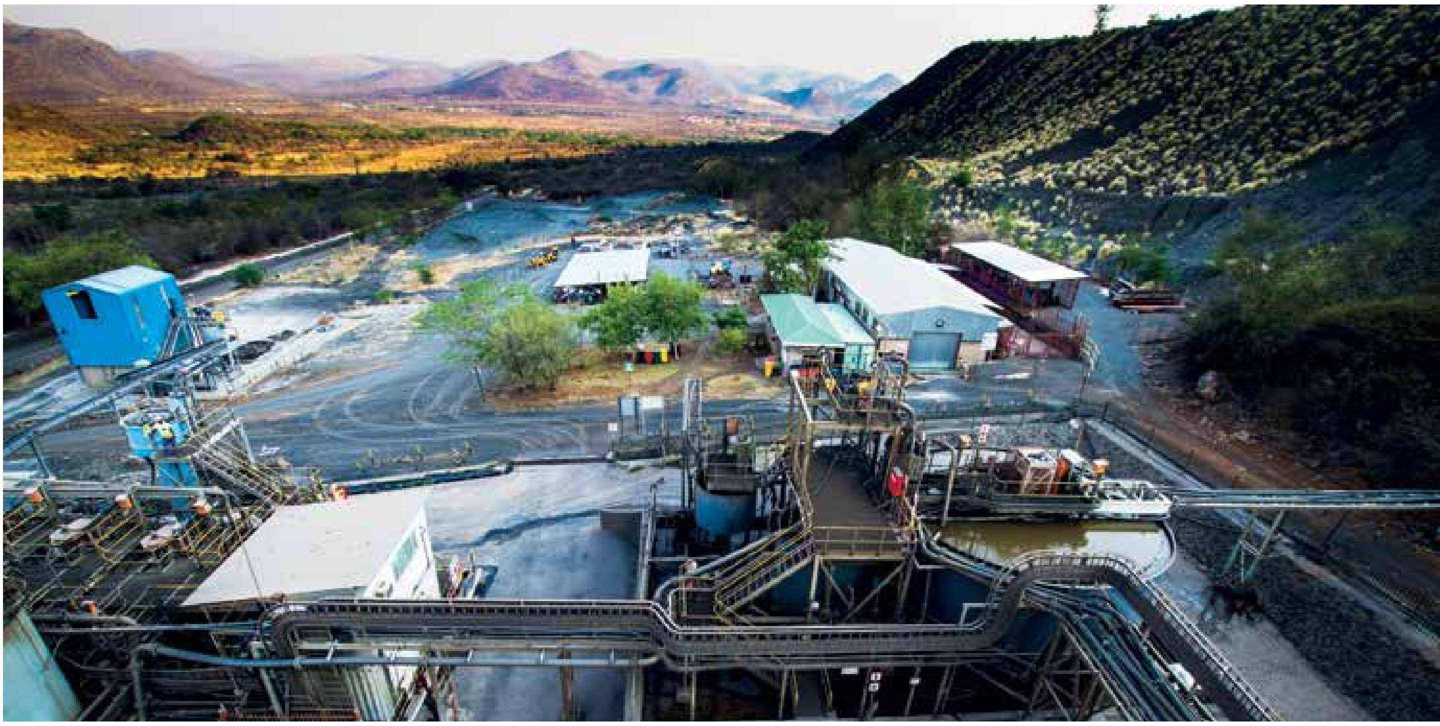
Risk and impact:	Mitigation:
It is essential that the selection of projects on which to spend the limited capital that is available, must provide investors with the required returns and strategic outcomes. Incorrect decision making and large capital overruns could have a significant impact on the sustainability of the Group.	Detailed analysis and due diligence are performed on all potential capital projects and are only considered where the Internal Rate of Return (IRR) is at least 20%.

Failure to attract and retain key staff

Risk and impact:	Mitigation:
The Group relies on a small team of experienced professionals for its success. The loss of key personnel and the failure to attract appropriate staff may cause short-term disruption to the business.	In order to reduce this risk, key employees have been given longer notice periods and a share option scheme. Succession planning also features on the agenda at Board meetings.

Country risk

Risk and impact:	Mitigation:
The Group's operations are all in South Africa. The mining labour environment as well as community unrest in South Africa continues to be a concern for the sector in general.	Directors and management place great emphasis on maintaining constructive relations with labour through ongoing communication, engagement and awareness within the communities within which the Group operates.



"The consolidated profit before tax expense of the Group for the year was $6.0 million (FY2015: $3.6 million)."

GROUP FINANCIAL RESULTS

RESULTS FOR THE YEAR

The consolidated profit before tax expense of the Group for the year was $6.0 million (FY2015: $3.6 million). This increase in profit before tax is primarily due, in addition to a weaker ZAR/$ exchange rate, to an increase in gross profit of the SDO of 19% as well as a decrease in general and administration costs of 31%. Further non-cash expenses include depreciation of $5.3 million and share-based payments of $0.3 million. The Group adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and impairment) for the year was $11.1 million, a 9% improvement on the prior year.

Production throughput increased by 2% from 2,129,352 tonnes to 2,179,468 tonnes and total ounces produced increased by 5% to 60,643 PGM ounces for the year from 57,587 ounces in the prior year. Revenue decreased by 17% from $47.8 million in FY2015 to $39.5 million for the current year primarily due to the gross basket price dropping 21% from $1,072/oz in FY2015 to $850/oz. Cost of sales (direct and indirect costs of production) decreased by 23%.

Capital spend decreased during the current financial year and consists of $0.3 million exploration expenditure and $1.5 million additions to property, plant and equipment.

The cash balance at 30 June 2016 was $6.7 million (FY2015: $8.4 million). Cash generated from operations before working capital movements was $11.5 million, with net changes in working capital amounting to a reduction of $6.2 million, $1.9 million of which can be attributed to the repayment of the 3 month pipeline financing on the sale of concentrate. A further $3.6 million in tax payments was made. Major spend items include $0.3 million spent on the rehabilitation insurance guarantee (FY2015: $0.5 million), $0.3 million on exploration activities (FY2015: $0.6 million), $1.2 million on stay in business capital for the SDO plants (FY2015: $2.7 million) and $1.1 million on share transactions (FY2015: $0.7 million). A repayment of $0.3 million (FY2015: $0.5 million) was received from Ironveld Holdings (Pty) Ltd under the terms of the loan agreement with Ironveld Plc. The impact of exchange rate fluctuations on cash held at year end was $0.8 million (FY2015: $1 million).

Group cash profit (earnings after interest and tax paid before non-cash items including depreciation, amortisation, impairment, foreign exchange loss, share-based payments, rehabilitation provision movements and deferred tax) was $8.2 million (FY2015: $8.4 million).

For more details on the financial performance of the Group please refer to the financial statements.

REVIEW OF OPERATIONS AND EXPLORATION

A detailed review of operations and exploration activities has been included in the CEO's review.

CORPORATE MATTERS

SHARE BUY-BACKS

During the year, a total of 7,383,974 ordinary shares of $0.01 each in Sylvania Platinum Limited were repurchased at prices ranging from 6.48 to 10.00 pence per share.

REDUCTION OF PAR VALUE OF SHARES

Pursuant to the resolutions approved at its Annual General Meeting on 30 October 2015, the par value of each authorised share has reduced from US$0.10 per common share to US$0.01 per common share, effective as of 30 October 2015.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Additional comments on expected results of operations of the Group are included in the operational performance section in the CEO's review.

ENVIRONMENTAL LEGISLATION

The Group is subject to significant environmental legal regulations in respect of its exploration and evaluation activities in South Africa. There have been no known significant breaches of these regulations and principles by the Group.

MEETINGS OF DIRECTORS

During the financial year under review, there were 3 formal directors' meetings and a strategy session. All other matters that required formal Board resolutions were dealt with via written circular resolutions and through the holding of conference calls. In addition, the directors met on an informal basis at regular intervals during the year to discuss the Group's affairs and made an annual plant visit.

"During the year, a total of 7,383,974 ordinary shares of $0.01 each in Sylvania Platinum Limited were repurchased at prices ranging from 6.48 to 10.00 pence per share."

The number of formal meetings of the Group's Board of directors attended by each director was:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended	Number of meetings eligible to attend	Number of meetings attended
TM McConnachie	3	3	–	–	–	–
SA Murray	3	3	–	–	2	2
RA Williams	3	3	3	3	2	2
E Carr	3	3	3	3	–	–

DIRECTORS' INTEREST IN SHARES AND OPTIONS

The following relevant interests in the shares and options of the Company or related body corporate were held by the directors as at the reporting date:

SHARES AND OPTIONS

2016	Common Shares	Share options
TM McConnachie	4,615,000	400,000
SA Murray	200,000	800,000
RA Williams	907,000	160,000

DIRECTORS AND KEY MANAGEMENT PERSONNEL

The key management personnel of the Group are the directors of the Company and those executives that report directly to the Chief Executive Officer or as determined by the Board. Details of directors and key personnel remuneration is as follows:

DIRECTORS AND KEY MANAGEMENT REMUNERATION

	Short Term Benefits			Share-based payment	Total
2016	Cash salary/ Consulting fees	Bonus[1]	Directors' fees	Equity shares/ share options	
	$	$	$	$	$
Directors					
TM McConnachie	416,719	–	60,000	66,516	543,235
SA Murray	–	–	100,000	37,917	137,917
RA Williams	–	–	60,000	15,002	75,002
E Carr	22,000	–	60,000	–	82,000
	438,719	**–**	**280,000**	**119,435**	**838,154**
Other key management	771,933	70,614	–	98,024	940,571
	1,210,652	**70,614**	**280,000**	**217,459**	**1,778,725**

[1] *Cash bonuses were awarded to directors and key personnel based on individual performance.*

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year, the Company paid premiums in respect of a contract insuring all directors and officers of the Company against liabilities incurred as directors or officers. Due to confidentiality clauses in the contract the amount of the premium has not been disclosed. The Company has no insurance policy in place that indemnifies the Company's auditors.

GOING CONCERN

Details of the financial and operating performance and cash flows of the Group are set out in the CEO's review. In addition, the Group's financial risk management objectives and policies are detailed in note 22 and available borrowing facilities are set out in note 11. After reviewing the financial position, operational performance, budgets and forecasts as well as timing of cash flows and sensitivity analyses, the directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. It is for this reason that the consolidated financial statements have been prepared on the going concern basis.

EVENTS AFTER THE REPORTING PERIOD

On 14 July 2016, the DMR approved the Section 11 application to transfer the portion of the Mining Right held by Hacra Mining and Exploration Company (Pty) Ltd for heavy metals, iron and vanadium to Ironveld (Pty) Ltd in terms of the Ironveld transaction entered into in August 2012.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Signed in accordance with a resolution of the directors.

TM McConnachie
Chief Executive Officer
30 August 2016

CORPORATE GOVERNANCE STATEMENT

The Company, being listed on AIM, is not required to comply with the UK Corporate Governance Code (the Code), however the directors support the objectives of the Code and intend to comply with those aspects that they consider relevant to the Group's size and circumstances. Any applicable changes as a result of the revised 2016 Code will be implemented in the financial year commencing 1 July 2016.

THE BOARD OF DIRECTORS

The Board's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the corporate and operational strategy and holds regular Board meetings to review planning, operational and financial performance. The Board is responsible for setting the Group's values and standards and ensuring that its obligations to shareholders and others are met.

The Board comprises four members being the independent non-executive Chairman, two independent non-executive directors, and one executive director; the details of whom are outlined in the Director's report. There is a clear division of responsibilities at the head of the Group through the separation of the positions of Chairman and the Chief Executive Officer.

The Board currently comprises:

SA Murray	Independent Non-executive Chairman
TM McConnachie	Chief Executive Officer
RA Williams	Independent Non-executive Director
E Carr	Independent Non-executive Director

RISK ASSESSMENT

The Board undertakes on-going risk assessment to identify and consider major internal and external risks to the business model of the Group. Principal risks and uncertainties are detailed in the Directors' report.

SHAREHOLDER RELATIONS

Management and the Chairman meet regularly with major shareholders to develop a balanced understanding of the issues and concerns of shareholders. The Chairman ensures that the views of shareholders are communicated to the Board as a whole.

The directors have established Audit and Remuneration Committees. Board appointments, succession planning, Corporate Governance and sustainability issues are dealt with by the full Board of directors.

"Management and the Chairman meet regularly with major shareholders to develop a balanced understanding of the issues and concerns of shareholders."

"Under its terms of reference, the Remuneration Committee assists the Board to determine the remuneration arrangements and contracts of the executive directors and senior employees."

AUDIT COMMITTEE

The membership of the Audit Committee comprises Roger Williams (chairman) and Eileen Carr, both of whom are qualified accountants. The Audit Committee invites representatives of the external auditor as well as management to all committee meetings. The Audit Committee is satisfied that the Group's auditors are independent.

The Audit Committee met three times during the year to consider the following agenda items:

August 2015:

- Annual Report for the year ended 30 June 2015
- External audit report on the Group Annual Financial Statements for the year ended 30 June 2015
- Intra-group loans accounting and tax treatment
- Going concern and working capital requirement/cash forecast
- Impairment
- Subsequent events
- Taxation

February 2016:

- Half year results and report to 31 December 2015
- External audit report on half year
- Impairment
- Going concern assessment
- Internal controls
- IT security

May 2016:

- External audit strategy and plan
- Cyber security

All press releases, including quarterly results, are approved by the entire Board.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Roger Williams, who is the chairman, and Stuart Murray. During the year under review, the Remuneration Committee met formally twice.

Under its terms of reference, the Remuneration Committee assists the Board to determine the remuneration arrangements and contracts of the executive directors and senior employees. It also reviews the Board and executives' key performance indicators, as well as performance-related pay and share option allocations.

No director is involved in reviewing his own remuneration. The directors' remuneration report, which includes details of the directors' interests in options and shares is set out in the Directors' report.

The independent non-executive directors may, if needed, seek independent professional advice, at the Group's expense, in the execution of their duties.

NOMINATIONS COMMITTEE

The role of the Nominations Committee is undertaken by the full Board of directors. The Nominations Committee is charged with finding suitable candidates for nomination for appointment to the Board of directors.

INTERNAL CONTROLS

The effectiveness of the internal controls is overseen by the Board of directors and is operationally monitored by the management on various organisational levels. The Group's financial control function is responsible for periodically testing the controls and overseeing the commitments entered into in connection with the operations of the Group.

The Group does not have a separate internal audit function to evaluate and test the operating procedures and processes relating to internal controls. The establishment of an internal audit function is considered by the Audit Committee and the Board of directors annually and is regularly discussed with the Group's external auditors. The stage of development and operational scope of the Group have, in the Board of directors' view, not yet warranted the establishment of an internal audit function.

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The directors have elected to prepare the Group financial statements under IFRS.

International Accounting Standard I requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

The directors are also responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of the Group and the undertakings included in the consolidation taken as a whole; and
2. the sections of the annual report include a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

TM McConnachie
Chief Executive Officer
30 August 2016

INDEPENDENT AUDITOR'S REPORT

KPMG Inc
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Fax +27(0)11 647 8000
Docex 472 Johannesburg

TO THE SHAREHOLDERS OF SYLVANIA PLATINUM LIMITED

We have audited the consolidated financial statements of Sylvania Platinum Limited, which comprise the consolidated statement of financial position at 30 June 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 24 to 70.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of Sylvania Platinum Limited at 30 June 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG Inc

Per Alwyn van der Lith
Chartered Accountant (SA)
Registered Auditor
Director
30 August 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenue	4(a)	**39,510,771**	47,790,535
Cost of sales		**(31,780,332)**	(41,280,681)
Gross profit		**7,730,439**	6,509,854
Other income	4(b)	**42,985**	54,534
Profit/(loss) on sale of property, plant and equipment		**5,734**	(78)
Foreign exchange gain		**288,528**	235,109
Profit on sale of financial assets at fair value through profit and loss		**729**	–
Loss on sale of available-for-sale financial assets		**(4,851)**	–
Impairment of available-for-sale financial assets		**–**	(7,250)
Impairment of exploration and evaluation assets	9	**(8,280)**	(18,552)
General and administrative costs		**(2,259,578)**	(3,270,718)
Operating profit before finance costs and income tax expense		**5,795,706**	3,502,899
Finance income	4(e)	**396,399**	413,245
Finance costs	4(e)	**(218,270)**	(311,688)
Profit before income tax expense	4(c)(d)	**5,973,835**	3,604,456
Income tax expense	5	**(2,240,300)**	(1,907,567)
Net profit for the year		**3,733,535**	1,696,889
Other comprehensive loss			
Items that are or may be subsequently reclassified to profit and loss:			
Available-for-sale financial assets – net change in fair value	15	**–**	(4,179)
Foreign currency translation	15	**(10,010,647)**	(18,683,558)
Total other comprehensive loss (net of tax)		**(10,010,647)**	(18,687,737)
Total comprehensive loss for the year		**(6,277,112)**	(16,990,848)
Profit attributable to:			
Owners of the parent		**3,733,535**	1,696,889
		3,733,535	1,696,889
Total comprehensive loss attributable to:			
Owners of the parent		**(6,277,112)**	(16,990,848)
		(6,277,112)	(16,990,848)

		Cents	Cents
Profit per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	6	**1.28**	0.57
Diluted earnings per share	6	**1.24**	0.55

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2016

	Notes	2016 $	2015 $
ASSETS			
Non-current assets			
Investments in associates	7	–	–
Other financial assets	8	**710,055**	509,106
Exploration and evaluation assets	9	**55,723,424**	58,785,429
Property, plant and equipment	10	**30,132,591**	40,984,682
Total non-current assets		**86,566,070**	100,279,217
Current assets			
Cash and cash equivalents	11	**6,707,022**	8,416,342
Trade and other receivables	12	**16,055,698**	13,150,608
Other financial assets	8	**1,343,255**	1,823,362
Inventories	13	**1,693,024**	964,973
Current tax asset		**80,679**	–
Total current assets		**25,879,678**	24,355,285
Total assets		**112,445,748**	124,634,502
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	14	**2,979,819**	29,798,190
Reserves	15	**66,917,322**	50,910,179
Retained profits	16	**21,164,125**	17,430,590
Total equity		**91,061,266**	98,138,959
Non-current liabilities			
Interest-bearing loans and borrowings	17	**171,286**	216,547
Provisions	18	**2,809,228**	2,974,536
Deferred tax liability	5	**12,076,899**	16,090,844
Total non-current liabilities		**15,057,413**	19,281,927
Current liabilities			
Trade and other payables	19	**6,115,147**	6,938,983
Interest-bearing loans and borrowings	17	**211,922**	265,442
Current tax liability		–	9,191
Total current liabilities		**6,327,069**	7,213,616
Total liabilities		**21,384,482**	26,495,543
Total liabilities and shareholders' equity		**112,445,748**	124,634,502

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Issued capital	Share premium reserve	Reserve for own shares	Retained profits	Share-based payment reserve	Foreign currency translation reserve	Non-controlling interest reserve	Equity reserve	Total equity
	$	$	$	$	$	$	$	$	$
Balance as at 1 July 2015	**29,798,190**	**148,887,370**	**(259,184)**	**17,430,590**	**4,052,481**	**(32,249,982)**	**(39,779,293)**	**(29,741,213)**	**98,138,959**
Profit for the year	**–**	**–**	**–**	**3,733,535**	**–**	**–**	**–**	**–**	**3,733,535**
Other comprehensive loss	**–**	**–**	**–**	**–**	**–**	**(10,010,647)**	**–**	**–**	**(10,010,647)**
Total comprehensive loss for the year	**–**	**–**	**–**	**3,733,535**	**–**	**(10,010,647)**	**–**	**–**	**(6,277,112)**
Share transactions									
– Treasury shares acquired	**–**	**–**	**(945,759)**	**–**	**–**	**–**	**–**	**–**	**(945,759)**
– Share-based payments	**–**	**–**	**–**	**–**	**326,594**	**–**	**–**	**–**	**326,594**
– Share options and bonus shares exercised	**–**	**–**	**467,259**	**–**	**(648,675)**	**–**	**–**	**–**	**(181,416)**
Reduction in par value	**(26,818,371)**	**26,818,371**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balance as at 30 June 2016	**2,979,819**	**175,705,741**	**(737,684)**	**21,164,125**	**3,730,400**	**(42,260,629)**	**(39,779,293)**	**(29,741,213)**	**91,061,266**

	Issued capital	Share premium reserve	Reserve for own shares	Retained profits	Net unrealised gains reserve	Share-based payment reserve	Foreign currency translation reserve	Non-controlling interest reserve	Equity reserve	Total equity
	$	$	$	$	$	$	$	$	$	$
Balance as at 1 July 2014	29,515,534	149,608,193	–	15,733,701	4,179	3,894,315	(13,566,424)	(39,779,293)	(29,741,213)	115,668,992
Profit for the year	–	–	–	1,696,889	–	–	–	–	–	1,696,889
Other comprehensive loss	–	–	–	–	(4,179)	–	(18,683,558)	–	–	(18,687,737)
Total comprehensive loss for the year	–	–	–	1,696,889	(4,179)	–	(18,683,558)	–	–	(16,990,848)
Share transactions										
– Capital raising costs transferred	282,656	(282,656)	–	–	–	–	–	–	–	–
– Treasury shares acquired	–	–	(729,641)	–	–	–	–	–	–	(729,641)
– Share-based payments	–	–	–	–	–	1,011,754	–	–	–	1,011,754
– Share options and bonus shares exercised	–	–	470,457	–	–	(853,588)	–	–	–	(383,131)
– Minex shares settled	–	(438,167)	–	–	–	-	–	–	–	(438,167)
Balance as at 30 June 2015	29,798,190	148,887,370	(259,184)	17,430,590	–	4,052,481	(32,249,982)	(39,779,293)	(29,741,213)	98,138,959

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts from customers		**34,237,910**	49,133,423
Payments to suppliers and employees		**(29,213,329)**	(37,670,272)
Finance income		**240,005**	253,988
Realised foreign exchange gain		**271,190**	13,441
Exploration expenditure		**(5,168)**	(1,392)
Finance costs		**(41,271)**	(55,262)
Taxation paid	20(b)	**(3,560,092)**	(2,591,831)
Net cash inflow from operating activities	20(a)	**1,929,245**	9,082,095
Cash flows from investing activities			
Purchase of property, plant and equipment		**(1,180,453)**	(2,658,768)
Payments for exploration and evaluation assets		**(283,128)**	(624,084)
Payment for rehabilitation insurance guarantee		**(265,003)**	(504,257)
Proceeds from sale of financial assets		**13,908**	–
Receipt of loan repayment from Ironveld Holdings		**277,200**	525,000
Net cash outflow from investing activities		**(1,437,476)**	(3,262,109)
Cash flows from financing activities			
Repayment of borrowings		**(241,079)**	(181,500)
Payment for treasury shares		**(945,759)**	(729,641)
Payment for settlement of share options and bonus shares		**(181,416)**	(383,131)
Settlement of Minex shares		**–**	(438,167)
Net cash outflow from financing activities		**(1,368,254)**	(1,732,439)
Net (decrease)/increase in cash and cash equivalents		**(876,485)**	4,087,547
Effect of exchange fluctuations on cash held		**(832,835)**	(991,552)
Cash and cash equivalents, beginning of year		**8,416,342**	5,320,347
Cash and cash equivalents, end of year	11	**6,707,022**	8,416,342

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. CORPORATE INFORMATION

The consolidated financial statements of Sylvania Platinum Limited (Sylvania or the Company) for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 30 August 2016. Sylvania is a limited company incorporated and domiciled in Bermuda whose shares are publicly traded. Sylvania's registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. These consolidated financial statements comprise the Company and its subsidiaries and investments in associates (collectively the Group).

The principal activity of the Group during the financial year was investment in mineral exploration and mineral treatment projects. Operational focus during the financial year was concentrated on the retreatment plants.

The consolidated financial statements represent the ongoing activities of the Sylvania Group.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale investments, embedded derivatives and investments measured at fair value through profit and loss, which have been measured at fair value.

Functional and presentation currency

The consolidated financial information is presented in US Dollars and the parent's functional currency is Australian Dollars. The presentation currency differs from the functional currency of the parent as the sales of platinum metals are denominated in US Dollars and alignment of the presentation currency with the sales price is considered to provide more useful information to the users of the financial statements. All amounts have been rounded to the nearest US Dollar, unless otherwise indicated.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS as issued by the IASB.

Changes in accounting policies

The accounting policies adopted are consistent with those in the previous financial year.

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period.

Estimates and underlying assumptions are continuously evaluated, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is described below.

Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 Financial Instruments: Recognition and Measurement to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Assessment of inter-company loans as net investments in foreign operations

Settlement of certain inter-company loans to South African entities denominated in Australian Dollars is neither planned nor likely to occur in the foreseeable future and the loans are therefore considered to be in substance, part of the Group's net investment in the foreign operations. The exchange differences arising on these loans are recognised in the Group's other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Estimation uncertainty and assumptions

Information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is described below.

Revenue recognition

The accounting policy for sale of PGM concentrates is set out in note 2.3(b). The determination of revenue from the time of initial recognition of the sale through to final pricing requires management to re-estimate the fair value of the price adjustment feature continuously. Management determines this with reference to estimated forward prices.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model, using the assumptions detailed in note 21.

Exploration and evaluation carrying values

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves (refer to accounting policy note 2.3(j)). The determination of a Joint Ore Reserves Committee (JORC) or SAMREC resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available that suggests that the recovery of expenditure is unlikely, the amount capitalised is written off to profit or loss in the period in which the new information becomes available.

Provision for restoration and rehabilitation and decommissioning of plant and equipment

The Group assesses its restoration and rehabilitation and decommissioning of plant and equipment provision annually. Significant estimates and assumptions are made in determining the provision as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

If the change in estimate results in an increase in the restoration and rehabilitation liability and therefore an addition to the carrying value of the asset, the Group is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36.

The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Impairment of assets

The Group assesses each asset or cash generating unit (CGU) at the end of each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, operating costs, future capital requirements, exploration potential, closure and rehabilitation costs and operating performance. These estimates and assumptions are inherently uncertain and could change over time, which may impact the recoverable amount of assets and/or CGUs.

Fair value is determined as the price that would be received to sell an asset in an orderly transaction between market participants at measurement date. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual mine site or retreatment plant, which is the lowest level for which cash inflows are largely independent of those of other assets.

Key assumptions used in the assessment of impairment of assets

The recoverable amounts of the Group's retreatment plants have been based on cash flow projections as at 30 June 2016. The internal financial model is based on the known and confirmed resources for each plant, and no allowance has been made for expansion capital in accordance with IAS 36 Impairment of Assets.

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *continued*

Key assumptions used in the assessment of impairment of assets *continued*

The calculation of value in use is sensitive to changes in the available resources, discount rates, commodity price and operating costs. Changes in key assumptions could cause the carrying value of assets to exceed their recoverable amounts.

Resources – The resources for each plant, including the PGM grade and expected recoveries that have been modelled are based on extensive test work, sampling and surveying. Where the useful life of a plant is possibly longer than the material currently available to be processed, alternative feed sources have been considered and the likelihood of these materialising assessed by management.

Discount rate – The discount rate reflects management's estimate of the time value of money and the risk associated with the plants. The base discount rate of 9.75% (2015: 7.5%) is the risk free rate as determined by five year South African retail bonds and this has been increased by a risk premium of 2.75% (2015: 5%).

Commodity price – The Group has used forecast commodity prices obtained from reputable publications and these range for years from 2017 – 2021 between $1,034 and $1,346/oz (2015: $1,400 and $1,600) for platinum and $618 to $763/oz (2015: $850 to $875) for palladium. Sensitivities have also been run at lower prices.

Operating costs – Operating costs are calculated on a Rand/ton basis, known contractor rates and planned labour.

Exchange rates – Platinum group metals are priced in USD. The USD/Rand exchange rate used in the discounted cash flow model ranges for years from 2017 – 2021 from 12.02 ZAR/$1 to 15.04 ZAR/$1 (2015: 12.29 ZAR/$1 to 12.65 ZAR/$1).

Recovery of deferred tax assets

Judgement is required in determining whether deferred tax assets are recognised on the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

Inventories

Net realisable value tests are performed at least annually and represent the estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained PGM ounces based on assay data, and the estimated recovery percentage based on the expected processing method.

Stockpile tonnages are verified by periodic surveys.

Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the use of discounted cash flow models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions and any unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where ownership of a subsidiary is less than 100%, and therefore a non-controlling interest/s exists, any losses of that subsidiary are attributed to the non-controlling interest/s even if that results in a deficit balance. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, the carrying amount of any non-controlling interest and other components of equity, including the cumulative translation differences recognised in equity. The consideration received and any investment retained is recognised at fair value and any resulting surplus or deficit is recognised in profit or loss. The parent's share of the components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate.

Interests in equity-accounted entities

The Group's interests in equity-accounted entities comprise interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method. Under the equity method, the investment is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate, until the date on which significant influence ceases.

The statement of comprehensive income reflects the Group's share of the results of operations of the associate. Where there has been a change recognised directly in other comprehensive income or equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in other comprehensive income and the statement of changes in equity. Unrealised gains resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The Group's share of profit or loss of an associate is shown on the face of the statement of comprehensive income. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investments in associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(b) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered to be passed to the buyer at the time of delivery of the goods to the customer.

For PGM concentrate sales, the sales are initially recognised at the date of delivery. Adjustments to the sale price occur based on movements in the metal market price up to the date of final pricing. Final pricing is based on the monthly average market price in the month of settlement. The period between initial recognition and final pricing is typically between two and four months. Revenue is initially recorded at the estimated fair value of the consideration receivable.

The revenue adjustment mechanism embedded within sales arrangements has the characteristics of a commodity derivative. Accordingly the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in profit or loss and trade debtors in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices.

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where surplus funds are available for a short term, out of money borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.

(d) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date; whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the general policy on borrowing costs – refer note 2.3(c).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the lease term and is included in other income in profit or loss.

(e) Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave due to be settled wholly within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(f) Share-based payment transactions

Equity settled transactions

The Group provides benefits to employees and consultants (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The charge or credit recognised in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The entity does not subsequently reverse the amount recognised for services received from an employee if the vested equity instruments are later forfeited, except for awards where vesting is only conditional upon a market condition or non-vesting condition. These are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding shares and options issued is reflected as additional share dilution in the computation of earnings per share (see note 6).

(g) Foreign currency translation

The Group's consolidated financial statements are presented in US dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency by applying the exchange rates ruling at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

All resulting exchange differences are taken to profit and loss.

Group companies

As at the reporting date on consolidation, the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date and their statements of comprehensive income are translated at the weighted average exchange rate for the year. The exchange differences arising on the translation for consolidation are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Monetary assets and liabilities that are receivable from or payable to a foreign subsidiary and for which settlement is neither planned nor likely to occur in the foreseeable future, forms part of the net investment in a foreign operation and the resulting exchange differences are recognised in other comprehensive income. The repayment of such a balance is not considered to be a partial disposal and the cumulative exchange differences recognised in other comprehensive income is not reclassified to profit or loss, until the foreign entity is disposed of.

(h) Income tax

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

- temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(h) Income tax *continued*

Deferred tax continued

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled by the parent or investor and it is probable that the temporary differences will not reverse in the foreseeable future; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Royalties, resource rent taxes and revenue-based taxes

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income – rather than based on quantity produced or as a percentage of revenue – after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements that do not satisfy these criteria are recognised as current liabilities and included in expenses.

(i) Property, plant and equipment

Property, plant and equipment and mine properties are stated at cost, less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of finance leases are also included within property, plant and equipment.

Upon completion of mine construction, the assets are transferred into property, plant and equipment or mine properties. When a mine construction project moves into the production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

Depreciation/amortisation

Any premium paid in excess of the intrinsic value of land to gain access is amortised over the life of mine.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows (for the current and comparative periods):

- mining properties, plant and equipment – ten years
- leasehold improvements – three years
- computer equipment and software – three years
- furniture and fittings – six years
- office equipment – five years
- equipment and motor vehicles – five years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period, and adjusted prospectively if appropriate.

Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset or part of an asset that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the replacement item will flow to the Group, the expenditure is capitalised.

Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other day to day maintenance costs are expensed as incurred.

(j) Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred when the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and

(ii) at least one of the following conditions is also met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, gathering exploration data through geophysical studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Where a decision has been made to proceed with development in respect of a particular area of interest and once JORC or SAMREC compliant reserves are established, the relevant exploration and evaluation assets are tested for impairment and the balance is then transferred to mine 'construction in progress'. No amortisation is charged during the exploration and evaluation phase.

Upon transfer of 'exploration and evaluation assets' into 'construction in progress', all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised.

(k) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the asset is tested as part of a larger CGU.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. Impairment losses are allocated to reduce the carrying amounts of the assets in the CGU on a *pro rata* basis.

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(k) Impairment of non-financial assets continued

Impairment losses of continuing operations, including impairment of inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. An impairment loss in respect of goodwill is not reversed.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

(l) Financial instruments – initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 'Financial Instruments: Recognition and Measurement' are classified as financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. For financial assets at fair value through profit or loss, directly attributable transaction costs are recognised in profit or loss as incurred.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes any derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss.

The Group evaluated its financial assets as held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and accumulated in the net unrealised gains reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in profit or loss. The losses arising from impairment are recognised in profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired.
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For an investment in an equity instrument, objective evidence includes a significant or prolonged decline in its fair value below its cost.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance revenue in profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

2. SIGNIFICANT ACCOUNTING POLICIES continued

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

(l) Financial instruments – initial recognition and subsequent measurement continued

Impairment of financial assets continued

Financial assets carried at amortised cost continued

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the unrealised gains reserve to profit or loss. The amount reclassified is the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale financial asset subsequently increases and the increase can be related to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise it is reversed through other comprehensive income. An impairment loss on available-for-sale financial assets are only recognised in profit or loss when the impairment is significant or prolonged.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or at amortised cost, as appropriate. Trade and other payables and loans and borrowings are measured at amortised cost. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value less, in the case of financial liabilities at fair value through profit or loss, directly attributable transaction costs.

The Group's other financial liabilities include trade and other payables, and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments and further details as to how these instruments are measured are provided in note 22.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into a current and non-current portion based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- when the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.
- embedded derivatives that are not closely related to the host contract are classified consistent with the cash flows of the host contract.
- derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instrument is separated into a current portion and a non-current portion only if a reliable allocation can be made.

Normal purchase or sale exemption

Contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements fall within the exemption from IAS 32 and IAS 39, which is known as the 'normal purchase or sale exemption' (with the exception of those with quotation period clauses, which result in the recognition of an embedded derivative. Refer note 2.3(l) Financial assets –Financial assets at fair value through profit or loss for more information). These contracts and the host part of the contracts containing embedded derivatives are accounted for as executory contracts. The Group recognises such contracts in its statement of financial position only when one of the parties meets its obligation under the contract to deliver either cash or a non-financial asset.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available-for-sale, interest income is recorded using the EIR, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Cash and cash equivalents

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade and other receivables

Trade receivables include actual invoiced sales of PGM concentrate as well as sales not yet invoiced for which deliveries have been made and the risks and rewards of ownership have passed. The receivable amount calculated for the PGM concentrate delivered but not yet invoiced is recorded at the fair value of the consideration receivable at the date of delivery. At each subsequent reporting date and at the date of settlement, the receivable is restated to reflect the fair value movements in the pricing mechanism which is considered to represent an embedded derivative.

Other receivables are stated at cost less any allowance for uncollectable amounts. An allowance is made when there is objective evidence that the Group will not be able to collect debts. Bad debts are written off when identified.

(m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- raw materials – purchase cost on a first-in, first-out basis; and
- finished goods and work in progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

(n) Provisions

Where applicable, provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Rehabilitation provision

The Group records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development/construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognised in profit or loss as a finance cost. Changes in rehabilitation costs relating to the asset will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur. Additional disturbances as a result of producing inventories are treated as a cost of producing inventories and recognised in profit or loss when sold.

For closed sites, changes to estimated costs are recognised immediately in profit or loss.

(o) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Treasury shares (employee share plan shares) are deducted from equity and no gain or loss is recognised in profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments.

(p) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share are calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares,
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

2.4 NEW STANDARDS AND INTERPRETATIONS

Future Accounting Standards

Certain IFRSs and IFRICs have recently been issued or amended but are not yet effective and have not been adopted by the Group as at the annual reporting period ended on 30 June 2016. None of these are expected to have a significant impact on the Group' consolidated financial statements, with possible exceptions described below.

Reference	Title	Summary	Application date of standard	Application date for Group
Amendments to IFRS 2	Share-Based Payment	The amendments provides new guidance on the classification and measurement of share-based payments relating to a) the measurement of cash-settled share-based payments b) classification of share-based payments settled net of withholdings tax and c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The impact of this amendment is currently being assessed, however it is unlikely that it will have a material impact on the Group's financial position or performance.	1 January 2018	1 July 2018
IFRS 9	Financial Instruments	IFRS 9 *Financial Instruments* is a new standard that replaces IAS 39 *Financial Instruments: Recognition and Measurement*. The standard includes requirements for the classification, measurement and derecognition of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. The impact of this standard is currently being assessed.	1 January 2018	1 July 2018
IFRS 15	Revenue from Contracts with Customers	IFRS 15 is a new standard that replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Arrangements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC 31 *Revenue: Barter Transactions Involving Advertising Services*. The standard requires entities to recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, which is achieved through a five step methodology. On initial assessment, the standard is not expected to affect the recognition or measurement of revenue but may result in increased disclosure.	1 January 2018	1 July 2018
IFRS 16	Leases	IFRS 16 is a new standard that replaces IAS 17 *Leases*, IFRIC 4 *Determining Whether an Arrangement Contains a Lease*, SIC 15 *Operating Leases – Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard requires a lessee to recognise a right-of-use asset and a lease liability for all leases that have a term greater than 12 months or a lease for which the underlying asset is not of a low value. The standard will result in a right-of use asset and a lease liability being recognised for operating leases that don't meet the recognition exemption. It is also likely to result in increased disclosure.	1 January 2019	1 July 2019

2. SIGNIFICANT ACCOUNTING POLICIES *continued*

2.4 NEW STANDARDS AND INTERPRETATIONS *continued*

Future Accounting Standards *continued*

Reference	Title	Summary	Application date of standard	Application date for Group
Amendments to IAS 1	Presentation of Financial Statements	The amendments are designed to encourage entities to apply professional judgement in determining what information to disclose in the financial statements. The amendments are unlikely to have a material impact on the Group's financial position, performance or disclosure.	1 January 2016	1 July 2016
Amendments to IAS 7	Statement of Cash Flows	The amendment provides additional disclosure requirements relating to changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes. The amendment is not expected to result in any changes to the statement of cash flows, however it is likely that it will result in increased disclosure.	1 January 2017	1 July 2017
Amendments to IAS 12	Income Taxes	The amendment clarifies the recognition requirements for deferred tax assets for unrealised losses. The amendment is unlikely to have a material impact on the Group's financial position or performance.	1 January 2017	1 July 2017
Amendments to IAS 16	Property, Plant and Equipment	The amendments establish the principle for the basis of depreciation as being the expected pattern of consumption of future economic benefits of an asset and clarifies that revenue is not an appropriate basis for measuring the consumption of future economic benefits of an asset. The impact of this amendment is unlikely to have a material impact on the Group's financial position or performance.	1 January 2016	1 July 2016

3. SEGMENT REPORTING

SEGMENT INFORMATION

For management purposes the chief operating decision maker, being the Board of directors of Sylvania Platinum Limited, reports its results per project. The Group currently has the following segments:

- seven operational retreatment processing plants:
  - Millsell
  - Steelpoort
  - Lannex
  - Mooinooi (two plants reported as a single unit)
  - Doornbosch
  - Tweefontein
- an open cast mining exploration project and a Northern Limb exploration project which is currently in the exploration phase.

The operating results of each project are monitored separately by the Board in order to assist them in making decisions regarding resource allocation as well as enabling them to evaluate performance. Segment performance is evaluated on PGM ounce production and operating costs. The Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2.3 of the financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following items are not allocated to any segment, as they are not considered part of the core operations of any segment:

- finance income;
- finance costs; and
- unallocated expenses (note 3(d))

The following tables present revenue and profit information and certain asset and liability information regarding reportable segments for the years ended 30 June 2016 and 30 June 2015.

	Millsell	Steelpoort	Lannex	Mooinooi	Doornbosch	Tweefontein	Exploration projects	Corporate/ Unallocated	Consolidated
	$	$	$	$	$	$	$	$	$
2016									
Segment assets	4,478,061	3,635,269	8,561,748	15,154,622	7,371,062	11,548,769	58,644,297	3,051,920	112,445,748
Capital expenditure*	1,052,936	1,236,290	5,666,261	9,042,050	3,236,452	6,683,398	58,563,982	374,646 (a)	85,856,015
Other assets	3,425,125	2,398,979	2,895,487	6,112,572	4,134,610	4,865,371	80,315	2,677,274 (b)	26,589,733
Segment liabilities	1,092,982	901,669	1,513,175	2,050,782	1,076,449	1,307,136	846,099	12,596,190 (c)	21,384,482
Segment revenue	6,531,278	3,092,060	3,482,629	10,641,089	7,357,839	8,405,876	–	396,399	39,907,170
Segment result	2,844,634	(823,351)	(1,618,844)	1,237,572	2,930,090	3,227,673	(303,067)	(3,761,172) (d)	3,733,535
Net profit for the year after tax									3,733,535
Included within the segment results:									
Depreciation	408,926	474,625	1,112,664	1,617,251	637,758	922,384	–	67,335	5,240,943 (e)
Direct operating costs	3,277,718	3,440,786	3,988,809	7,786,266	3,789,991	4,255,819	–	–	26,539,389 (f)
Impairment of exploration and evaluation assets	–	–	–	–	–	–	8,280	–	8,280
Other items:									
Income tax expense	–	–	–	–	–	–	–	2,240,300	2,240,300
Capital expenditure additions	49,299	62,908	237,171	706,124	58,949	165,119	291,095	209,375	1,780,040

** Capital expenditure consists of property, plant and equipment, and exploration and evaluation assets.*

3. SEGMENT REPORTING *continued*

SEGMENT INFORMATION *continued*

	Millsell	Steelpoort	Lannex	Mooinooi	Doornbosch	Tweefontein	Exploration projects	Corporate/ Unallocated	Consolidated
	$	$	$	$	$	$	$	$	$
2015									
Segment assets	4,933,732	3,525,816	9,502,884	17,921,508	7,697,926	12,461,121	62,336,876	6,254,639	124,634,502
Capital expenditure*	1,700,516	1,981,480	7,811,112	11,994,243	4,598,386	9,087,262	62,241,483	355,629 (a)	99,770,111
Other assets	3,233,216	1,544,336	1,691,772	5,927,265	3,099,540	3,373,859	95,393	5,899,010 (b)	24,864,391
Segment liabilities	1,147,739	1,079,425	1,539,738	2,269,767	1,171,395	1,580,687	1,325,134	16,381,658 (c)	26,495,543
Segment revenue	7,226,739	5,593,970	5,332,848	12,513,750	8,221,079	8,902,149	–	413,245	48,203,780
Segment result	2,682,391	688,653	(1,658,748)	(176,042)	2,848,888	2,195,297	(291,094)	(4,592,456) (d)	1,696,889
Net profit for the year after tax									1,696,889
Included within the segment results:									
Depreciation	533,988	633,015	1,406,434	2,015,043	827,918	1,110,022	–	70,585	6,597,005 (e)
Direct operating costs	4,010,360	4,272,302	5,585,162	10,674,749	4,544,273	5,596,830	–	–	34,683,676 (f)
Impairment of exploration and evaluation assets	–	–	–	–	–	–	18,552	–	18,552
Other items:									
Income tax expense	–	–	–	–	–	–	–	1,907,567	1,907,567
Capital expenditure additions	154,168	110,420	874,519	303,179	326,251	1,164,139	1,041,075	77,347	4,051,098

* *Capital expenditure consists of property, plant and equipment, and exploration and evaluation assets.*

	2016	2015
	$	$
Major items included in corporate/unallocated		
(a) Capital expenditure		
Property, plant and equipment	**374,646**	355,629
	374,646	355,629
(b) Other assets		
Cash and cash equivalents	**852,470**	3,615,543
Current tax asset	**80,679**	–
Other financial assets	**1,343,255**	1,842,394
Other	**400,870**	441,073
	2,677,274	5,899,010
(c) Liabilities		
Deferred tax	**12,076,899**	16,090,844
Interest-bearing loans and borrowings	**267,004**	175,972
VAT/GST payable	**213,536**	9,429
Current tax liability	**–**	9,191
Other	**38,751**	96,222
	12,596,190	16,381,658

	2016 $	2015 $
(d) Unallocated income and expenses		
Administrative salaries and wages	**1,135,450**	1,094,964
Auditors' remuneration	**81,959**	89,491
Consulting fees	**261,550**	661,667
Depreciation	**122,228**	136,302
Finance income	**(396,399)**	(413,245)
Finance costs	**218,270**	311,688
Foreign exchange gain	**(288,528)**	(235,109)
Impairment of available-for-sale financial assets	**–**	7,250
Legal expenses	**149,214**	153,311
Overseas travelling expenses	**170,827**	269,187
Premises leases	**37,982**	64,891
Share-based payments	**326,594**	1,011,754
Income tax expense	**2,240,300**	1,907,567
Other	**(298,275)**	(467,262)
	3,761,172	4,592,456
Reconciliations of total segment amounts to corresponding amount for the Group		
(e) Depreciation		
Included within cost of sales	**5,240,943**	6,597,005
Included within general and administrative costs	**54,893**	65,717
	5,295,836	6,662,722
(f) Cost of sales		
Direct operating costs	**26,539,389**	34,683,676
Depreciation	**5,240,943**	6,597,005
	31,780,332	41,280,681
Total segment revenue		
Sales	**39,510,771**	47,790,535
Finance income	**396,399**	413,245
Total revenue	**39,907,170**	48,203,780
Revenue from external customers by geographical location is detailed below. Revenue is attributed to geographic location based on the location of the customers. The Group does not have external revenues from external customers that are attributable to any foreign country other than as shown.		
South Africa	**39,510,771**	47,790,535
Total sales	**39,510,771**	47,790,535
Finance income by geographical location is detailed below:		
Australia	**2,509**	7,285
South Africa	**393,890**	405,960
Total finance revenue	**396,399**	413,245
Total revenue	**39,907,170**	48,203,780

3. SEGMENT REPORTING *continued*

SEGMENT INFORMATION *continued*

	2016 $	2015 $
The majority of sales of concentrate is to one specific customer (2015: two customers). Revenue is split according to segment as detailed below:		
Customer 1	**39,582,811**	24,326,455
Customer 2	**(72,040)**	23,464,080
	39,510,771	47,790,535
During the prior year, the contract for customer 2 was terminated in May 2015. The contract for customer 1 was renegotiated and became effective in July 2014.		
Analysis of location of non-current assets:		
Australia	**–**	19,032
South Africa	**86,566,070**	100,260,185
Total non-current assets	**86,566,070**	100,279,217

4. REVENUE AND EXPENSES

	2016 $	2015 $
(a) Revenue		
Sale of goods	**39,510,771**	47,790,535
	39,510,771	47,790,535
(b) Other income		
Scrap sales	**4,320**	4,196
Recoveries	**19,480**	26,242
Insurance claims	**–**	1,149
Rent received	**19,185**	22,947
	42,985	54,534
(c) Expenses		
Profit from ordinary activities before income tax expense includes the following specific expenses:		
Included in cost of sales:		
Depreciation – plant and equipment	**5,240,943**	6,597,005
Write-off of property, plant and equipment	**34,137**	–
Included in general and administrative costs:		
Consulting	**282,756**	704,017
Depreciation – other assets	**54,893**	65,717
Operating lease payments	**85,268**	127,620
Prospecting expenses	**5,168**	1,392
(d) Staff costs		
Salaries and wages included in cost of sales	**9,995,030**	11,332,798
Salaries and wages included in general and administrative costs	**1,191,160**	1,151,862
Share-based payments	**326,594**	1,011,754
	11,512,784	13,496,414
(e) Net finance income		
Interest income on loans and receivables	**396,399**	413,245
Finance income	**396,399**	413,245
Interest expense on financial liabilities measured at amortised cost	**(41,271)**	(110,987)
Unwinding of discount on rehabilitation and restoration provision	**(176,999)**	(200,701)
Finance costs	**(218,270)**	(311,688)
Net finance income recognised in profit or loss	**178,129**	101,557

	2016 $	2015 $
5. INCOME TAX EXPENSE		
Major components of tax expense for the years ended 30 June 2016 and 2015		
Income tax recognised in profit or loss		
Current income tax:		
Current income tax charge	**3,473,266**	2,580,653
Adjustments in respect of current income tax of previous year	**(3,677)**	–
Securities transfer tax	**–**	18,657
Deferred income tax:		
Relating to recognition, origination and reversal of temporary differences	**(1,229,289)**	(691,743)
Total tax expense	**2,240,300**	1,907,567
The *prima facie* income tax expense on pre-tax accounting profit or loss from operations reconciles to the income tax expense in the financial statements as follows:		
Accounting profit before income tax	**5,973,835**	3,604,456
Tax expense at rate of 28%	**1,672,674**	1,009,248
Non-deductible expenses	**205,040**	856,062
Over provision in respect of prior year	**(3,677)**	–
Benefit of tax losses and temporary differences not brought to account	**367,788**	23,600
Securities transfer tax	**–**	18,657
Assessed loss utilised	**(1,525)**	–
Income tax expense	**2,240,300**	1,907,567

Sylvania Platinum Limited is a Bermudan incorporated company and has no tax liability under that jurisdiction with respect to income derived. Certain foreign subsidiaries generated income that is subject to the applicable tax in the countries from which such income is derived.

The tax rate used in the above reconciliation is the corporate tax rate of 28% payable by South African entities on taxable profits under South African tax law.

	2016 $	2015 $
Deferred tax assets comprise:		
Unrealised gains and losses on foreign exchange	**5,267,435**	4,292,250
Provision for rehabilitation	**559,448**	558,089
Other	**462,856**	536,602
	6,289,739	5,386,941
Set-off against deferred tax liabilities	**(6,289,739)**	(5,386,941)
	–	–
Deferred tax liabilities comprise:		
Exploration and evaluation assets	**11,598,513**	11,981,342
Property, plant and equipment	**6,754,758**	9,117,535
Other	**13,367**	378,908
	18,366,638	21,477,785
Set-off deferred tax assets	**(6,289,739)**	(5,386,941)
Deferred tax liabilities net	**12,076,899**	16,090,844

5. INCOME TAX EXPENSE *continued*

The Group has estimated tax losses arising in Australia of $14,546,638 (2015: $15,049,473) and capital losses of $9,356,418 (2015: $1,885,711) that are available for offset against future taxable profits of the tax consolidated group in Australia. These losses are subject to specific tests under Australian tax legislation before they can be set off against future taxable income. In addition, the Group has estimated tax losses arising in South Africa of $4,043,252 (2015: $4,651,454) and unredeemed capital expenditure of $8,959,842 (2015: $10,293,551) that are available indefinitely for offset against future taxable profits of the company in which the losses arose.

	2016 $	2015 $
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Deductible temporary differences	**9,316,765**	6,022,823
Tax losses	**5,205,169**	5,516,260
Capital losses	**2,619,797**	527,999
	17,141,731	12,067,082

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because at this time it is not probable that future tax profits will be available against which the Group can utilise the benefits thereof.

TAX CONSOLIDATION

Sylvania Resources Pty Ltd and its 100% owned Australian resident controlled entities have formed a tax consolidated group with effect from 1 July 2003. Sylvania Resources is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned controlled entity on a pro rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the reporting date, the possibility of default is remote.

RECONCILIATION OF DEFERRED TAX ASSETS/(LIABILITIES):

	Opening balance $	Charged to profit or loss $	Exchange differences $	Closing balance $
2016				
Other temporary differences	**157,694**	**324,325**	**(32,530)**	**449,489**
Provision for rehabilitation	**558,089**	**100,595**	**(99,236)**	**559,448**
Unrealised gains and losses on foreign exchange	**4,292,250**	**–**	**975,185**	**5,267,435**
Plant and equipment	**(9,117,535)**	**804,369**	**1,558,408**	**(6,754,758)**
Exploration and evaluation assets	**(11,981,342)**	**–**	**382,829**	**(11,598,513)**
	(16,090,844)	**1,229,289**	**2,784,656**	**(12,076,899)**
2015				
Other temporary differences	145,971	33,132	(21,409)	157,694
Provision for rehabilitation	638,584	3,960	(84,455)	558,089
Unrealised gains and losses on foreign exchange	5,671,570	–	(1,379,320)	4,292,250
Plant and equipment	(11,207,000)	654,651	1,434,814	(9,117,535)
Exploration and evaluation assets	(14,674,085)	–	2,692,743	(11,981,342)
	(19,424,960)	691,743	2,642,373	(16,090,844)

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year.

	2016 Cents per share	2015 Cents per share
Basic earnings per share	**1.28**	0.57
Diluted earnings per share	**1.24**	0.55

	2016 $	2015 $
Reconciliation of earnings used in calculating earnings per share		
Earnings attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**3,733,535**	1,696,889
Earnings attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**3,733,535**	1,696,889

	2016 Number of shares	2015 Number of shares
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**292,414,880**	297,850,449
Effect of dilution:		
Share options	**7,943,333**	13,291,096
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**300,358,213**	311,141,545

In the financial year to 30 June 2010, SA Metals Pty Ltd (SAM), a wholly owned subsidiary of Sylvania negotiated the cancellation of a royalty agreement between SAM and Minex Projects (Pty) Ltd (Minex), whereby Minex was to receive R5,000,000 (approximately $657,000) in cash and 3,000,000 shares in the listed parent entity subject to certain conditions. The conditions were subsequently met and the cash payment was made. The value of the shares at the date of signing the agreement was $0.84, and had been raised against share premium. During the prior year, a cash payment was made to Minex as settlement for the shares.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

7. INVESTMENTS IN ASSOCIATES

	2016 $	2015 $
Investments in associates	–	–

(a) CHROME TAILINGS RETREATMENT PROJECT

The Group has a 25% interest in CTRP, which operates a chrome tailings retreatment plant at Kroondal in South Africa (2015: 25%). The Group's interest in CTRP is accounted for using the equity method in the consolidated financial statements.

The following table summarises the financial information of CTRP as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in CTRP.

	2016 $	2015 $
Non-current assets	318,711	744,817
Current assets	86,678	135,766
Total assets	405,389	880,583
Non-current liabilities	2,997	3,626
Current liabilities	13,440	16,245
Total liabilities	16,437	19,871
Net assets (100%)	388,952	860,712
Group's share of net assets (25%)	97,238	215,178
Fair value adjustment	570,692	690,402
Net cumulative loss not recognised	203,735	159,345
Management fee distribution	33,364	40,363
Foreign currency movements	–	185,316
Impairment	(905,029)	(1,290,604)
Carrying amount of investment in associate	–	–
Revenue	–	–
Loss from continuing operations	(330,631)	(422,090)
Total comprehensive income (100%)	(330,631)	(422,090)
Group's share of loss for the year (25%)	(82,658)	(105,523)
Group's share of losses unrecognised for the year	(82,658)	(105,523)
	(82,658)	(105,523)

IMPAIRMENT OF CHROME TAILINGS RETREATMENT PROJECT

An impairment loss of $1,290,604 on the Group's 25% investment in CTRP was recognised during the prior financial year. The impairment was based on a recoverable amount of $ Nil, estimated as its fair value. The plant remains on care and maintenance and there is no agreement between the parties or plan to restart the operation. The Group ceased to recognise its share of losses of CTRP from the date of impairment.

UNRECOGNISED LOSSES

The Group has not recognised cumulative losses totalling $203,735 (2015: $159,345) in relation to its interests in associates.

CONTINGENCIES AND COMMITMENTS

The associates had no contingent liabilities or capital commitments as at 30 June 2016 (2015: Nil).

8. OTHER FINANCIAL ASSETS

	2016 $	2015 $
Available-for-sale investments measured at fair value		
Listed shares	–	17,494
Financial assets at fair value through profit and loss		
Listed shares designated at fair value	–	1,537
Loans and receivables		
Loans receivable	**1,343,255**	1,823,362
Rehabilitation insurance guarantee	**710,055**	490,075
Total	**2,053,310**	2,332,468
Non-current assets	**710,055**	509,106
Current assets	**1,343,255**	1,823,362

Available-for-sale financial assets consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

Loans and receivables consist of loans granted to Ironveld Holdings (Pty) Ltd from Sylvania South Africa (Pty) Ltd (Sylvania SA) and from Sylvania Metals (Pty) Ltd (Sylvania Metals), both South African subsidiaries of the Group. The loan from Sylvania SA was unsecured, bore interest at the rate of 1% over Libor after 31 December 2013 and was repaid on 31 December 2015. The loan from Sylvania Metals bears interest at the prime lending rate in South Africa and was repayable on 30 June 2016. The payment terms have been extended until 31 December 2016. Refer to note 22 for further details.

9. EXPLORATION AND EVALUATION ASSETS

	Mineral rights $	Deferred exploration expenditure $	Total $
2016			
Balance at beginning of financial year	**2,652,301**	**56,133,128**	**58,785,429**
Foreign currency movements	**(461,364)**	**(2,875,489)**	**(3,336,853)**
Direct expenditure for the year	**60,173**	**222,955**	**283,128**
Impairment	**–**	**(8,280)**	**(8,280)**
Balance at end of financial year	**2,251,110**	**53,472,314**	**55,723,424**
2015			
Balance at beginning of financial year	3,006,581	67,213,857	70,220,438
Foreign currency movements	(399,354)	(11,991,187)	(12,390,541)
Direct expenditure for the year	45,074	929,010	974,084
Impairment	–	(18,552)	(18,552)
Balance at end of financial year	2,652,301	56,133,128	58,785,429

Ultimate recovery of exploration and evaluation expenditure carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively, by sale of the respective areas.

IMPAIRMENT OF EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets relating to the Group's Everest North project was impaired during the current and prior financial years, resulting in an impairment loss of $8,280 (2015: $18,552). The impairment was based on a recoverable amount of $Nil, estimated as its value in use. Everest North is a joint project with Aquarius Platinum SA (Pty) Ltd (AQPSA) and the viability of the project depends on the operation of AQPSA's Everest South processing plant. The Everest South operation was placed on care and maintenance in June 2012 and management are not aware of any plans to restart this operation in the foreseeable future.

10. PROPERTY, PLANT AND EQUIPMENT

	Property	Mining property	Plant and equipment	Equipment	Leasehold improve-ments	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	Total
	$	$	$	$	$	$	$	$	$	$
2016										
At 1 July 2015										
Cost	3,470,767	2,682,354	63,863,401	629,624	23,769	401,905	57,739	90,139	496,426	71,716,124
Accumulated depreciation	(53,064)	(1,270,445)	(28,142,646)	(482,005)	(23,157)	(293,865)	(56,018)	(69,973)	(340,269)	(30,731,442)
Net carrying value	3,417,703	1,411,909	35,720,755	147,619	612	108,040	1,721	20,166	156,157	40,984,682
Year ended 30 June 2016										
Opening net carrying value	3,417,703	1,411,909	35,720,755	147,619	612	108,040	1,721	20,166	156,157	40,984,682
Exchange differences	(592,159)	(239,721)	(6,102,508)	(24,871)	(98)	(18,326)	(298)	(3,526)	(30,714)	(7,012,221)
Additions	–	–	1,223,384	10,107	–	24,747	933	7,401	230,340	1,496,912
Disposals	(500)	–	(11,888)	–	–	–	–	–	(28,558)	(40,946)
Depreciation charge	(17,582)	(207,614)	(4,928,707)	(39,650)	(311)	(41,349)	(931)	(6,213)	(53,479)	(5,295,836)
Closing net carrying value	2,807,462	964,574	25,901,036	93,205	203	73,112	1,425	17,828	273,746	30,132,591
At 30 June 2016										
Cost	2,868,476	2,217,255	53,956,078	530,311	19,649	354,366	48,713	81,729	555,819	60,632,396
Accumulated depreciation	(61,014)	(1,252,681)	(28,055,042)	(437,106)	(19,446)	(281,254)	(47,288)	(63,901)	(282,073)	(30,499,805)
Net carrying value	2,807,462	964,574	25,901,036	93,205	203	73,112	1,425	17,828	273,746	30,132,591
2015										
At 1 July 2014										
Cost	3,968,497	3,089,727	70,447,421	688,164	27,379	413,425	62,754	96,097	559,016	79,352,480
Accumulated depreciation	(40,988)	(1,177,138)	(25,760,735)	(484,745)	(26,129)	(274,031)	(60,017)	(69,557)	(388,895)	(28,282,235)
Net carrying value	3,927,509	1,912,589	44,686,686	203,419	1,250	139,394	2,737	26,540	170,121	51,070,245
Year ended 30 June 2015										
Opening net carrying value	3,927,509	1,912,589	44,686,686	203,419	1,250	139,394	2,737	26,540	170,121	51,070,245
Exchange differences	(518,392)	(234,789)	(5,676,795)	(24,794)	(131)	(17,471)	(315)	(3,302)	(23,022)	(6,499,011)
Additions	27,289	–	2.893,418	34,444	–	50,462	3,522	9,729	58,150	3,077,014
Disposals	–	–	17	–	–	(793)	–	(68)	–	(844)
Depreciation charge	(18,703)	(265,891)	(6,182,571)	(65,450)	(507)	(63,552)	(4,223)	(12,733)	(49,092)	(6,662,722)
Closing net carrying value	3,417,703	1,411,909	35,720,755	147,619	612	108,040	1,721	20,166	156,157	40,984,682
At 30 June 2015										
Cost	3,470,767	2,682,354	63,863,401	629,624	23,769	401,905	57,739	90,139	496,426	71,716,124
Accumulated depreciation	(53,064)	(1,270,445)	(28,142,646)	(482,005)	(23,157)	(293,865)	(56,018)	(69,973)	(340,269)	(30,731,442)
Net carrying value	3,417,703	1,411,909	35,720,755	147,619	612	108,040	1,721	20,166	156,157	40,984,682

LEASED ASSETS

Plant and equipment, motor vehicles and computer equipment include the following amounts where the Group is a lessee under a finance lease:

	2016	2015
	$	$
Plant and equipment		
Cost	322,994	711,128
Accumulated depreciation	(58,774)	(339,718)
	264,220	371,410
Motor vehicles		
Cost	407,826	242,665
Accumulated depreciation	(114,080)	(97,447)
	293,746	145,218
Computer equipment		
Cost	–	38,596
Accumulated depreciation	–	(35,534)
	–	3,062

During the year, the Group acquired under finance lease plant and equipment of $ Nil (2015: $285,814) and motor vehicles of $225,489 (2015: $54,396).

NON-CURRENT ASSETS PLEDGED AS SECURITY

Leased assets are pledged as security for the related finance lease liability (refer to note 17). No other non-current assets are pledged as security for any liabilities.

11. CASH AND CASH EQUIVALENTS

	2016	2015
	$	$
Cash at bank and on hand	2,601,984	7,304,918
Short-term deposits	3,274,583	39,481
Short-term deposits – restricted cash	830,455	1,071,943
	6,707,022	8,416,342

Cash at banks earns interest at floating rates on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The fair value of cash and short-term deposits is $6,707,022 (2015: $8,416,342).

At 30 June 2016, the Group had available $2,413,239 (2015: $2,919,448) of undrawn borrowing facilities.

The Group only deposits cash surpluses with major banks of high quality credit standing.

The Group has pledged part of its short-term deposits with a carrying value of $830,455 (2015: $1,071,943) in order to fulfil collateral requirements for the guarantees held below.

Bank guarantees are held as follows:

	2016	2015
	$	$
Eskom	808,537	978,138
The Department of Mineral Resources	16,089	19,464

12. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Trade receivables	**15,741,013**	12,819,874
Other receivables	**314,685**	330,734
	16,055,698	13,150,608

Trade receivables are due from major minerals mining and processing companies. None of the amounts are past due or impaired. At 30 June 2016, gross sales of $11,488,148 (2015: $9,782,763) were subject to price adjustments.

Other receivables are non-interest bearing and are generally on 30-90 day terms. No other receivables are considered to be past due or impaired.

13. INVENTORIES

	2016 $	2015 $
Stores and materials	**906,165**	964,973
Finished goods in transit	**786,859**	–
	1,693,024	964,973

Inventories of $1,257,202 (2015: $1,657,716) were recognised as an expense during the current year and included in cost of sales.

STORES AND MATERIALS

Spares are held in stock for engineering breakdowns. Stores and materials are measured at the lower of cost or net realisable value.

14. ISSUED CAPITAL

AUTHORISED CAPITAL

	2016 No of shares	2016 $	2015 $
Ordinary shares with a par value of $0.01 (2015: $0.10)	**1,000,000,000**	10,000,000	100,000,000

ISSUED CAPITAL

	2016 No of shares	2015 No of shares	2016 $	2015 $
Share capital				
Ordinary shares				
Ordinary shares fully paid	**297,981,896**	297,981,896	**2,979,819**	29,798,190
	297,981,896	297,981,896	**2,979,819**	29,798,190

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

MOVEMENTS IN ORDINARY SHARE CAPITAL

Date	Details	Number of shares	$
1 July 2015	Opening balance	297,981,896	29,798,190
	Reduction in par value [1]	–	(26,818,371)
30 June 2016	Closing balance	297,981,896	2,979,819
1 July 2014	Opening balance	297,981,896	29,515,534
	Transaction costs reallocated to share premium [2]	–	282,656
30 June 2015	Closing balance	297,981,896	29,798,190

[1] *The par value of each authorised ordinary share in Sylvania Platinum Limited was reduced from $0.10 to $0.01 per share. This took effect from 30 October 2015.*

[2] *Transactions costs previously recognised in issued capital have been reallocated to share premium for improved understanding.*

The following ordinary shares in Sylvania Platinum Limited were repurchased during the year. The shares are being held to be issued as bonus shares to senior management in recognition of the achievement of performance criteria. Refer to note 21 for further details.

Date	Number of shares	Price per share GBP
Opening balance at 1 July 2015	2,931,610	
Shares repurchased		
18 September 2015	2,304,329	9.55 pence
23 September 2015	279,645	10.00 pence
13 November 2015	500,000	8.90 pence
27 November 2015	850,000	8.25 pence
11 December 2015	2,250,000	8.00 pence
4 May 2016	1,200,000	6.48 pence
Share options and bonus shares exercised	(4,873,441)	
	5,442,143	

SHARE OPTIONS

	2016 Number of options	2015 Number of options
Employee option plan options		
– At $Nil per share on or before 29 December 2021	**2,970,000**	6,750,000
– At $Nil per share on or before 11 June 2023	**800,000**	1,000,000
– At $Nil per share on or before 29 August 2023	**1,360,000**	1,600,000
	5,130,000	9,350,000

Information relating to the employee option plan, including details of options issued under the plan, is set out in note 21.

15. RESERVES

	Share premium reserve	Net unrealised gains reserve	Reserve for own shares	Share-based payments reserve	Foreign currency translation reserve	Non-controlling interest reserve	Equity reserve	Total Reserves
	$	$	$	$	$	$	$	$
Balance as at 1 July 2015	**148,887,370**	**–**	**(259,184)**	**4,052,481**	**(32,249,982)**	**(39,779,293)**	**(29,741,213)**	**50,910,179**
Included in other comprehensive loss:								
Foreign currency translation	**–**	**–**	**–**	**–**	**(10,010,647)**	**–**	**–**	**(10,010,647)**
Total other comprehensive loss	**–**	**–**	**–**	**–**	**(10,010,647) ***	**–**	**–**	**(10,010,647)**
Share-based payments	**–**	**–**	**–**	**326,594**	**–**	**–**	**–**	**326,594**
Reduction in par value	**26,818,371**	**–**	**–**	**–**	**–**	**–**	**–**	**26,818,371**
Share options and bonus shares exercised	**–**	**–**	**467,259**	**(648,675)**	**–**	**–**	**–**	**(181,416)**
Treasury shares acquired	**–**	**–**	**(945,759)**	**–**	**–**	**–**	**–**	**(945,759)**
Balance as at 30 June 2016	**175,705,741**	**–**	**(737,684)**	**3,730,400**	**(42,260,629)**	**(39,779,293)**	**(29,741,213)**	**66,917,322**
Balance as at 1 July 2014	149,608,193	4,179	–	3,894,315	(13,566,424)	(39,779,293)	(29,741,213)	70,419,757
Included in other comprehensive loss:								
Available-for-sale financial assets – net change in fair value	–	(4,179)	–	–	–	–	–	(4,179)
Foreign currency translation	–	–	–	–	(18,683,558)	–	–	(18,683,558)
Total other comprehensive loss	–	(4,179)	–	–	(18,683,558)*	–	–	(18,687,737)
Share-based payments	–	–	–	1,011,754	–	–	–	1,011,754
Capital raising costs transferred	(282,656)	–	–	–	–	–	–	(282,656)
Share options and bonus shares exercised	–	–	470,457	(853,588)	–	–	–	(383,131)
Treasury shares acquired	–	–	(729,641)	–	–	–	–	(729,641)
Minex shares settled	(438,167)	–	–	–	–	–	–	(438,167)
Balance as at 30 June 2015	148,887,370	–	(259,184)	4,052,481	(32,249,982)	(39,779,293)	(29,741,213)	50,910,179

* *The following exchange rates where used to translate the Statement of Financial Position at 30 June 2015 and 2016 respectively. USD:ZAR – $1:R12.23 & $1:R14.79; USD:AUD $1:A$1.30 & $1:A$1.34.*

NATURE AND PURPOSE OF RESERVES

- Net unrealised gains reserve

This reserve records fair value changes on available-for-sale investments.

- Reserve for own shares

The reserve comprises the cost of the Company's shares held by the Group as treasury shares. Refer to notes 14 and 21 for further details.

- Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign controlled entities.

- Share-based payment reserve

This reserve is used to record the value of equity benefits provided to employees, consultants and directors as part of their remuneration. Refer note 21.

- Non-controlling interests reserve

This reserve is used to record differences between the carrying value of non-controlling interests and the consideration paid/received, where there has been a transaction involving non-controlling interests that do not result in a loss of control. The reserve is attributable to the equity of the parent.

- Equity reserve

This reserve arises from the reinstatement of the recyclable reserves in the former parent (Sylvania Resources Proprietary Limited) as at the date of the insertion of Sylvania Platinum Limited as the ultimate holding company.

16. RETAINED PROFITS

	2016 $	2015 $
Balance as at 1 July	**17,430,590**	15,733,701
Profit for the year	**3,733,535**	1,696,889
Balance as at 30 June	**21,164,125**	17,430,590

Repatriation of funds from South Africa is subject to regulatory approval.

17. INTEREST-BEARING LOANS AND BORROWINGS

	Future minimum lease payments due $	Finance charges $	Present value of minimum lease payments due $
At 30 June 2016			
Due within one year	**218,109**	**(6,187)**	**211,922**
Due between one and five years	**220,430**	**(49,144)**	**171,286**
	438,539	**(55,331)**	**383,208**
At 30 June 2015			
Due within one year	299,082	(33,640)	265,442
Due between one and five years	230,954	(14,407)	216,547
	530,036	(48,047)	481,989

	2016 $	2015 $
Secured		
Current liabilities	**211,922**	265,442
Non-current liabilities	**171,286**	216,547

These loans are secured over various motor vehicles, plant and equipment and computer equipment and are repayable in monthly instalments of $26,420 (2015: $25,317) and bear interest at rates varying between 9.25% and 11% (2015: 8.25% and 10.25%) p.a. Refer to note 10 for further detail on non-current assets pledged as security.

18. PROVISIONS

	2016 $	2015 $
Provision for rehabilitation	**2,809,228**	2,974,536
Movement in provision		
Balance at beginning of financial year	**2,974,536**	3,411,056
Foreign currency movements	**(524,574)**	(450,662)
Unwinding of discount factor	**176,999**	200,701
Arising during the year	**182,267**	(186,559)
Balance at end of financial year	**2,809,228**	2,974,536

Provision is made for the present value of closure, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the reporting date. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual costs will ultimately depend on future market prices for the rehabilitation work required.

Rehabilitation is performed and paid for on an on-going basis as mining properties are depleted. The majority of the rehabilitation will be undertaken progressively over the life of the mine during the depletion of each respective mining property. It is expected that the life of each mine could vary therefore, the timing of rehabilitation work is inherently uncertain.

19. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade payables	**3,894,076**	5,127,062
Accrued expenses	**1,996,733**	1,790,175
Other trade payables	**224,338**	21,746
	6,115,147	6,938,983

Trade and other payables are non-interest bearing and are normally settled on 60 day terms, predominately payable in ZAR and located in South Africa.

20. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 $	2015 $
(a) Reconciliation of profit before tax to net cash flow from operating activities		
Profit before income tax expense	**5,973,835**	3,604,456
Adjusted for:		
(Profit)/loss on sale of property, plant and equipment	**(5,734)**	78
Write-off of property, plant and equipment	**34,137**	–
Foreign exchange gain	**(17,338)**	(221,668)
Loss on sale of financial assets	**4,122**	–
Impairment of available-for-sale financial assets	**–**	7,250
Impairment of exploration and evaluation assets	**8,280**	18,552
Finance income	**(396,399)**	(413,245)
Finance costs	**218,270**	311,688
Depreciation	**5,295,836**	6,662,722
Provisions	**103,841**	(289,129)
Share-based payments	**326,594**	1,011,754
Net operating profit before working capital changes	**11,545,444**	10,692,458

	2016 $	2015 $
Changes in working capital:		
(Increase)/decrease in trade receivables	**(5,272,861)**	1,342,888
Increase in inventories	**(917,886)**	(327,551)
Decrease in trade and other payables	**(64,094)**	(232,595)
Cash generated from operating activities	**5,290,603**	11,475,200
Finance income received	**240,005**	253,988
Finance costs paid	**(41,271)**	(55,262)
Taxation paid	**(3,560,092)**	(2,591,831)
Net cash inflow from operating activities	**1,929,245**	9,082,095
(b) Taxation paid		
Balance owing at the beginning of the year	**9,191**	2,534
Income tax recognised in profit or loss	**3,469,589**	2,599,310
Foreign currency movements	**633**	(822)
Balance receivable/(owing) at the end of the year	**80,679**	(9,191)
Taxation paid	**3,560,092**	2,591,831

21. SHARE-BASED PAYMENT PLAN

	2016 $	2015 $
Expense arising from equity-settled share-based payment transactions	**326,594**	1,011,754
Total expense	**326,594**	1,011,754

EMPLOYEE OPTION PLAN

On 29 December 2011, an employee incentive option plan (the Sylvania Platinum Option Plan) was approved by the shareholders at the AGM. This plan replaces the employee incentive option plan and employee incentive share plan as approved as part of the implementation of the Scheme of arrangement by the Group shareholders in 2007.

Participants of the option plan are determined by the Board and can be employees and directors of, or consultants to, the Company or a controlled entity. The Board considers the length of service, seniority and position, record of employment, potential contribution and any other relevant matters in determining eligibility of potential participants. The Board has sole responsibility to determine the number of options and terms and conditions of options granted to any participant.

The options issued under the option plan will be granted free of charge. The exercise price (if any) for the options is to be determined by the Board at its absolute discretion.

The expiry date of the options, unless otherwise determined by the Board, is ten years after the grant date and will also lapse within one month of the participant ceasing to be a director, employee or consultant of the Company or a controlled entity during the exercise period (subject to certain exceptions); or immediately if the participant ceases to be a director, employee or consultant prior to the commencement of the exercise period. The Board at its discretion may apply certain vesting conditions upon any options issued under the plan.

Subject to any vesting conditions applied by the Board, the options can only be exercised after the expiry of the following periods:

- as regards 20% of those options granted, the date which is two years after the grant date,
- as regards 40% of those options granted, the date which is three years after the grant date, and
- as regards the remaining 40% of those options granted, the date which is four years after the grant date.

The options are not transferable without prior written approval from the Board.

21. SHARE-BASED PAYMENT PLAN *continued*

EMPLOYEE OPTION PLAN *continued*

On 29 December 2011, 13,000,000 share options were granted to directors, employees and consultants under the Sylvania Platinum Option Plan, 1,000,000 of which were forfeited in prior years, with a nil exercise price and an expiry date of 29 December 2021. Exercise of the options is subject to time-based vesting with 20% of the options having vested on 30 December 2013, a further 40% of the options vested on 30 December 2014 and the remaining 40% of the options vested on 30 December 2015, subject to the participant's continued employment. On 11 June 2013, a further 1,000,000 share options were granted with a nil exercise price and an expiry date of 11 June 2023. Exercise of the options is subject to time-based vesting with 20% of the options having vested on 12 June 2015, a further 40% of the options vested on 12 June 2016 and the remaining 40% of the options vesting on 12 June 2017, subject to the participant's continued employment. On 29 August 2013, 1,600,000 share options were granted with a nil exercise price and an expiry date of 29 August 2023. Exercise of the options is subject to time-based vesting with 20% of the options having vested on 30 August 2015, a further 40% of the options vesting on 30 August 2016 and the remaining 40% of the options vesting on 30 August 2017, subject to the participant's continued employment.

The fair values of the options granted are determined at the grant date using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted (the exercise price, the term of the option), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. No new share options were granted during the current year.

OPTIONS

Grant date 2016	Expiry date	Exercise price	Fair value at grant date	Balance at start of the year	Granted during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable at end of year
		$	$	Number	Number	Number	Number	Number
29 Dec 2011	29 Dec 2021	Nil	0.33	6,750,000	–	(3,780,000)	2,970,000	2,970,000
11 Jun 2013	11 Jun 2023	Nil	0.17	1,000,000	–	(200,000)	800,000	400,000
29 Aug 2013	29 Aug 2023	Nil	0.13	1,600,000	–	(240,000)	1,360,000	80,000
Total				9,350,000	–	(4,220,000)	5,130,000	3,450,000
Weighted average exercise price				–	–	–	–	–
2015								
29 Dec 2011	29 Dec 2021	Nil	0.33	12,000,000	–	(5,250,000)	6,750,000	1,950,000
11 Jun 2013	11 Jun 2023	Nil	0.17	1,000,000	–	–	1,000,000	200,000
29 Aug 2013	29 Aug 2023	Nil	0.13	1,600,000	–	–	1,600,000	–
Total				14,600,000	–	(5,250,000)	9,350,000	2,150,000
Weighted average exercise price				–	–	–	–	–

The options outstanding at 30 June 2016 had an exercise price of $Nil (2015: $Nil) and a weighted average remaining contractual life of 6 years (2015: 7 years).

The weighted average share price at the date of exercise of options during the year ended 30 June 2016 was $Nil (2015: $Nil).

SHARE BONUS AWARD

On 5 March 2014, 1,700,000 ordinary shares of $0.10 each in Sylvania Platinum Limited were allocated to senior management in recognition of the achievement of performance criteria. These shares vested on 30 June 2014.

On 21 August 2014, 2,545,584 ordinary of $0.10 each in Sylvania Platinum Limited were allocated to senior management in recognition of the achievement of performance criteria. These shares vested on 19 August 2015.

BONUS SHARES

Issue date 2016	Fair value at issue date	Balance at start of the year	Issued during the year	Exercised during the year	Balance at the end of the year	Vested and exercisable at end of year
	$	Number	Number	Number	Number	Number
21 August 2014	0.10	2,545,584	–	(2,545,584)	–	–
Total		2,545,584	–	(2,545,584)	–	–
2015						
5 March 2014	0.13	1,700,000	–	(1,700,000)	–	–
21 August 2014	0.10	–	2,545,584	–	2,545,584	–
Total		1,700,000	2,545,584	(1,700,000)	2,545,584	–

The fair values of the bonus shares granted are determined at the grant date using a Black-Scholes model, taking into account the terms and conditions upon which the bonus shares were granted (the exercise price, the term of the bonus shares), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the bonus shares. The following assumptions were used to estimate the fair value of the bonus shares granted during the prior year ended 30 June 2015.

	2016	2015
Expected volatility (%)	–	39.41
Risk-free rate (%)	–	6.00
Expected life (years)	–	1
Share price ($)	–	0.10
Exercise price ($)	–	Nil
Expected dividend yield ($)	–	Nil

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term of the options.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables and interest-bearing loans and borrowings. The main purpose of these financial instruments is to manage short term cash flow and raise finance for the Group's capital expenditure program. The Group has various financial assets such as trade and other receivables and cash and short-term deposits, which arise directly from its operations. The Group also held available-for-sale investments and financial assets at fair value through profit or loss which were disposed of during the current year.

RISK EXPOSURES AND RESPONSES

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security. The main risks that could adversely affect the Group's financial assets, liabilities or future cash flows are market risks (comprising commodity price risk, foreign currency risk, interest rate risk and equity price risk), liquidity risk and credit risk.

The Group's senior management oversees the management of financial risks. The Board ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and the Group's risk appetite. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. At this stage, the Group does not currently apply any form of hedge accounting.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed-to-floating interest rates on the debt and the proportion of financial instruments in foreign currencies are all constant.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

RISK EXPOSURES AND RESPONSES *continued*

The following assumptions have been made in calculating the sensitivity analysis:

- The statement of financial position sensitivity relates to receivables subject to commodity price risk, available-for-sale financial assets and financial assets at fair value through profit or loss and interest-bearing loans and borrowings.
- The impact on equity is the same as the impact on profit before tax, unless stated otherwise.

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that all companies within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. Due to the inherent risks involved in mining, the directors prefer not to utilise funding from financing institutions.

The Group's overall strategy remains unchanged during the years ended 30 June 2016 and 30 June 2015.

The capital structure of the Group consists of equity attributable to equity holders of the parent comprising issued capital, reserves and retained profits (Refer to notes 14, 15 and 16).

None of the Group's companies are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

CATEGORIES OF FINANCIAL INSTRUMENTS

	2016 $	2015 $
Financial assets		
Loans and receivables		
Trade and other receivables*	**15,901,561**	12,998,094
Cash and cash equivalents	**6,707,022**	8,416,342
Loans receivable	**2,053,310**	2,313,437
Financial assets at fair value through profit and loss	**–**	1,537
Available-for-sale financial assets	**–**	17,494
	24,661,893	23,746,904
Financial liabilities		
Other financial liabilities at amortised cost		
Interest-bearing loans and borrowings	**(383,208)**	(481,989)
Trade and other payables	**(6,115,147)**	(6,938,983)
	(6,498,355)	(7,420,972)

** Prepayments are excluded from the trade and other receivables balance as this analysis is required only for financial instruments.*

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: commodity price risk, interest rate risk, equity price risk and currency risk. Financial instruments affected by market risk include receivables, loans, borrowings, deposits, available-for-sale financial instruments and financial assets at fair value through profit or loss.

There has been no change at the reporting date to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Commodity price risk

The Group is exposed to the risk of commodity price fluctuations, in particular movements in the price of PGMs. The Group regularly measures exposure to commodity price risk by stress testing the Group's forecast financial position to changes in PGM prices. The Group does not hedge commodity prices.

The financial instruments exposed to movements in metal prices are as follows:

	2016	2015
	$	$
Financial assets		
Trade receivables	**11,488,148**	9,782,763

These receivables contain quotational period embedded derivatives that are carried at fair value in accordance with the policy set out in Note 2.3(l).

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the relevant forward commodity price, with all other variables held constant. The sensitivities are based on reasonably possible changes, over a financial year, using observed ranges of actual historical rates.

	2016		2015	
	Profit/(loss)	Equity increase/ (decrease)	Profit/(loss)	Equity increase/ (decrease)
10% (2015: 10%) increase in PGM prices	**827,147**	**827,147**	704,359	704,359
10% (2015: 10%) decrease in PGM prices	**(827,147)**	**(827,147)**	(704,359)	(704,359)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and AUD denominated inter-company loans that have become repayable and are therefore no longer considered to be part of the net investment in the foreign subsidiary.

		2016	2015
US dollar loan balance	USD	**(137,235)**	(139,003)
Spot rate at 30 June	AUD:ZAR	**11.01**	9.40
Average rate	AUD:ZAR	**10.50**	9.55

The following table summarises the sensitivity of financial instruments held at reporting date to movements in the relevant currency exchange rate, with all other variables held constant. The sensitivities are based on reasonably possible changes, over a financial year, using observable ranges of actual historical rates.

	2016		2015	
	Profit/(loss)	Equity increase/ (decrease)	Profit/(loss)	Equity increase/ (decrease)
AUD:ZAR (15% strengthening)	**(20,592)**	**(20,592)**	(22,938)	(22,938)
AUD:ZAR (15% weakening)	**20,592**	**20,592**	18,772	18,772

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises from cash balances, loans receivable and interest-bearing loans and borrowings, relating to finance leases on motor vehicles and equipment.

Cash and cash equivalents are exposed to AUD, ZAR and GBP deposit rates.

The Group does not engage in any hedging transactions to manage interest rate risk. In conjunction with external advice, management consideration is given on a regular basis to alternative financing structures with a view to optimising the Group's funding structure.
The Group manages the risk by maintaining an appropriate mix between fixed and floating rate liquid funds.

22. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *continued*

Interest rate risk continued

The financial instruments exposed to movements in variable interest rates are as follows:

	2016 $	2015 $
Financial assets		
Cash and cash equivalents	**4,105,038**	1,111,424
Loans receivable	**2,053,310**	2,313,437
Financial liabilities		
Interest-bearing loans and borrowings	**(383,208)**	(481,989)

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates. At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, there would have been a decrease/increase in profit before tax of $32,708 (2015: $19,535). The impact on equity would have been the same.

Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's Board of directors reviews and approves all equity investment decisions. At the reporting date, the exposure to listed equity securities at fair value was $ Nil (2015: $19,031) as they had been disposed of during the year.

CREDIT RISK

Credit risk is the risk that a contracting entity will not meet its obligation under a financial instrument or customer contract that will result in a financial loss to the Group. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions and its operating activities, primarily for trade receivables. The carrying amount of these financial assets represents the maximum credit exposure. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At reporting date, there is a significant concentration of credit risk represented in the cash and trade receivables balance. With respect to trade receivables, this is due to the fact that the majority of sales are made to one specific customer as per contractually agreed terms. The customer has complied with all contractual sales terms and has not at any stage defaulted on amounts due. The Group manages its credit risk on trade debtors, cash and financial instruments by predominantly dealing with counterparties with a credit rating equal to or better than the Group.

Included in loans receivable is a loan granted to Ironveld Holdings (Pty) Ltd, a subsidiary of Ironveld Plc (Ironveld) from Sylvania Metals (Pty) Ltd, a South African subsidiary of Sylvania. As security for the amount due, Ironveld issued to Sylvania warrants to subscribe for up to £1.5 million ($2.3 million) of ordinary shares in Ironveld at a price equal to the 90 day VWAP on the business day preceding the exercise of the warrants. The warrants are exercisable only if the facility is not fully repaid by 30 June 2016 and may be exercised post 30 June 2016 up until the date that is five years from admission (although the warrants will lapse once repayment has been made). Any proceeds derived from the exercise of the warrants will be used by Ironveld to repay the facility. The payment terms on the loan facility and the warrants have been extended to 31 December 2016.

LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the Board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2016	Carrying amount $	Contractual cash flows $	Less than 1 year $	1 – 5 years $	Total $
Trade and other payables	**6,115,147**	**6,115,147**	**6,115,147**	**–**	**6,115,147**
Finance lease liability	**383,208**	**438,539**	**218,109**	**220,430**	**438,539**
	6,498,355	**6,553,686**	**6,333,256**	**220,430**	**6,553,686**
2015					
Trade and other payables	6,938,983	6,938,983	6,938,983	–	6,938,983
Finance lease liability	481,989	530,036	299,082	230,954	530,036
	7,420,972	7,469,019	7,238,065	230,954	7,469,019

FAIR VALUE OF FINANCIAL INSTRUMENTS

For financial assets and financial liabilities not measured at fair value, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The Group has no financial assets where carrying amount exceeds net fair value at reporting date.

The following methods and assumptions were used to estimate fair values:

- Cash and short term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term variable-rate receivables and borrowings are evaluated by the Group based on parameters such as interest rates. As at 30 June 2016 the carrying amounts of such receivables and borrowings were not materially different from their calculated fair values.
- The fair values of listed shares is based on quoted prices at reporting date.

FAIR VALUE HIERARCHY

The table below presents the Group's financial assets and liabilities measured and recognised at fair value, by valuation method in the hierarchy defined below:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

2016	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Available-for-sale financial assets	**–**	**–**	**–**	**–**
Financial assets at fair value through profit or loss	**–**	**–**	**–**	**–**
	–	**–**	**–**	**–**
2015				
Available-for-sale financial assets	17,494	–	–	17,494
Financial assets at fair value through profit or loss	1,537	–	–	1,537
	19,031	–	–	19,031

23. COMMITMENTS AND CONTINGENCIES

	2016 $	2015 $
Operating lease commitments		
Future minimum lease payments (net of VAT or GST) under non-cancellable leases as at 30 June are as follows:		
Office premises		
The Group has a commercial lease arrangement whereby it leases its current office premises, in Johannesburg. This lease has an average life of five years with an option to renew at the end of the lease term and with rentals escalating at 9% per annum.		
Within one year	**66,662**	73,986
After one year but not more than five years	**17,017**	101,231
	83,679	175,217
Office equipment		
The Group has a number of lease agreements during the period in respect to office equipment. These leases have an average life of five years and no renewal option included in the contract and with rentals escalating between 0% and 15% per annum.		
Within one year	**11,688**	26,044
After one year but not more than five years	**35,063**	9,599
	46,751	35,643
Finance lease commitments		
The Group has instalment sale agreements for various items of motor vehicles, plant and equipment and computer equipment. Refer to notes 10 and 17 for further details on finance lease commitments.		
Commitments for plant construction		
At 30 June 2016, there were no commitments signed for continued improvements of Millsell, Steelpoort, Mooinooi, Lannex, Doornbosch and Tweefontein plants.		

24. KEY MANAGEMENT DISCLOSURE

SHAREHOLDING OF KEY MANAGEMENT PERSONNEL

The number of shares in the Company held during the year by each director of the Group is set out below:

Director 2016	Balance at the start of the year	Issued under share and option plan	Other changes during the year	Balance at the end of the year
T M McConnachie	**3,715,000**	**900,000**	**–**	**4,615,000**
S A Murray	**–**	**200,000**	**–**	**200,000**
R A Williams	**667,000**	**240,000**	**–**	**907,000**
2015				
T M McConnachie	1,365,000	1,200,000	1,150,000*	3,715,000
R A Williams	367,000	300,000	–	667,000

* *Treasury shares granted as bonus award (see note 21 for further details)*

All equity transactions with key management personnel other than those arising under the Group's Share Option Plan have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

The number of options in the Company held during the year by each director of the Group is set out below:

Director 2016	Balance at the start of the year	Issued under share and option plan	Exercised during the year	Balance at the end of the year
T M McConnachie	**1,300,000**	**–**	**(900,000)**	**400,000**
R A Williams	**400,000**	**–**	**(240,000)**	**160,000**
S A Murray	**1,000,000**	**–**	**(200,000)**	**800,000**
2015				
T M McConnachie	2,500,000	–	(1,200,000)	1,300,000
R A Williams	700,000	–	(300,000)	400,000
S A Murray	1,000,000	–	–	1,000,000

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in note 21.

KEY MANAGEMENT PERSONNEL COMPENSATION

	2016 $	2015 $
Short-term	**1,561,266**	1,910,709
Share-based payments	**217,459**	720,387
Total	**1,778,725**	2,631,096

25. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Sylvania Platinum Limited and the controlled entities listed in the following table:

Name of Entity	Country of incorporation	Class of shares	Equity Holding 2016 %	Equity Holding 2015 %
Sylvania Resources Pty Ltd	Australia	Ordinary	**100**	100
Twinloop Nominees Pty Ltd	Australia	Ordinary	**100**	100
Great Australian Resources Pty Ltd	Australia	Ordinary	**100**	100
SA Metals Pty Ltd	Australia	Ordinary	**100**	100
Sylvania Holdings Limited	Mauritius	Ordinary	**100**	100
Aralon Holdings Limited	Mauritius	Ordinary	**100**	100
Sylvania (Mauritius) Limited	Mauritius	Ordinary	**100**	100
Sylvania South Africa (Pty) Ltd	South Africa	Ordinary	**100**	100
Sylvania Metals (Pty) Ltd	South Africa	Ordinary	**100**	100
Sylvania Properties (Pty) Ltd	South Africa	Ordinary	**100**	100
Sylvania Mining (Pty) Ltd	South Africa	Ordinary	**100**	100
Sylvania Northern Platinum (Pty) Ltd	South Africa	Ordinary	**74**	–
Sylvania Resources (Pty) Ltd	South Africa	Ordinary	**100**	–
Great Australian Resources South Africa (Pty) Ltd	South Africa	Ordinary	**100**	100
Hacra Mining and Exploration Company (Pty) Ltd	South Africa	Ordinary	**69**	71
Pan Palladium South Africa (Pty) Ltd	South Africa	Ordinary	**100**	100
Volspruit Mining Company (Pty) Ltd	South Africa	Ordinary	**74**	100
Zoetveld Properties (Pty) Ltd (formerly Zoetveld Mining and Prospecting (Pty) Ltd)	South Africa	Ordinary	**100**	100
Grasvally Chrome Mine (Pty) Ltd	South Africa	Ordinary	**74**	100

25. RELATED PARTY TRANSACTIONS *continued*

Sylvania Platinum Limited is the ultimate parent of the Group. Transactions between Sylvania Platinum Limited and its controlled entities during the year consisted of loan advances between Group companies. All intergroup transactions and balances are eliminated on consolidation.

NON-CONTROLLING INTERESTS

The non-controlling interests are all held by BEE participants.

OTHER RELATED PARTIES RELATIONSHIPS

Entities controlled or significantly influenced by key management	Summer Sun Trading 210 (Pty) Ltd Southridge Properties (Pty) Ltd (2015)

TERMS AND CONDITIONS WITH RELATED PARTIES

All loans were granted on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between related parties.

Outstanding balances are unsecured and are repayable in cash.

INVESTMENTS IN ASSOCIATES

The Group has a 25% interest in the assets, liabilities and output of an entity, CTRP, which operates a chrome tailings retreatment plant at Kroondal in South Africa (2015: 25%).

TERMS AND CONDITIONS WITH INVESTMENTS IN ASSOCIATES

Payments made on behalf of CTRP are made in arm's length transactions both at normal market prices and on normal commercial terms.

TRANSACTIONS WITH RELATED PARTIES

Administration recoveries were received from and service fees paid to the following related parties during the year ended 30 June for expenses incurred on their behalf:

	2016 $	2015 $
Service fees paid to related parties		
Summer Sun Trading 210 (Pty) Ltd	**(5,215)**	(5,811)
Southridge Properties (Pty) Ltd	**–**	(726)
	(5,215)	(6,537)

LOANS TO/(FROM) RELATED PARTIES

There are no outstanding balances with related parties as at 30 June 2016.

26. CLOSED GROUP CLASS ORDER DISCLOSURE

The consolidated financial statements of Sylvania Platinum Limited includes its wholly owned subsidiary Sylvania Resources Proprietary Limited (Sylvania Resources).

Name	Country of incorporation	Equity interest		Investment	
		2016	2015	2016	2015
		%	%	$	$
Sylvania Resources Proprietary Limited	Australia	100	100	141,642,417	146,317,574

Pursuant to Class Order 98/1418, relief has been granted to Sylvania Resources from the Corporations Act 2001 requirements for the preparation, audit and lodgement of their financial report.

As a condition of the Class Order, Sylvania and Sylvania Resources entered into a Deed of Cross Guarantee on 23 June 2011. The effect of the deed is that Sylvania has guaranteed to pay any deficiency in the event of winding up of a controlled entity or if they do not meet their obligations under the terms of overdraft, loans, leases or other liabilities subject to the guarantee. The controlled entity has also given a similar guarantee in the event that Sylvania is wound up or if it does not meet its obligations under the terms of the overdrafts, loans, leases or other liabilities subject to the guarantee.

The consolidated statement of comprehensive income and statement of financial position of the entities that are members of the Closed Group are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2016	2015
	$	$
Other income	**6,472,363**	(68)
Foreign exchange gain	**275,959**	13,487
Impairment of available-for-sale financial assets	**–**	(7,250)
Share-based payment expense	**(220,278)**	(635,603)
General and administrative costs	**(1,096,237)**	(1,461,432)
Operating profit/(loss)	**5,431,807**	(2,090,866)
Finance income	**2,135**	6,223
Profit/(loss) before income tax expense	**5,433,942**	(2,084,643)
Income tax expense	**–**	–
Net profit/(loss) for the year	**5,433,942**	(2,084,643)

26. CLOSED GROUP CLASS ORDER DISCLOSURE *continued*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2016 $	2015 $
ASSETS		
Non-current assets		
Investments	**33,881,172**	75,117,502
Available-for-sale financial assets	**–**	17,494
Loans receivable	**51,313,953**	56,362,362
Total non-current assets	**85,195,125**	131,497,358
Current assets		
Cash and cash equivalents	**678,795**	2,993,263
Trade and other receivables	**45,945**	45,480
Total current assets	**724,740**	3,038,743
Total assets	**85,919,865**	134,536,101
EQUITY AND LIABILITIES		
Shareholders' equity		
Issued capital	**2,979,819**	29,798,190
Reserves	**84,094,299**	111,363,357
Accumulated losses	**(1,221,748)**	(6,655,690)
Total equity	**85,852,370**	134,505,857
Current liabilities		
Trade and other payables	**67,495**	30,244
Total current liabilities	**67,495**	30,244
Total liabilities	**67,495**	30,244
Total liabilities and shareholders' equity	**85,919,865**	134,536,101

27. EVENTS AFTER THE REPORTING DATE

On 14 July 2016, the DMR approved the Section 11 application to transfer the portion of the Mining Right held by Hacra Mining and Exploration Company (Pty) Ltd for heavy metals, iron and vanadium to Ironveld (Pty) Ltd in terms of the Ironveld transaction entered into in August 2012.

28. GOING CONCERN

The Group's financial risk management objectives and policies are detailed in note 22 and available borrowing facilities are set out in note 11. After reviewing the financial position, operational performance, budgets and forecasts as well as the timing of cash flows and sensitivity analyses, the directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Shareholders Profile as at 30 June 2016

SHAREHOLDERS HOLDING 3% OR MORE FULLY PAID SHARES

	Shareholder	Number of shares	% shareholding [1]
1	Africa Asia Capital	58,882,551	20.13
2	M&G Investment Management	28,247,500	9.66
3	Audley Capital	24,278,694	8.30
4	Majedie Asset Management	18,933,963	6.47
5	Hargreaves Lansdown	14,020,751	4.79
6	Miton Asset Management	13,927,315	4.76
7	Barclays Stockbrokers	10,928,351	3.74
8	TD Waterhouse	9,785,556	3.35
		179,004,681	61.20

[1] *The percentage shareholdings are calculated on the total number of ordinary shares with voting rights being 292,539,753 shares. The total issued number of shares is 297,981,896 including 5,442,143 shares held in treasury.*

GLOSSARY OF TERMS

The following definitions apply throughout the consolidated financial statements:

AGM	Annual General Meeting
AIM	Alternative Investment Market of the London Stock Exchange
AQPSA	Aquarius Platinum (South Africa) (Pty) Ltd
AUD	Australian Dollar
BEE	Black Economic Empowerment
CGU	Cash Generating Unit
CTRP	Chrome Tailings Retreatment Project
DMR	Department of Mineral Resources
EBITDA	Earnings before interest, tax, depreciation and amortisation
EIA	Environmental Impact Assessment
EIR	Effective Interest Rate
GBP	Great British Pound
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
Ironveld	Ironveld Plc
IRR	Internal Rate of Return
JORC	Joint Ore Reserves Committee
JV	Joint Venture
LTI	Lost Time Injury
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
PGM	Platinum Group Metals comprising mainly platinum, palladium, rhodium and gold
ROM	Run of Mine
SAM	SA Metals Pty Ltd
SAMREC	The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves
SDO	Sylvania Dump Operations
Shares	Common Shares
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
The Code	UK Corporate Governance Code
USD	United States Dollar
WULA	Water Use Licence Application
ZAR	South African Rand

CORPORATE DIRECTORY

DIRECTORS

SA Murray – Independent Non-executive Chairman
TM McConnachie – Chief Executive Officer
RA Williams – Independent Non-executive Director
E Carr – Independent Non-executive Director

COMPANY SECRETARY

Codan Services Limited

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SOLICITORS

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STOCK EXCHANGE LISTING

Sylvania Platinum Limited is listed on the AIM market of the London Stock Exchange (shares: SLP)

WEBSITE

www.sylvaniaplatinum.com

RUSSELL AND ASSOCIATES 9649/16

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