SYLVANIA
PLATINUM LIMITED

ANNUAL REPORT 2019

ABOUT US

LOW-COST PRODUCER OF PLATINUM GROUP METALS

Sylvania Platinum Limited (Sylvania) is a low-cost producer of the platinum group metals (PGMs) platinum, palladium and rhodium, with two distinct lines of business: the re-treatment of PGM-rich chrome tailings material from mines in the region and the potential development of shallow mining operations and processing methods for low-cost PGM extraction.

VALUES

- **We value the safety and health of all**
- **We value the fundamental rights of people**
- **We value honesty and integrity**
- **We respect the environment**
- **We value the culture, traditional rights and society in which we operate**

For more on our values, please visit our website: www.sylvaniaplatinum.com

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WE VALUE THE SAFETY AND HEALTH OF ALL EMPLOYEES

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

01 ABOUT SYLVANIA

CORPORATE PROFILE

Sylvania Platinum Limited is a

PRODUCER OF

PLATINUM GROUP METALS (PGMs) INCLUDING

Pt Platinum Pd Palladium Rh Rhodium

The Company's core business is the retreatment of PGM bearing chrome tailings material. The Company also holds 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 lower 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
- continuously 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.

The Board has also recommended the payment of a dividend of 1.00 US cent per share, following the Annual General Meeting (AGM) to be held on 22 November 2019.

The Sylvania cash generating subsidiaries are incorporated in South Africa with the functional currency of these operations being SA Rand (ZAR). Revenues from the sale of PGMs are incurred in US Dollars (USD) and then converted into ZAR.

The Group's reporting currency is USD as the parent company is incorporated in Bermuda. Corporate and general and administration costs are incurred in USD, Great British Pounds (GBP) and ZAR.

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 2019. 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.

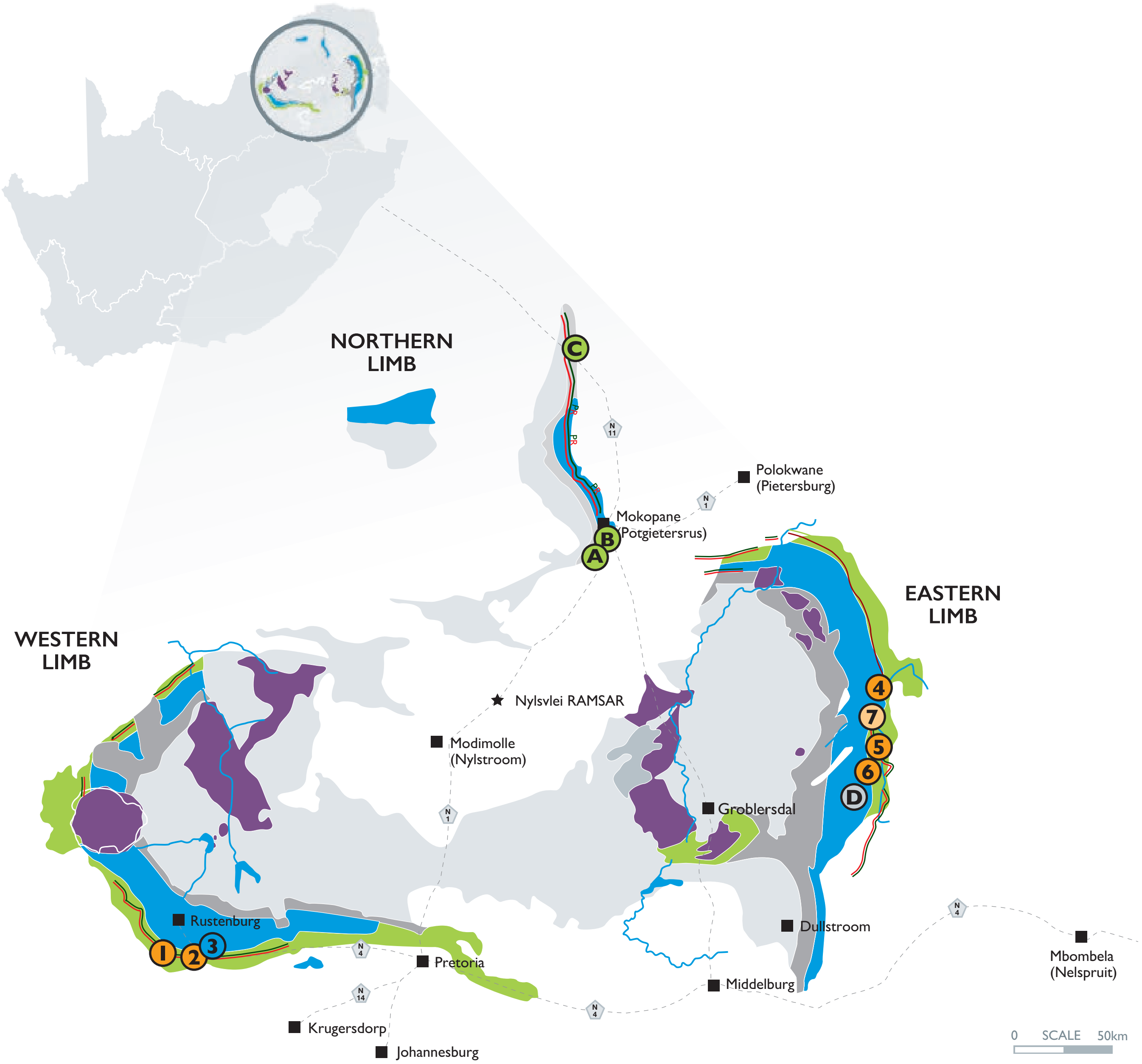
The consolidated financial statements, set out on pages 44 to 95, were approved on 30 August 2019. They include the Company's financial results and were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The 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 is quoted on AIM, and in accordance with the AIM Rules for Companies (the AIM Rules), has chosen to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 for Smaller Companies. In accordance with the AIM Rules this was adopted and implemented from September 2018, and a summary is available on the Company's website (www.sylvaniaplatinum.com). The corporate governance statement can be found on pages 32 and 33 of this report.

Scan this QR code to download a PDF version of this report.

LOCATION OF OPERATIONS AND PROJECTS

LOCALITY WITHIN SOUTH AFRICA



RUSTENBURG LAYERED SUITE

- Granites and allied rocks
- Upper zone
- Main zone
- Critical, lower and marginal zones
- Merensky reef
- UG2 Chromitite layer
- PR Platreef
- Main roads
- Main river
- SLP Sylvania
- SDO Sylvania Dump Operations
- Younger cover rocks
- Younger alkaline intrusions and carbonatites

LEGEND

Operating Sylvania complexes

1 Millsell (SDO)

2 Mooinooi – Dump and ROM (SDO)

3 Lesedi SDO)
Acquired: Nov '17
Previously Phoenix Platinum

4 Doornbosch (SDO)

5 Lannex (SDO)

6 Tweefontein (SDO)

Decommissioned operations

7 Steelpoort (SDO)
Decommissioned: Jun '17

Mineral projects

A Volspruit

B Grasvally

C Northern Limb projects

D Everest North

Impaired during FY2013

VISION

To be the leading mid-tier
lowest unit cost
PGMs mining company

MISSION

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

BUSINESS MODEL

HIGHLIGHTS FY2018

0.35 pence per share

MAIDEN CASH DIVIDEND

Recommended by Board of Directors

71,026 ounces

SDO PRODUCTION

5th consecutive year of record 4E PGM production

24%

NET REVENUE

Up 24% to $62.8 million from $50.5 million in FY2017

21%

GROUP EBITDA

Improved by 21% on FY2017 to $22.2 million

24%

GROUP NET PROFIT

At $11.0 million – a 24% improvement compared to the previous period

$14.0 million

POSITIVE GROUP CASH BALANCE

$14.0 million (including guarantees of $1.0 million)

R89.0 million ($6.3 million)

ACQUISITION AND INTEGRATION

Acquired Phoenix Platinum Mining (renamed Lesedi) in November 2017 for R89.0 million ($6.3 million) and successfully integrated into SDO

A$388,152

SHARE BUYBACK PROGRAMME

Purchased 2,397,481 shares at a cost of A$388,152 under Share Buyback Programme offered to small non-UK shareholders

HIGHLIGHTS FY2019

72,090 ounces

SDO PRODUCTION

6th consecutive year of record 4E PGM production

12%

NET REVENUE

Up 12% to $70.5 million (FY2018: $62.8 million)

36%

GROUP EBITDA

Improved by 36% on FY2018 to $30.2 million

$18.2 million

GROUP NET PROFIT

66% improvement compared to previous period

66%

EPS

Basic EPS improved 66% to 6.37 US cents per share from 3.83 US cents per share in FY2019

1.00 US cent per share

CASH DIVIDEND

Recommended by Board (more than double that of FY2018)

$21.8 million

GROUP CASH BALANCE

no debt and no pipeline financing

R115.0 million

CONDITIONAL CASH OFFER

Received post-period end for Grasvally Chrome Mine from Forward Africa Mining

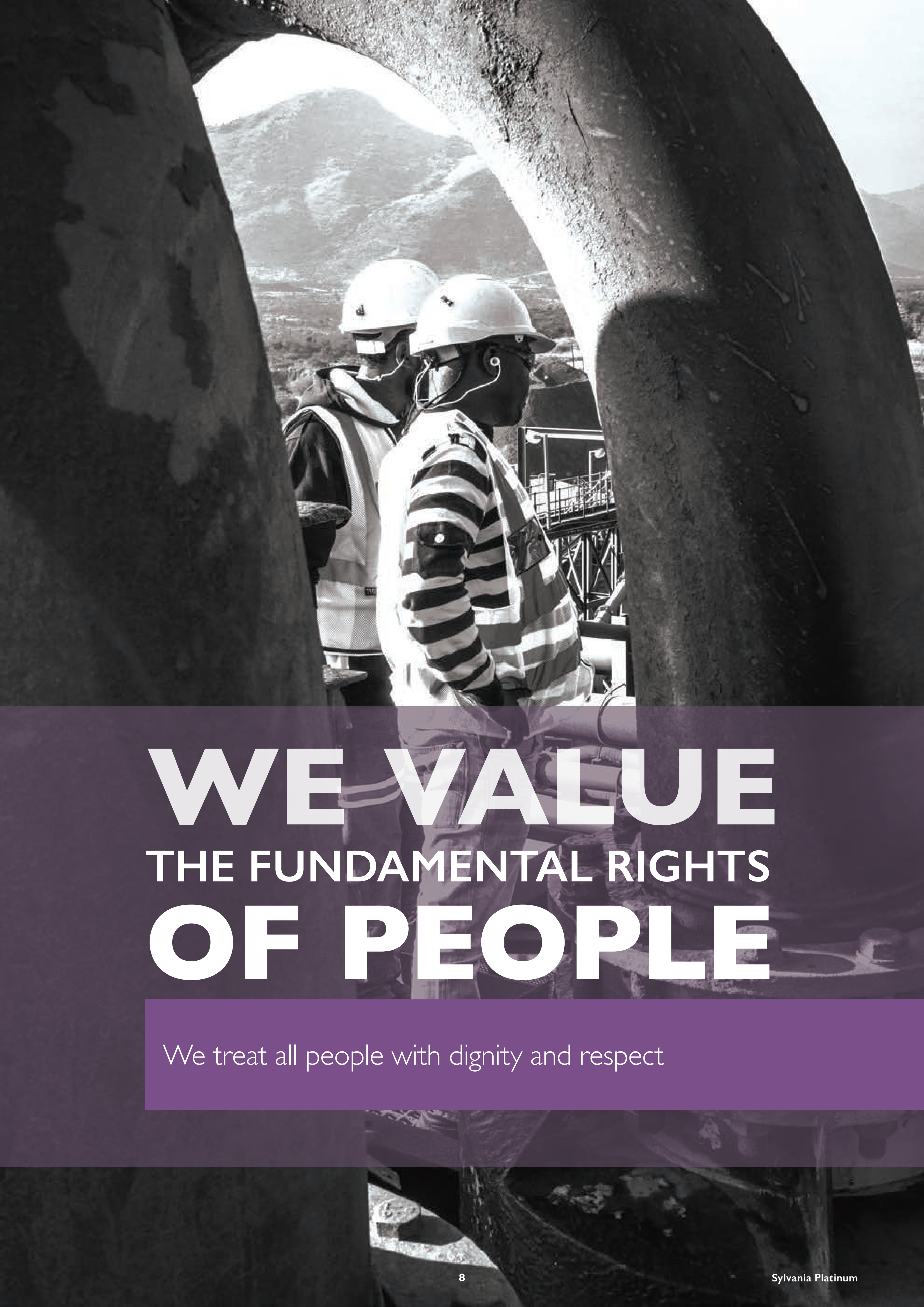
OPPORTUNITIES FY2020

Debt-free with positive cash balance to fund capital expansion projects

Additional boreholes, storage dam and water supply line commissioned at Lesedi to mitigate impact on operations and minimise disruptions

Optimised re-mining strategy using hybrid mechanical hydro-mining to enable more efficient blending, grade control and feed stability

Return capital to shareholders through the opportunistic buyback of shares in favourable conditions



WE VALUE THE FUNDAMENTAL RIGHTS OF PEOPLE

We treat all people with dignity and respect

02 STRATEGIC MANAGEMENT

CHAIRMAN'S LETTER

As the power utility's delivery date becomes visible, estimated between the next six to nine months, the Company can recommence the Project Echo module at Tweefontein"

Stuart Murray
Chairman

Letter to fellow shareholders

OVERVIEW OF THE YEAR

The year in summary has been much like the curate's egg – good in some parts, not ideal in others.

The Sylvania Dump Operations (SDO) produced record ounces in Q4 and record annual production of 72,090 ounces. This was just above the revised guidance of 72,000 ounces. A rocky first six months of production challenges, particularly at Lesedi in the second quarter due to downtime as a result of water shortages at the Western operations, as well as plant efficiencies associated with dump re-mining at Doornbosch, where the current dump reached its end of life, drove most of the Company's operational focus. Additional work is also being done on dump grade control and Management will focus on this further in the coming financial year and beyond. Were it not for these issues, production would have been several thousand ounces better.

Water and water infrastructure are critical issues nationally, but water availability is rapidly becoming a strategic issue for the SDO. There are capital implications, which will be factored into future capital expenditure for FY2020 and onwards. The costs of tailings deposition facilities are furthermore increasing significantly due to legislative changes, but the Company is taking note of new technologies with a view to further water-saving opportunities, further detailed in the CEO's Review.

Power utility infrastructure and supply issues resulting in interruptions and instability are another concern along with power costs up 13%, driven by these infrastructure constraints as well as the financial situation at the national power utility. However, a welcome development is the commencement of the new power infrastructure at Tweefontein, which once completed, will enable the Company to begin construction of the last budgeted Project Echo MF2 module at the Tweefontein plant. As the power utility's delivery date becomes visible, estimated between the next six to nine months, the Company can recommence the Project Echo module.

Despite these challenges, Management and operational teams pulled together and were able to produce a record H2 and, in particular, set a new quarterly performance record during the fourth quarter to ensure that we met the revised guidance communicated in our third quarter report. Stable performance from the commissioned Project Echo MF2 plants, including the latest module at Mooinooi, commissioned earlier than anticipated, as well as recovery improvements at Lannex and Tweefontein, assisted in greatly boosting production ounces. Relocation of the redundant Steelpoort plant to Lesedi, thereby aligning Lesedi with the standard SDO process layout, is expected to further bolster performance in the future.

The Company paid ZAR114.9 million ($8.1 million) in income tax during the year on profits generated at the South African operations and spent ZAR117.7 million ($8.3 million) on capital projects. If one adds this to the cash on hand at 30 June 2019, cash generation from operations was $29.9 million – a commendable achievement, albeit assisted by a favourable basket price and the ZAR/USD exchange rate.

To further assist the Board and Management in steering the Company through these challenges, it has been prudent to improve management support structures by strengthening operations management. Separation of the Eastern and Western operations, each placed under dedicated regional Management teams, improved operational focus and the response time to any issues as they arise. Critical aspects, such as the management of re-mining of the dumps, that were creating challenges in the past, have been insourced in order to improve efficiencies and control. In order to deal with increasing demands in terms of human resources (HR) and the communities, the HR department has been strengthened and a community liaison resource has been added.

Managing the expectations of communities in terms of rights and access to historical dumps, and the imperative of protecting the Company's resources remains front of mind. Although this has not caused any interruptions to operations at this time, Management is cognisant of the issues and mitigates them as they arise, knowing that this may require legal cost and management of time and resources. The Company engages continuously with respective community leaders to ensure peaceful co-existence.

FINANCIALS AND DIVIDENDS

Although unit costs were up year-on-year in ZAR, operating costs were managed well during the year, as well as overall operational fixed costs by maintaining cost discipline. Capital expenditure was, for this past year, at its highest as a result of the roll-out of Project Echo. However, control of the costs of major capital projects was very good with projects executed within the proposed capital budgets and all funded from internal cash reserves. The Company has further delivered excellent financials with a Group EBITDA improving on the previous year by 36% and we have grown our cash balance to $21.8 million at year-end.

In November 2018, the Company paid a maiden dividend of 0.35 pence. We are on the dividend paying treadmill now and intend to stay there. The Company's revised dividend policy was passed and communicated to shareholders in my letter last year – a copy can be found on the Company's website.

I would like to point out tax is a real cash cost – often over looked by shareholders in their posted commentaries on various websites and the likes. I read commentary about margins and great revenue generation on simplistic revenue minus cost calculations leading to expectation of huge cash balances that have to be dealt with by the Board. The reality is different when one examines the financials more carefully and I urge shareholders to take into account the requirement of the Company to pay tax; pay for sustaining capital; pay for expansion capital; pay for ever rising electricity prices; pay for… but…

After careful consideration by your Board of Directors, and after taking the working capital requirements of the SDO and the need to purchase shares in the market (buy back) to satisfy current and future incentives for Senior Management and the Board into account, plus other applicable factors, I am pleased to advise that the Company has recommended the payment of a 1.00 US cent per share dividend, payable in November 2019. The combination of these dividend payments and planned share buybacks represent over 25% of the unrestricted cash balance of the Group

The Board remains committed to its strategy of creating and returning shareholder value through payment of dividends, share buybacks and cancellation or any other value-enhancing methods that may arise.

CHAIRMAN'S LETTER
continued

OPERATIONS

Due to the water-related issues on the Western operations and feed-related issues at Doornbosch, the Board felt it prudent to revise guidance to 72,000 ounces for the year. H2 saw a recovery due to production strategy and measures put in place, including sourcing water from neighbourhood operations and additional boreholes to supply Lesedi, as well as reverting to a hybrid re-mining strategy at Doornbosch.

In terms of control and management of operations, the primary change was the roll-out of the hybrid re-mining strategy across all operations, which entails hydromining from a central feeding station, and mechanically blending and feeding the material. This enables better grade control and feed stability at the operations, which will prevent similar reoccurrences as experienced at Doornbosch during the past year.

We have managed to roll out and improve the process configuration at Lesedi through the relocation of the Steelpoort chrome circuit to Lesedi, which enables improved material upgrade and higher-grade feed to the PGM plant. During the recent drought, access to water was acquired from neighbouring operations, which enabled us to blend feed material from adjacent dump operations to provide a more consistent feed grade. The low-risk model is thus preserved in that we do not solely rely on Lesedi's infrastructure and resources pre-acquisition. It also gives us flexibility in managing and prioritising the various dump feed resources in the area.

In terms of the future of Project Echo, the last outstanding module is Tweefontein, which is currently on hold pending electricity infrastructure. A significant portion of the process design is already complete and estimated time to commissioning is approximately 12 months from project go-ahead. To date, expenditure on Project Echo is ZAR139.3 million. We currently estimate that it will take a further ZAR36.1 million to complete, which will continue to be funded from internal cash reserves.

Looking at our mineral asset development and opencast mining projects, the Company's strategy has remained unchanged. We shall continue to defend title but no further major spend is anticipated until market fundamentals improve. Following the appointment of consultants to assist with the sale of Grasvally, the Board are pleased to advise that a conditional cash offer from Forward Africa Mining (Pty) Ltd (FAM) to acquire 100% of the shares in and claims against Grasvally Chrome Mine (Pty) Ltd for a total consideration of ZAR115.0 million, settled in cash or other available funds was received. FAM will have eight months from the date of acceptance of the offer to fulfil standard conditions precedent. Due to the attractive palladium component along with the base metal by-products at Volspruit, a possible revival of the asset may be considered in due course.

The Company has furthermore conducted extensive pilot work on the pelletising of chrome fines in a joint-operation, as mentioned in my previous letter to shareholders. Subject again to market conditions for chrome ore, there may be significant opportunity to convert chrome ore fines to pellets for current output and for third parties. As the basic piloting has concluded, engineering will be progressed in the coming year with a view to adding a new business line to the Company.

MARKET OUTLOOK

Over the past year, the run up in the palladium and rhodium prices has boosted the basket price markedly, which has been very welcome in the face of soggy platinum prices. The volatility in the Rand, with its tendency towards weakness in comparison to the Dollar, also boosted our bottom line.

"What goes up (palladium and rhodium prices) can also come down as fast!"

While platinum is forecast to make a modest recovery on the back of a rise in investor activity, autocatalyst consumption recovery and legislative changes in China and India, power supply issues and industrial activity have a major impact on a potential outcome and thus, once again, we are at the mercy of elements outside of our control. Palladium, however, is again expected to rise as a result of an increase in automotive consumption although rhodium prices may expect a moderate rise as market fundamentals stabilise following a release from pipeline inventories.

All-in-all you can expect much of the same from the Company in FY2020: we will continue to keep costs controlled and remain debt-free as well as remain cash-positive. There are clouds on the horizon in automotive markets – China trade wars, Brexit, and such mean that we will remain with our conservative views of metals prices and revenue generation potential. What goes up (palladium and rhodium prices) can also come down as fast!

FUTURE PLANS

Moving forward into FY2020, your Board and Management will remain proactive in their approach to the power and water shortages discussed above, which require further mitigation not only to resolve present constraints but to avoid any future occurrences. In terms of the market and our political environment, nothing really changes – we will keep focusing on tight operational discipline and creating value from existing sources.

The Company will continue to explore the possibilities of adding new resources to the SDO. Potential additional shafts and projects at our host mines may materialise, which in turn may lead to increased output and additional life extension. The possibility is embryonic at present but your Board and Management will keep you apprised of any developments.

I anticipate another year of hard work and identified operational challenges will continue to be addressed. For those that may crop up beyond our control, I have full faith that Management will again lead the Company to further success. Our aim will be to maintain SDO performance with efficient cost controls, and to achieve a production guidance of around 74,000 ounces to 76,000 ounces for FY2020.

THANKS

As always, I must thank you, the shareholder, for constantly keeping your Board on their toes (particularly in the market and political climate in which we operate). I also thank our host mine without which we may not exist. Another big thanks to our Management team and employees for their innovation and dedication, and for powering us through what has been a year of ups and downs. I also thank my fellow Board members for your contributions and sage advice throughout the past year.

Stuart Murray
Chairman

CEO'S REVIEW

"We expect the resultant ounces from capital projects to be sustainable in the coming financial years"

Terry McConnachie
Chief Executive Officer

The year under review has been one of peaks and troughs. The SDO started off in Q1 FY2019, achieving the second highest quarterly production in the history of the Company, with a dip of lower production during the middle of the year followed by Q4 FY2019's all-time record quarterly production.

Mostly due to matters outside of our control, Q2 and Q3 were challenging and resulted in lower production volumes and efficiencies. In particular, the water shortages at our Western operations, and power infrastructure and supply disruptions at our Eastern operations, as well as community disruptions associated with social unhappiness, culminated in unexpected and unplanned disruptions and downtime, impacting negatively on production. The Board and Management, at this time, thought it prudent to revise annual guidance to 72,000 ounces for the year in the Q3 announcement, which still required record quarterly production in Q4. I am pleased to say that the management and operations teams took this challenge on board and the operations were thus able to set new quarterly and annual ounce production records for Q4 and FY2019.

We are beginning to see the results from the MF2 modules at Millsell, Doornbosch, commissioned during FY2018, and the most recent module at Mooinooi, which was commissioned at the end of Q3, as well as other optimisation projects rolled out during the year. We expect the resultant ounces from these projects to be sustainable in the coming financial years.

With the increase in the gross ZAR basket price over the financial year, and continued cost controls in place, the Company was able to continue to internally fund our Project Echo MF2 modules and expansion projects, and to grow its cash holding year-on-year. An unavoidable reality of an increase in profit, as mentioned by your Chairman, is the payment of tax in the country of operation, which has a knock-on effect on our ability to continue to fund new projects as well as declare the payment of a large dividend. The Board and Management however will continue to maintain tight cost controls so as to maintain our strong cash holding with no debt. As announced previously, the Company has extinguished our historical pipeline finance, but still has access to this facility should the Company encounter any complications outside of its control in the future.

As was mentioned by your Chairman and alluded to in the previous Annual Report, the Company continues with an R&D joint-operation programme and has, during the financial year, conducted extensive pilot work on the pelletising of chrome fines with the opportunity to convert chrome ore fines to pellets for current output and for third parties. As the basic piloting has concluded, engineering will be progressed to firm up a business case in the coming year with a possible view to adding a new business line to the Company.

The 2019 operational, financial and corporate results can be summarised as follows.

OPERATIONAL PERFORMANCE

The SDO delivered the sixth consecutive year of record production of 72,090 ounces in the 2019 financial year, including record quarterly production of 21,789 ounces in the fourth quarter. The SDO thus met the revised guidance, as communicated in Q3 FY2019, of 72,000 ounces for the financial year.

The increase in annual production for FY2019 can be attributed to a 3% increase in PGM plant recovery with PGM tons treated marginally lower and PGM feed grade remaining fairly stable year-on-year. The improvement in PGM recovery efficiencies is due to a combination of the contribution from MF2 plants at Millsell and Doornbosch for the full year, compared to only six months since commissioning in FY2018, as well as process improvements at Tweefontein. Although the feed head grade decreased marginally by 2% in comparison with the last financial year, due to the erratic grade during the re-mining of the Doornbosch tailings dump, which reached its end of life, as well as the receipt of lower current arisings than expected from the host mine, the PGM feed grade was marginally higher after being upgraded during classification. In order to mitigate lower front-end feed grades, Doornbosch began mining the new million-ton tailings dam during Q4 and current arisings from the host mine improved after repairs and improvements to their circuits. Management also began the

"Utility infrastructure and supply of power continued to present challenges to the operations and execution of expansion projects throughout the year"

implementation of an optimised re-mining strategy, which utilises a hybrid mechanical-hydromining approach, deviating slightly from a pure hydromining approach, albeit at a similar cost.

The SDO cash cost increased by 8% in ZAR (the functional currency) from ZAR6,969/ounce to ZAR7,548/ounce while the USD cash cost decreased marginally to $532/ounce against $543/ounce in FY2018. The increase in ZAR terms was primarily driven by above-inflation electricity rate increases, negotiated operational labour wage increases, and higher re-mining costs associated with the final dump floor-cleaning and re-mining challenges at Doornbosch during the year.

Utility infrastructure and supply of power continued to present challenges to the operations and execution of expansion projects throughout the year. As highlighted in my report for FY2018, delays in the roll-out of the Project Echo MF2 at Tweefontein, due to power constraints, were counteracted by fast-tracking the module at Mooinooi. The Mooinooi Project Echo MF2 module was commissioned earlier than planned, at the end of Q3, which assisted in boosting PGM feed grades and ounces. It is expected to improve even more as the module is optimised.

Unfortunately, operations on the West were also hindered due to abnormal summer heat and drought conditions, which resulted in water shortages at some plants. Lesedi, in particular, where there is no current arisings feed source or tails slurry from a host mine, at present, was severely impacted. The plant could therefore only treat 52% of its planned treatment tonnage during Q2. To alleviate the impact, further boreholes were drilled and a water transfer scheme was implemented from neighbouring operations, which helped to improve supply during H2. Additional boreholes are being drilled in consultation with water and environmental experts, and process options continue to be explored to minimise consumption, which could assist in mitigating any future impact on availability that the operations may face moving forward.

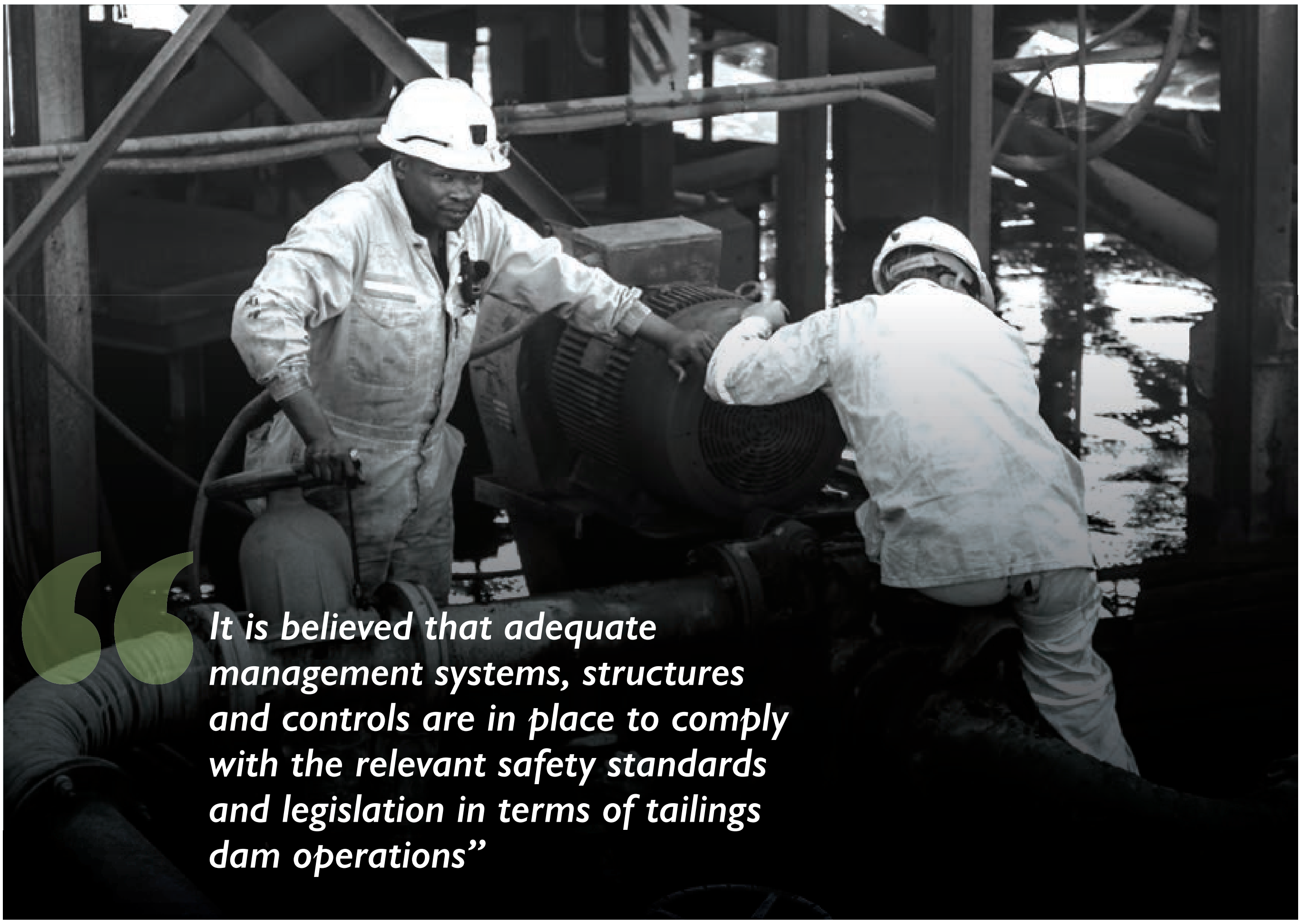
The relocation of our redundant Steelpoort chrome circuit to Lesedi, identified during FY2018 as an opportunity to improve chrome removal ahead of flotation, which will enable higher PGM feed, was completed and commissioning of this new section started in June 2019. It will further contribute to higher PGM feed grades and ounce production in the coming financial year.

Project Echo is still progressing well with the Millsell and Doornbosch MF2 modules in operation since early 2018 and Mooinooi MF2 commissioned at the end of Q3 FY2019, earlier than expected. Tweefontein MF2 is the next module to be executed but construction depends on completion of an infrastructure upgrade by the national power utility to ensure stable and reliable power supply to the host mine and Sylvania's operation. The upgrade by the power utility has begun and is expected to commission by FY2020.

As such, in order to maintain a stable production profile going forward, the Sylvania SDO will continue with

- the chrome circuit at Lesedi
- the improved PGM fines classification circuits that were implemented at Millsell, Doornbosch and Tweefontein to enable more efficient upgrading of PGMs
- Project Echo

CEO'S REVIEW
continued



HEALTH, SAFETY AND ENVIRONMENT

The Company continues to focus on health, safety and environmental compliance and, through the collaborative efforts of Management and all employees across the operations, we strive to maintain high safety standards and a safe working environment at all operations. The combined efforts of Management and employees have resulted in a good safety performance, without significant health or environmental incidents during the year.

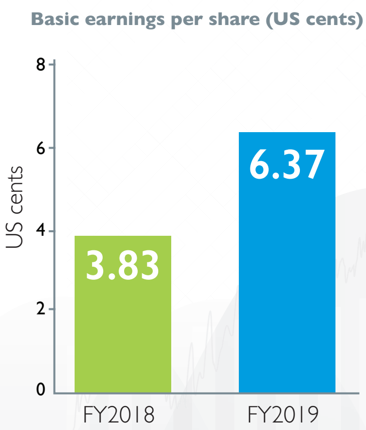
Our Lesedi operation achieved eight years lost time injury (LTI)-free during the final quarter of the financial year while Tweefontein and Doornbosch remain LTI-free for seven years. Lannex and Millsell have remained LTI-free for more than four years, but Mooinooi unfortunately recorded one LTI in June 2019 when an artisan suffered a laceration on his upper leg, caused by the sharp edge of a structure, during a lifting operation.

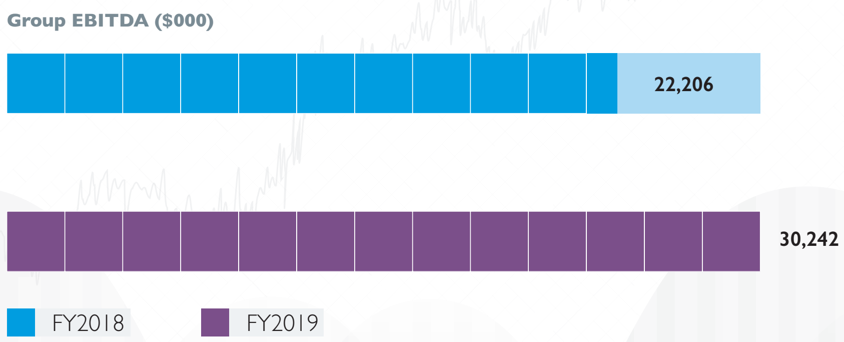
Throughout the year, the iron ore industry in Brazil experienced some major tailings-dam related incidents. As a result, the Company reviewed its own safety procedures relating to tailings dam management during the period. Sylvania fully acknowledge the risk around any tailings dams. As such, our tailings dam operation strategy is therefore aligned to conform with an acceptable risk profile and is compliant with the legal framework of South Africa, which is well aligned with international best practice. It is believed that adequate management systems, structures and controls are in place to comply with the relevant safety standards and legislation in terms of tailings dam operations.

Besides existing reviews and monitoring and control measures that are already in place, Sylvania has also implemented additional independent audits and review processes to evaluate legal compliance and operational preparedness in terms of some specific tailings dam related emergencies, and the Group will continue to assess its safety procedures moving forward.

Due to the additional tailings dam safety measures, as well as the increasing environmental legislative requirements, the capital requirement for new tailings dam facilities has been impacted and remains a significant area of focus for the Company.

In terms of the social environment, mining companies continue to deal with increasing community expectations and demands in terms of procurement opportunities and access to dump resources. This is often associated with threats of violence and intimidation at operations, and the Company will continue to engage with the relevant community structures and authorities to minimise this.





FINANCIAL PERFORMANCE

The Group generates revenues in USD and incurs costs in ZAR, USD and GBP. The average USD:ZAR exchange rate was ZAR14.19:$1 against the ZAR12.82:$1 recorded in the previous period, and the spot was ZAR14.12:$1 at 30 June 2019.

The average gross basket price for PGMs in the financial year was $1,277/ounce – a 13% increase on the previous year's $1,135/ounce. The improvement in the basket price, assisted by the record ounce production, resulted in a 12% increase in net revenue from the previous year (FY2019: $70.5 million; FY2018: $62.8 million).

Although the platinum and palladium prices fell in the second half of the year, the SDO PGM basket was such that the Company benefited from the higher rhodium price, which is carried through to the basket price.

Revenue on 4E ounces delivered increased by 16% in dollar terms to $60.5 million year-on-year. Revenue from by-products added $6.5 million to the total revenue for the year.

Group cash cost decreased marginally by 2% year-on-year from $567/ounce (ZAR7,274/ounce) to $556/ounce (ZAR7,885/ounce). Operating costs increased 10% in ZAR (the functional currency) from ZAR495.4 million to ZAR544.4 million attributable to above-inflation electricity rate increases, negotiated operational labour wage increases, and higher re-mining costs associated with the final dump floor-cleaning and re-mining challenges at Doornbosch during the year. General and administrative costs are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs decreased 2% in the reporting currency year-on-year.

All-in sustaining costs (AISC) increased by 2% to $578/ounce (ZAR8,201/ounce) from $565/ounce (ZAR7,245/ounce) as a result of the increase in operational costs, and All-in costs (AIC) of 4E increased by 3% to $672/ounce (ZAR9,534/ounce) from $655/ounce (ZAR8,406/ounce) recorded in the previous period, due to the increase in capital spend.

Group EBITDA improved 36% year-on-year to $30.2 million. The taxation expense for the year was $6.2 million (as per the statement of profit or loss and other comprehensive income and includes deferred taxation movements) and depreciation of $6.5 million.

The Group net profit for the year was $18.2 million, a 66% improvement on the previous year.

Capital expenditure was incurred in ZAR and was mainly spent on the Mooinooi Project Echo MF2 module and the Lesedi Chrome Section. The balance of the capital spend was on stay-in-business and optimisation projects. The total spend for the year was ZAR117.7 million (FY2018: ZAR101.5 million). The total spend on Project Echo to date is ZAR139.3 million of the ZAR175.0 million budget.

Basic earnings per share (EPS) improved 66% to 6.37 US cents per share from 3.83 US cents per share in FY2018.

Cash generated from operations before working capital movements was $29.9 million with net changes in working capital resulting in a reduction of $5.3 million. Net finance income amounted to $0.9 million and $8.1 million was paid in income taxes during the year.

Major spend items included $0.3 million on exploration activities (FY2018: $0.4 million), $8.0 million on capital projects and stay-in-business capital for the SDO plants (FY2018: $7.6 million).

CEO'S REVIEW
continued

The Company remains debt-free with a cash balance of $21.8 million, allowing for continued funding of Project Echo and capital projects"

At corporate level, $1.3 million was paid out in dividends. An amount of $0.6 million was withdrawn from the investment, relating to the rehabilitation guarantees, and was transferred to an insurance facility for these guarantees.

The impact of exchange rate fluctuations on cash held at year end was a $0.04 million loss (FY2018: $1.1 million loss).

The Company remains debt-free with a cash balance of $21.8 million, allowing for continued funding of Project Echo and capital projects.

For more details on the financial performance of the Group, please refer to the Directors' Report and the accompanying consolidated annual financial statements.

MINERAL ASSET DEVELOPMENT AND OPENCAST MINING PROJECTS

The Company has continued to maintain the value of its mineral asset development activities during the year to be able to defend title. However, until market conditions improve, this will result in very limited spend.

VOLSPRUIT PLATINUM EXPLORATION

The Department of Mineral Resources has still not communicated any progress in the appeal lodged by interested and affected parties in June 2017 against the decision to grant a mining right application to the Company. The Member of the Executive Council for Economic Development, Environment and Tourism has also not communicated any further response about the appeal against the decision to refuse the Company's application for an environmental authorisation. The Company's environmental consultants are following up regularly on this outstanding matter.

GRASVALLY CHROME EXPLORATION

Following the appointment of consultants to assist with the sale of Grasvally, the Board is pleased to advise that a conditional cash offer from Forward Africa Mining (Pty) Ltd (FAM) to acquire 100% of the shares in and claims against Grasvally Chrome Mine (Pty) Ltd for a total consideration of ZAR115.0 million, settled in cash or other available funds was received. FAM will have eight months from the date of acceptance of the offer to fulfil standard conditions precedent and the Company will keep shareholders apprised of these developments.

The Company reported, in the FY2018 Annual Report that the mining right for the project had been granted just before the close of the reporting period. Execution and registration of the right was concluded during H1 FY2019.

NORTHERN LIMB PROJECTS

There has been no further development of the Northern Limb Projects during the last financial year, apart from that which is necessary to maintain compliance with the mining right and to defend title.

CORPORATE ACTIVITIES

DIVIDEND APPROVAL AND PAYMENT

During the first quarter, the Company announced that the Directors of Sylvania recommended the payment of a maiden cash dividend of 0.45 US cents (0.35 pence) per Ordinary Share of $0.01 in the Company, which was approved by the shareholders at the Company's AGM held in November 2018. The dividend was paid on 30 November 2018.

The Board has furthermore recommended the payment of a cash dividend for FY2019 of 1.00 US cent (~0.78 pence) per Ordinary Share, payable in November 2019.

While this might not be as much as some shareholders might have expected, it should be noted that this dividend is more than double that of last year's dividend, while we maintain sufficient cash reserves in the business to grow and have a war chest available as cash reserve, in case of any unplanned or unexpected problems in the future.

SHARE BUYBACKS AND CANCELLATION OF SHARES

One of the Company's strategic goals is to return capital to shareholders and continue to review opportunities to do so, as and when they arise.

At the conclusion of the Share Buyback Programme (the Programme) that ran during the last financial year to 24 August 2018, the Company purchased a total of 2,407,481 Ordinary Shares at $0.01 from small non-UK based shareholders at a price of A$0.1619 per Ordinary Share, representing 57% of the shares on offer under the Programme.

At the close of FY2018, shares in the Company were valued at 16.25 pence per Ordinary Share and at the close of FY2019, this appreciated 86% to 30.25 pence per Ordinary Share.

Subsequent to the conclusion of the Programme, the Company cancelled 892,257 Ordinary Shares remaining at the end of the Programme, as well as a further adjustment to shares held in treasury of 120,000 Ordinary Shares.

As announced during H1 FY2019, the Company also agreed to buy back 516,632 shares, held by a person discharging managerial responsibilities, as defined by the Market Abuse Regulation, at 16.00 pence per Ordinary Share and these shares were cancelled immediately.

The Company announced in Q4 FY2019 that it proposed to acquire 2,100,000 Ordinary Shares, representing 0.7% of the Company's issued share capital, as part of a once-off buyback under the terms and authority of the Company's Bye Laws. This buyback was not taken up.

The Board has made a decision that, in order to fulfil the current shortfall in shares held in treasury to cover the bonus share awards of 4.2 million shares, which vest over the next five years, an offer to acquire 30% of all shares held by employees, excluding Directors, will be made at the 30-Day volume-weighted average price (VWAP). This would equate to approximately 1.1 million shares should all employees holding shares take up the offer. A further 3.1 million shares will be sought in the market.

THANK YOU AND OUTLOOK

I thank Management and the operations teams for assisting the Company in returning the results for FY2019, especially through the challenges faced during the past year. Due to the four-month payment agreement with our off-taker, the fourth quarter's solid performance will contribute to an increase in our cash on hand during FY2020 and, due to the evident results from our Project Echo and Capital Expansion projects, I am optimistic as we embark on FY2020.

I look forward to what FY2020 has in store, and to achieving our stated guidance of 74,000 to 76,000 ounces.

Terry McConnachie
Chief Executive Officer

SUSTAINABILITY

At Sylvania, the Board of Directors are committed to regular stakeholder engagement, and consider communication and interaction with all of our stakeholders as a means to identify shortcomings and implement strategies that address any issues should they arise.

STAKEHOLDER ENGAGEMENT

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. 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 the Alternative Investment Market (AIM). The Board also conducts Investor Roadshows following the release of the Half Year and Annual Results. 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 significant and shareholders are advised accordingly.

Monthly meetings with employees and Plant management are conducted around work-related issues and addressed according to Company mandates. Monthly and quarterly meetings are held with local communities on matters regarding unemployment, business opportunities, training and education, and the Company actively assists where the opportunity allows.

SAFETY AND HEALTH

The Company is focused on health, safety and environmental compliance and, through the collaborative efforts of management and all employees across the operations, we strive to maintain high safety standards and a safe working environment at all operations. The combined efforts of Management and employees have resulted in a good safety performance with no significant health or environmental incidents during the year.

The Lesedi operation achieved eight years lost time injury (LTI)-free during the final quarter of the financial year while Tweefontein and Doornbosch remain LTI-free for seven years. Lannex and Millsell are LTI-free for more than four years but Mooinooi, unfortunately, had one LTI in June 2019 when an artisan suffered a laceration on his upper leg, caused by the sharp edge of a structure, during a lifting operation.

Throughout the year, the iron ore industry in Brazil experienced some major tailings-dam related incidents. As a result, the Company reviewed its own safety procedures relating to tailings-dam management during the period. Besides existing reviews, and monitoring and control measures that are already in place, Sylvania has implemented additional independent audits and review processes to evaluate legal compliance and operational preparedness in terms of some specific tailings dam-related emergencies. The Group will continue to assess its safety procedures moving forward.

Due to the additional tailings-dam safety measures, as well as the increasing environmental legislative requirements, the capital requirement for new tailings-dam facilities has been impacted and remains a significant area of focus for the Company.

In terms of the social environment, mining companies continue to deal with increasing community expectations and demands in terms of procurement opportunities as well as access to ore and dump resources. This is often associated with threats of violence and intimidation at operations. The Company will continue to engage with the relevant authorities in order to minimise this.

EMPLOYEES AND COMMUNITIES

OUR APPROACH

The organisation's human resource (HR) strategy follows our business strategy with key focus on performance and efficiencies. Our employment policies, procedures and practices take into account and comply with the relevant labour legislation of South Africa. Our recruitment initiatives focus on local communities in areas surrounding our operations.

EMPLOYEES

At the end of FY2019, the company employee complement totalled 480. Wherever possible, employees and contractors are sourced from the local communities within the various operations. In all areas in which we operate, a representative workforce is a moral and legislative imperative for the organisation. Sylvania actively supports the Employment Equity Act, and has established structures in place to ensure all barriers to achieving diversity are identified and actions are in place to combat these.

The Company furthermore has negotiated Recognition Agreements with Organised Labour, which regulate the industrial relationship, and include consultation and negotiation. No strikes nor lockouts occurred over the financial year. We endeavour to maintain peace and stability in our workforce at all times.

UPSKILLING

The Company implements a number of key programmes to build capacity and enhance skills development with a particular focus on youth. All training and development programmes are aligned with the Company's strategic and operational goals. These include skills development, learnerships, internships, and supervisory and leadership development.

A number of training and development initiatives have been introduced to our staff. All the training programmes are credit-bearing and accredited by the Mining Qualifications Authority (MQA). As an organisation, we are committed to the development of our staff and local communities. The organisation has an active Skills Development and Employment Equity Forum. The forum meets on a regular basis to address any skills and equity matters or any improvements that may be required.

A total of 201 employees attended training over the financial year. A large portion of the training includes statutory health and safety development programmes.

LEARNERSHIPS

Sylvania has introduced a formal learnership programme that is specifically aimed at community members from the local areas in which the Company operates. The current programmes focus on enhancing skills in various fields, namely electrical and fitting. The programmes will run over a 12-month period. The first candidates began courses in May 2019.

INTERNSHIP AND EXPERIENTIAL PROGRAMMES

In support of our social drive among local communities, we introduced opportunities for internships and workplace experience. The internships will run over a 12-month period. The first candidates began the programme in May 2019.

COMMUNITIES

Ongoing engagement with local communities is necessary to understand, manage and respond to community concerns and expectations. As a Company, we regularly support various local development projects approved by our host mine.

During the last financial year, Sylvania was involved in a number of community development programmes, including:

Feeding scheme

The Company is assisting Itireleng Community Home-Based Care with a monthly feeding scheme

School uniform and equipment

The Company initiated a number of school care projects. These projects included:

- Sponsorship of sporting equipment for the Bokomoso community's Youth Day celebration (Sylvania sponsored soccer kits, soccer balls, linesmen flags and refreshments for 200 people)
- New sports attire for the Steelport team's tour
- Masha Primary School (close to our Tweefontein operations) received donations for new school uniforms
- Cleaning of the Magakantshe Primary School yard

Maintenance and construction wor

- Financial assistance for maintenance at Rehlahleng Special School
- Installation of a fence around the Rataneng Disabled and Old Age Home at Ribacross
- Cement for the building of a local church
- Maintenance and repair of the borehole and pump for the local Makgemeng community

Other

- Financial assistance for the repair of the Malekane community's tribal authority vehicle
- Sponsorship and installation of 10 benches at Ikemeleng Community Clinic
- Sponsorship of 10 single beds, sheets, duvets, pillows and towels for Kopano Care Centre in Bapong

ENVIRONMENT

As the SDO operates within 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 due to the nature of the processing of the tailings, and waste removal is conducted by a contractor with the necessary permits to remove and transport hazardous waste to a designated landfill site.

All Sylvania plants form part of the integrated water reticulation circuits of their respective host mines. The figures listed below do not take any water consumption figures of the host mine into account. Water enters the Sylvania circuit through the current arisings it receives from the host mine, and it leaves the circuit through either its products (Cr_2O_3 concentrate or PGM concentrate) where it is lost to the process (consumed) – alternatively through the tailings stream. The tailings are deposited onto a tailings dam where most water is recovered into the return water dam and recirculated to the host mine process. Losses on the tailings dams take the form of evaporation into the atmosphere. Make-up water is derived from the dewatering of the host mine underground mining areas.

ALL SYLVANIA PLANTS TOTAL VOLUME OF WATER IN CUBIC METRES (m^3)

	FY2019	FY2018	FY2017
Water consumed in products	62,000	72,060	76,100
Water deposited onto tailings dams	12,067,000	11,807,000	9,749,900

The reduction in water consumed is attributable to an increase in slurry density of the final PGM concentrate. The increase in water deposited indicates a slight increase year-on-year due to the increased production tonnage.

SYLVANIA METALS ENERGY CONSUMPTION

During the year, our electrical teams continued to endeavour to streamline the power supply process in the interests of the operations and the environment.

AVERAGE POWER CONSUMPTION PER PLANT

Plant	FY2019 Average kVA	FY2019 Average kW	FY2019 Power factor	FY2018 Average kVA	FY2018 Average kW	FY2018 Power factor	FY2017 Average kVA	FY2017 Average kW	FY2017 Power factor
Millsell	1,750	1,680	0.96	1,870	1,850	0.99	1,760	1,290	0.73
Mooinooi	3,430	3,210	0.94	2,750	2,710	0.98	2,700	2,550	0.94
Lannex	1,810	1,390	0.77	1,640	1,250	0.76	1,230	1,050	0.85
Doornbosch	2,710	2,050	0.76	2,690	2,100	0.78	1,140	1,050	0.92
Tweefontein	1,720	1,490	0.87	1,820	1,480	0.81	1,710	1,480	0.87
Lesedi	1,320	950	0.72	1,160	840	0.72	–	–	–

The plants have been running fairly consistently except for the addition of the Project Echo MF2 module at Mooinooi.

The Mooinooi power factor has reduced slightly, awaiting the installation of additional capacitors in September 2019. This is due to the increased load and installed capacitors running at maximum.

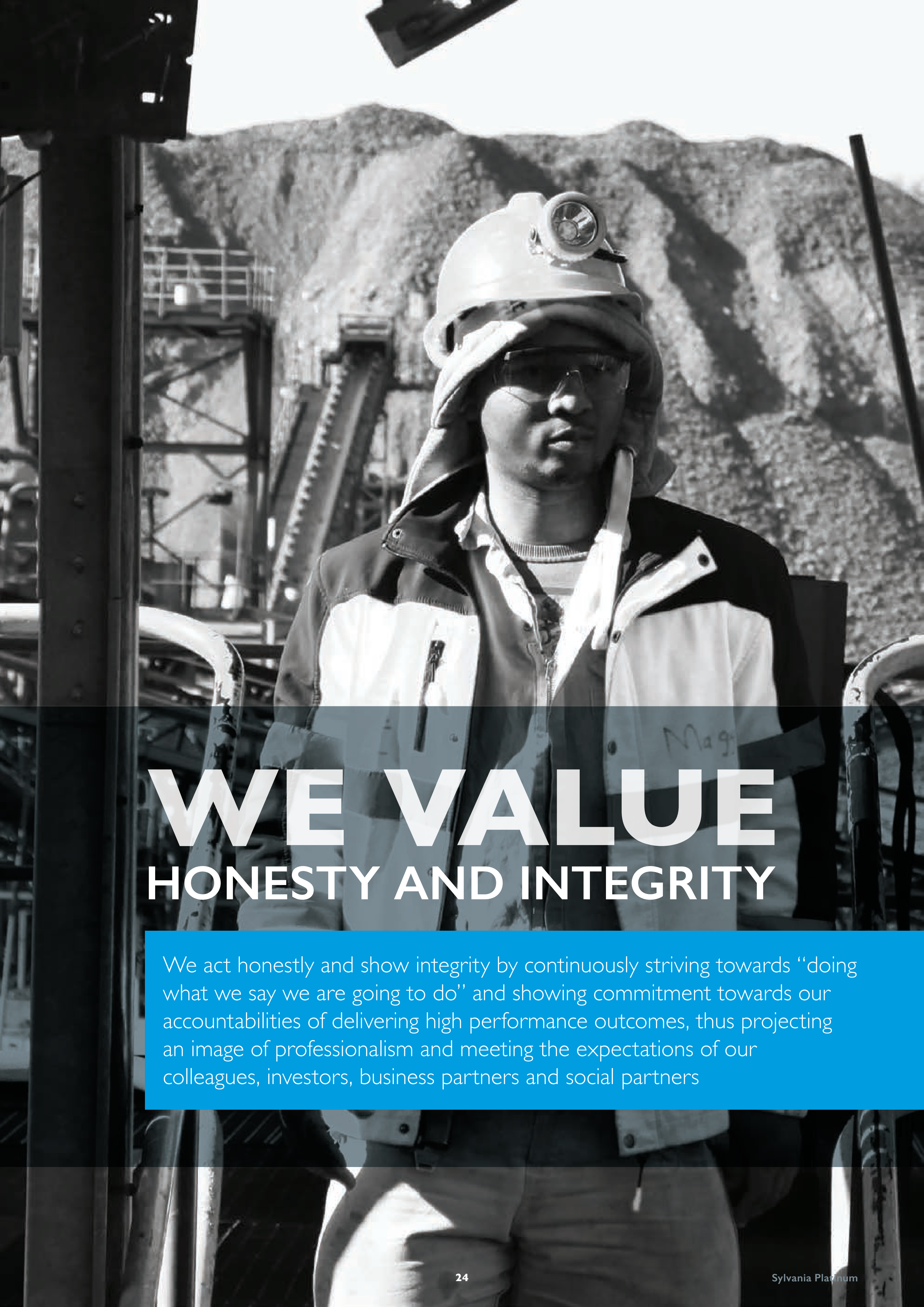
The new dedicated power supply at Millsell has resulted in a more reliable source with less outages. However, the return water system is still being supplied by the Council and outages are frequent – the supply will be re-routed to the same source as the plant in September 2019.

An increase in consumption at Lesedi is due to the additional spiral plant. The new mill, to be commissioned in August 2019, will result in an even higher load. However, power factor correction equipment will be installed in September 2019, which will vastly reduce the overall energy consumption as well as the cost of power as this plant is billed directly according to the national power utility rates and maximum demand is included.

Tweefontein and Lannex have been co-generating electricity. Lannex is generating 12.6% of total power consumed. At Tweefontein, it is 9.6%. The Lannex co-generation will not be required after August 2019 when the new national power utility supply will be commissioned (three months later than planned). The new national power utility supply to Tweefontein, planned for January 2020, will eliminate the requirement to co-generate power.

Power factor correction equipment is planned for Lannex to further reduce the overall energy consumption of the mine.

Doornbosch plant consumption has been consistent but the mine is also experiencing power constraints from Eskom supply. The need may arise to co-generate power during peak periods. One generator has been refurbished and sent to the plant while a second is being planned. Power factor correction equipment is being investigated to reduce overall energy consumption.



WE VALUE
HONESTY AND INTEGRITY

We act honestly and show integrity by continuously 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

03 GOVERNANCE

DIRECTORS' REPORT

DIRECTORS

The names of the Directors who held office during, or since the end of, the financial year and until the date of this report, are as follows:

TM MCCONNACHIE

Mr McConnachie has over 40 years of experience in mining and 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 (JSE). Mr McConnachie's strength lies in his ability to identify 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

E CARR

Ms Carr, who joined the Board of Sylvania Platinum Limited on 1 May 2015, is a Chartered Certified Accountant with an MSc in Management from London University and is a SLOAN Fellow of London Business School.

Ms Carr has over 30 years of experience within the resources sector having worked worldwide on a host of large-scale mining operations. She was appointed Finance Director of Cluff Resources in 1993 and has, since that time, held several executive directorships in the resources sector, including CFO for Monterrico Metals plc, the AIM-listed copper exploration company developing the Rio Blanco project in Peru. Her first non-executive role was for Banro Corp in 1998 and, more recently, she has been a non-executive director for Talvivaara Mining Co, the Finnish nickel company. Currently, Ms Carr is a non-executive director of Bacanora Lithium plc, Firestone Diamonds plc and Bunree Resource Management Ltd.

Special responsibilities
Member of the Audit Committee

RA WILLIAMS

Mr Williams is a Chartered Accountant with over 20 years' international experience in mining finance and holds 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. He has served on a number of boards in the mining and mining services sectors and is currently a non-executive director of Cradle Arc Plc, AfriTin Mining Limited and Digby Wells Environmental and part-time CFO of a privately-owned mining company.

Special responsibilities
Chairman of the Audit and Remuneration Committees

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 Limited, Barplats, and Middelburg Steel and Alloys, before joining Aquarius Platinum Limited in 2001 as Chief Executive Officer, holding that position until 2012. He is a non-executive director of Talvivaara Mining Company Plc, the former Finnish nickel miner, and Deputy Chairman and Managing Director of Luiri Gold Limited.

Special responsibilities
Independent Non-executive Chairman of the Board

Member of the Remuneration Committee

For full biography on senior management go to www.sylvaniaplatinum.com

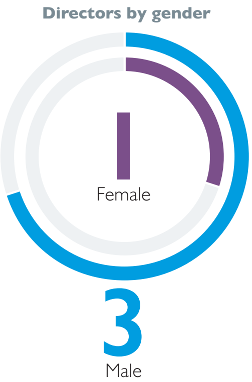
SENIOR MANAGEMENT

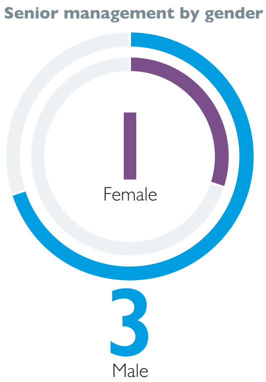
JJ PRINSLOO	L CARMINATI	AJJ JORDAAN	AF DE VOS
Special responsibilities Managing Director Sylvania Metals (Pty) Limited	**Special responsibilities** Executive Officer: Finance	**Special responsibilities** Executive Officer: New Business	**Special responsibilities** Legal and Commercial Adviser

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 2019. Sylvania is a limited company incorporated and domiciled in Bermuda. Unless otherwise stated, the consolidated financial information contained in this report is presented in USD.

DIVERSITY OF THE BOARD





COMPANY SECRETARY

The Company Secretary role is held by Conyers Corporate Services (Bermuda) Limited (previously known as Codan Services Limited) and they are assisted by Ms Carr.

PRINCIPAL ACTIVITIES

The principal activity of the Group is the 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.

DIRECTORS' REPORT

continued

BUSINESS REVIEW

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is the responsibility of all employees, guided by the Board of Directors and Audit Committee. Sylvania is subject to a variety of risks, with specific focus on those relating to the mining and exploration industry. 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 strategic objectives.

Sustained resources

Risk and impact

The retreatment of dump material has a finite life and the processing of current arisings alone is not sustainable. It is essential for the long-term continuation of the SDO that additional feed material is found and committed to the plants.

Mitigation

The majority of operations have dump resources which will still provide several years of production. The risk is partly mitigated by the addition of 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. The expansion project (Project Echo) is expected to extend the life of the SDO and maintain ounce production for the coming years. Technologies and production improvements for optimisation and improved efficiencies are investigated and implemented where considered beneficial.

Opportunities to acquire additional resources and the ability to expand the life of the SDO are being investigated continuously by the Board and Senior Management. The Board is also undertaking research and development in other areas and commodities in order to diversify the business model.

Capital management

Risk and impact

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.

Mitigation

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%.

Any capital expansion projects are funded out of surplus cash and/or available pipeline finance. Any major development capital for the exploration projects remains on hold until the market improves significantly and will be reassessed by the Board on an on-going basis.

Cyber security

Risk and impact

Cyber threats are growing rapidly as the digital landscape grows. These range from business interruptions, data breaches to cyber fraud and ransomware. A cyber incident could be malicious or unintentional, but the impact can be the same.

Mitigation

Management and the Board are committed to understanding the risk by performing cyber vulnerability assessments and managing cyber risk through investment in innovative cybersecurity. Focus is placed on educating employees as to the risks as well as physical security measures.

"The risk is partly mitigated by the addition of current arisings from the host mines which are fed through the SDO"

Outlined below are details of the principal risk factors that the Board feel may affect the performance of the Group. The risks described below are not exhaustive and do not take into account risks the Board is unaware of. Risks considered to be immaterial are not detailed below.

The risks below are not presented in any order of priority.

Failure to attract and retain key staff

Risk and impact

The Group relies on a small team of experienced professionals with specific skills for its success. The loss of key personnel and the failure to attract appropriate employees may cause disruption to the business.

Mitigation

In order to reduce this risk, key employees have been given longer notice periods and bonus share awards are made at the discretion of the Board. Succession planning also features on the agenda at Board and Remuneration Committee meetings.

Country and Infrastructure Risk

Risk and impact

The Group's operations are all in South Africa. The mining labour environment, socio-economic environment as well as community unrest in South Africa continues to be a concern for the sector in general. Reliance on third party providers for the availability and access to power and water are also limiting factors in the areas in which the Company operates. In addition, the regulatory, political and legal environment in which the Company operates poses risks and challenges to the sustainability of the mining industry in South Africa, and therefore impact the sustainability of the Company.

Mitigation

Directors and Management place great emphasis on maintaining constructive relations with labour and communities through ongoing communication, engagement and awareness within the footprint of which the Group operates. At operations where power has been identified as a potential risk to plant uptime, alternative power sources have been installed where possible. In order to reduce the impact of water shortages, operations have drilled boreholes and identified alternate water sources. The Board monitors the political environment and regulatory changes closely, considers the impact on the Company and takes the necessary action when required.

Commodity price and exchange rate fluctuations

Risk and impact

Metal prices are subject to high levels of volatility and are impacted by a number of factors that are outside of the control of the Board and Management. Cash generation and profitability of the Group is linked to the PGM price and the USD/ZAR exchange rate. The platinum price has remained under pressure during the financial year impacting the basket price. However, the palladium and rhodium prices have kept the basket price stable. The Group reports in and generates revenues in USD, however the operational costs and capital expenditure are incurred in ZAR.

Mitigation

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. Operational costs are carefully monitored and managed. Cost saving strategies are investigated and reviewed regularly.

"The platinum price has remained under pressure during the financial year impacting the basket price"

DIRECTORS' REPORT

continued

GROUP FINANCIAL RESULTS

RESULTS FOR THE YEAR

		2019	2018	± % change
Gross basket price	$/oz	**1,277**	1,135	13%
Net Revenue	$ 000	**70,538**	62,769	12%
Group cash cost	ZAR/oz	**7,885**	7,274	8%
Group cash cost	$/oz	**556**	567	-2%
Gross profit	$ 000	**25,683**	17,512	47%
General administration costs	$ 000	**(2,003)**	(2,036)	-2%
Profit before income tax expense	$ 000	**24,394**	16,101	52%
Group EBITDA	$ 000	**30,242**	22,206	36%
Cash generated from operations (before working capital changes)	$ 000	**29,928**	22,879	31%
Changes in working capital	$ 000	**(5,349)**	(4,536)	18%
Net finance income received	$ 000	**694**	584	19%
Taxation paid	$ 000	**(8,093)**	(4,055)	100%
Net increase/(decrease) in cash and cash equivalents	$ 000	**7,810**	(221)	3,634%
Cash and cash equivalents, end of year	$ 000	**21,797**	14,026	55%
Production				
Plant feed	t	**2,328,352**	2,302,560	1%
Total 3E and Au	oz	**72,090**	71,026	1.5%
PGM plant recovery	%	**49%**	48%	3%
Capital expenditure				
Property, plant and equipment	$ 000	**8,042**	7,549	7%
Exploration and evaluation assets	$ 000	**253**	363	-30%
Total capital expenditure	$ 000	**8,295**	7,912	5%

Net Revenue

Net Revenue increased 12% year-on-year mainly due to the higher gross basket price of $1,277/ounce against $1,135/ounce recorded in the prior year.

Operating costs

Operating costs for the Group increased 8% year-on-year to ZAR7,885/ounce compared to ZAR7,274/ounce in the previous year. Although the SDO produced slightly more ounces, the water shortages at Lesedi plant resulted in lower production and high operating costs at this operation which pushed the cost per ounce higher than the prior year. The all-in sustaining cost (AISC) for the Group was ZAR8,201/ounce and an all-in cost (AIC) of ZAR9,534/ounce for the financial year, of which ZAR1,284/ounce is attributable to the capital expenditure on Project Echo and plant optimisation. This compares to the AISC and AIC for 30 June 2018 of ZAR7,245/ounce and ZAR8,406/ounce respectively.

General and administration

These costs relate mainly to listing costs, share registry costs, advisory and public relations costs and consulting fees. General and administrative costs are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs decreased 2% year-on-year in the reporting currency.

Mining and income tax

Income tax paid for the financial year amounted to ZAR114.9 million compared to ZAR61.7 million for the previous financial year, as a result of increased taxable profits at the operations and after mining capital allowances. Income tax is paid in ZAR on taxable profits generated at the South African operations.

Profit

The consolidated profit before tax of the Group at 30 June 2019 was $24.4 million (FY2018: $16.1 million), a 52% improvement on the prior year. Strict cost controls at the operations and the increased revenue contributed to the increase in profits. Group EBITDA improved 36% to $30.2 million.

Capital

Capital spend increased during the current financial year from ZAR101.5 million ($7.9 million) in the prior year to ZAR117.7 million ($8.3 million). The Group capital expenditure increased as a result of the third Project Echo module being completed and commissioned during the reporting period at a cost of ZAR42.2 million and the new chrome beneficiation circuit commissioned at Lesedi (ZAR20.9 million). The balance of the capital spend was on PGM grade and recovery optimisation initiatives and stay in business capital (SIB).

Cash

The cash balance at 30 June 2019 was $21.8 million, including $1.0 million in financial guarantees (FY2018: $14.0 million). Cash generated from operations before working capital movements was $29.9 million, with net changes in working capital resulting in a reduction of $5.3 million. Net finance income amounted to $0.9 million and $8.1 million was paid in income taxes during the year. Major spend items include $0.3 million spent on exploration activities (FY2018: $0.4 million), $8.0 million on capital projects and SIB for the SDO plants (FY2017: $7.6 million). At a corporate level, $1.3 million was paid out in dividends. An amount of $0.6 million was withdrawn from the investment relating to the rehabilitation guarantees and was transferred to an insurance facility for these guarantees. The impact of exchange rate fluctuations on cash held at year end was $0.04 million loss (FY2018: $1.1 million loss).

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

Dividend Approval and Payment

During the first quarter, the Company announced that the Directors of Sylvania recommended the payment of a maiden cash dividend of 0.45 US cents (0.35 pence) per Ordinary Share of $0.01 in the Company, which was approved by the shareholders at the Company's AGM held in November 2018. The dividend was paid on 30 November 2018.

The Board has furthermore recommended the payment of a cash dividend for FY2019 of 1.00 US cent (~0.78 pence) per Ordinary Share, payable in November 2019.

Share buybacks and cancellation of shares

One of the Company's strategic goals is on returning capital to shareholders and continue to review opportunities to do so as and when they arise. At the conclusion of the Share Buyback Programme that ran during the last financial year to 24 August 2018, the Company purchased a total of 2,407,481 $0.01 Ordinary Shares from small non-UK based shareholders at a price of A$0.1619 per Ordinary Share, representing 57% of the shares on offer under the Programme.

Subsequent to the conclusion of the Programme, the Company cancelled 892,257 Ordinary Shares remaining at the end of the Programme, as well as a further adjustment to shares held in treasury of 120,000 Ordinary Shares.

As announced during H1 FY2019, the Company also agreed to buy back 516,632 shares, held by a person discharging managerial responsibilities (PDMR) as defined by the Market Abuse Regulation (MAR), at 16.00 pence per Ordinary Share and these were cancelled immediately.

The Company announced in Q4 FY2019 that it proposed to acquire 2,100,000 Ordinary Shares, representing 0.7% of the Company's issued share capital, as part of a once-off buyback under the terms and authority of the Company's Bye Laws. This buyback offer was not taken up.

The Board has made a decision that in order to fulfil the current shortfall in shares held in treasury to cover the bonus share awards of 4.2 million shares, which vest over the next five years, an offer to acquire 30% of all shares held by employees, excluding Directors, will be made at the 30-Day VWAP. This would equate to approximately 1.1 million shares should all employees holding shares take up the offer. A further 3.1 million shares will be sought in the market.

As at 30 June 2019, the Company's issued share capital is 289,724,772 Ordinary Shares, of which a total of 4,209,635 Ordinary Shares are held in treasury. Therefore, the total number of Ordinary Shares with voting rights in Sylvania is 285,515,137.

Likely developments and expected results

Additional comments on production forecasts and operating cash costs are included in the operational performance and outlook 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 three formal Directors' meetings, a budget review meeting 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.

DIRECTORS' REPORT
continued

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	–	–	1	1
RA Williams	3	3	4	4	1	1
E Carr	3	3	4	4	–	–

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:

2018	Common Shares
TM McConnachie	5,015,000
SA Murray	1,000,000
RA Williams	1,067,000

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:

	Short Term Benefits			Share-based payment	Total
	Cash salary/ Consulting fees $	Bonus[1] $	Directors' fees $	Equity shares/ share options2 $	$
Directors					
TM McConnachie	505,004	–	–	–	**505,004**
SA Murray	–	–	125,000	–	**125,000**
RA Williams	–	–	85,000	–	**85,000**
E Carr	24,000	–	75,000	–	**99,000**
Sub-total	**529,004**	**–**	**285,000**	**–**	**814,004**
Other key management	948,135	268,396	-	119,858	**1,336,389**
Total	**1,477,139**	**268,396**	**285,000**	**119,858**	**2,150,393**

[1] *Cash bonuses were awarded to Directors and key personnel based on individual performance.*
[2] *Share-based payments include share options and bonus shares granted – refer to note 27.*

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 28 and available borrowing facilities are set out in note 16. 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

A conditional cash offer was received on 16 August 2019 from Forward Africa Mining (Pty) Ltd to purchase Grasvally Chrome Mine (Pty) Ltd for ZAR115,000,000.

"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"

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 2019

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Company is quoted on AIM, and in accordance with the AIM Rules for Companies (the AIM Rules), has elected to adopt the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 for Smaller Companies. In accordance with the AIM Rules this was adopted and implemented from September 2018, and is disclosed on the Company's website: http://www.sylvaniaplatinum.com/cg/cg_i.php

The Board is committed to maintaining the highest standards of corporate governance throughout its operations and to ensuring that all of its practices are conducted transparently, ethically and efficiently. The Company believes that scrutinising all aspects of its business and reflecting, analysing and improving its procedures will result in the continued success of the Company and improve shareholder value.

The Company provides a summary of its current Corporate Governance Code compliance as guidance, as set out below:

THE BOARD OF DIRECTORS

The Board's role is to provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enables risk to be assessed and managed and is responsible for the proper management of the Company by developing, reviewing and approving the Company's strategy, budgets and corporate actions. 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. It is important that the Board has the right mix of skills and experience to deliver on the strategy of the Company. The details of the Board members 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:

1	*SA Murray*	Independent Non-executive Chairman
2	*TM McConnachie*	Chief Executive Officer
3	*RA Williams*	Independent Non-executive Director
4	*E Carr*	Independent Non-executive Director

The Board met five times during the financial year. Three formal Board meetings, one budget review meeting and one strategy meeting to review the current and future strategies on returning value to the shareholders.

The Board has not appointed a Senior Independent Director but intends to if and when it is appropriate to do so considering the Company's size and stage.

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, including future performance, solvency and liquidity. Principal risks and uncertainties are detailed in the Directors' report.

The Board also reviews the Group's ability to continue as a going concern on a regular basis.

INTERNAL CONTROLS

The effectiveness of the internal controls is overseen by the Board and is operationally monitored by 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, but has engaged an independent firm to assist with this evaluation and testing and determine vulnerabilities within the Group. 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.

SHAREHOLDER RELATIONS AND EXPECTATIONS

Executive 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.

AUDIT COMMITTEE

The Audit Committee has been established to assist the Board of the Company in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process, internal control structure and the internal and external audit process.

The Audit Committee members are Roger Williams as Chairman and Eileen Carr, both of whom are qualified accountants.

The Audit Committee's duties include, amongst others, the following:

- reviewing the Company's accounting policies and reports produced by internal and external audit functions;
- considering whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;
- reporting its views to the Board of Directors if it is not satisfied with any aspect of the proposed financial reporting by the Company;
- reviewing the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems;
- reviewing the adequacy and effectiveness of the Company's anti-money laundering systems and controls for the prevention of bribery and receive reports on non-compliance; and
- overseeing the appointment of and the relationship with the external auditor.

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 four times during the year to consider the following agenda items:

AUGUST 2018

- Annual Report for the year ended 30 June 2018
- External audit report on the Group Annual Financial Statements for the year ended 30 June 2018
- Going concern and working capital requirement/cash forecast
- Impairment
- Subsequent events; and
- Taxation

NOVEMBER 2018

- External auditor's strategy and planning report for the Interim review
- Directors and Officers Liability Insurance

FEBRUARY 2019

- Half year results and report to 31 December 2018
- External audit report on half year
- Half year Impairment and going concern assessments; and
- Internal audit update

MAY 2019

- External audit strategy and plan for the 30 June 2019 year-end audit
- Internal audit update; and
- Whistleblower feedback

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

REMUNERATION COMMITTEE

The purpose of the Remuneration Committee is to determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairperson, Executive Directors and Senior Management.

The Remuneration Committee comprises Roger Williams as the Chairman, and Stuart Murray. During the year under review, the Remuneration Committee met formally once.

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. Succession planning for Senior Executives is reviewed annually.

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 Director's report.

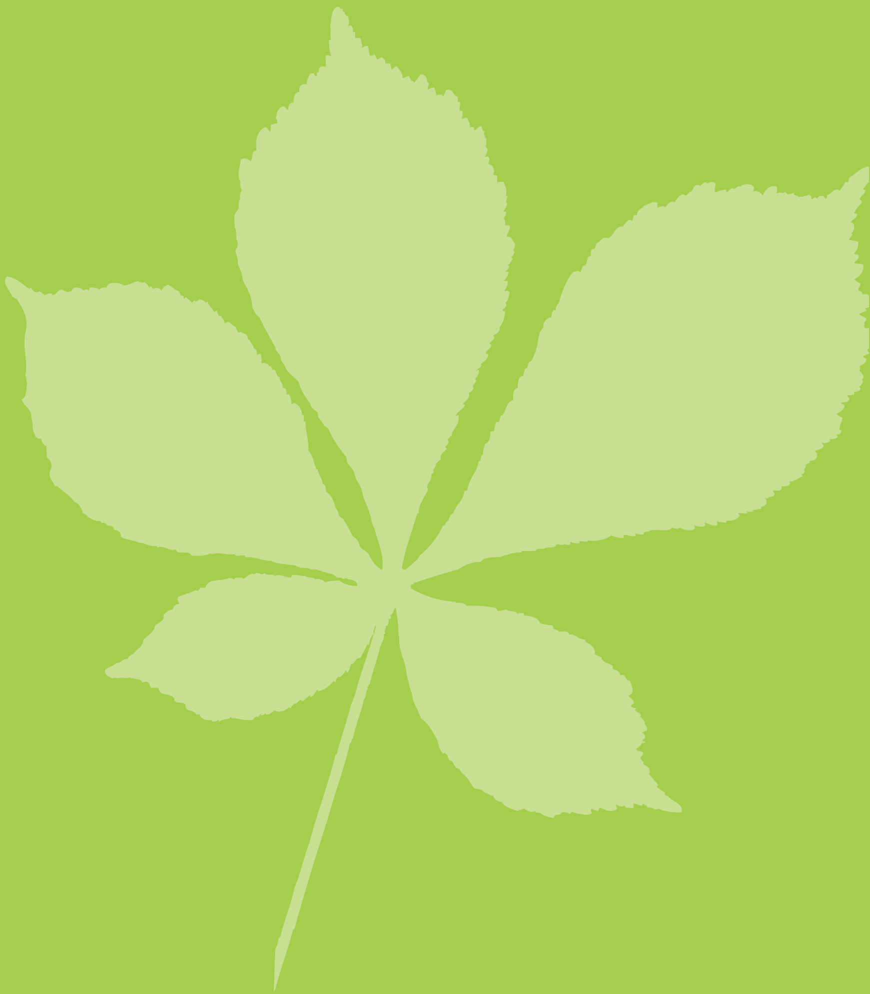
The Independent Non-executive Directors may, if needed, seek independent professional advice, at the Group's expense, in the execution of their duties.

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.

WE VALUE AND RESPECT THE ENVIRONMENT

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



04 FINANCIAL STATEMENTS

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 the International Financial Reporting Standards (IFRS).

International Accounting Standard 1 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 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYLVANIA PLATINUM LIMITED

KPMG

1. OUR OPINION IS UNMODIFIED

We have audited the consolidated financial statements of Sylvania Platinum Limited ("the Group") set out on pages 44 to 95 which comprise the consolidated statement of financial position at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies in note 6.

IN OUR OPINION:

- the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 30 June 2019 and of the Group's profit for the year then ended; and
- the Group's consolidated financial statements have been properly prepared in accordance with International Financial Reporting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

2. KEY AUDIT MATTERS: OUR ASSESSMENT OF RISK OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an opinion on these matters.

ASSESSMENT OF THE EXPLORATION AND EVALUATION ASSETS FOR IMPAIRMENT

(Refer to note 6(j) for the accounting policies, note 4Biii for the significant accounting judgments, estimates and assumptions and note 14 for the notes to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
Exploration and evaluation assets are the Group's most significant assets, comprising 35% of the total assets of the Group. In accordance with the relevant International Financial Reporting Standards, the Group is required to perform an impairment assessment when facts and circumstances suggest that the carrying amount of the exploration and evaluation assets may exceed the recoverable amount. This assessment of impairment is highly subjective as there are a number of key significant and sensitive judgements applied by the directors in determining the fair value less costs of disposal or the value in use where appropriate, these judgements applied include the discount rate, metal prices and exchange rates. The directors engaged an external valuation specialist to assist with the valuation of the exploration and evaluation assets. Due to the significance of the exploration and evaluation assets to the consolidated financial statements, the complexity of the impairment calculation and the significant judgments involved in this calculation, the evaluation of exploration and evaluation assets for impairment is a key audit matter.	Our audit procedures included the following: • We assessed the competence, capabilities and objectivity of the directors' independent external valuation specialist by understanding the scope of their engagement and evaluating the appropriateness of their qualifications; • We evaluated the methodology used by the directors' independent external valuation specialist to calculate the recoverable amount for compliance with the requirements of International Financial Reporting Standards; • We evaluated the viability of the exploration and evaluation assets by challenging the key assumptions used by the directors' independent external valuation specialist to value the exploration and evaluation assets. The key assumptions were challenged to assess whether they are reasonable and supportable given the current macroeconomic climate; • We used our own internal valuation specialist, as part of our audit team, to assist us with challenging the discount rate used by evaluating the assumption against market data and specific risks relating to Group; • We subjected the key assumptions used by the directors to sensitivity analysis to confirm the reasonableness of the impairment assessment performed; and • We evaluated the appropriateness of the IFRS 6 presentation and disclosure in respect of the directors' assessment of impairment of exploration and evaluation assets.

ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT (PPE) FOR IMPAIRMENT

(Refer to note 6(k) for the accounting policies, note 4Bi for the significant accounting judgments, estimates and assumptions and note 15 for the notes to the consolidated financial statements)

The key audit matter	How the matter was addressed in our audit
PPE, which consists of six retreatment processing plants classified as Cash Generating Units (CGUs), is the second most significant asset of the Group, comprising 25% of the total assets of the Group. Given the low platinum price and the Group's low market capitalisation, the directors performed an impairment assessment of the Group's PPE at year end. Where indicators of impairment exist, 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. The impairment assessment, which includes the determination of the recoverable amount requires 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. Given the significance of the PPE to the consolidated financial statements, the complexity of the impairment calculation and the significant judgments involved in this calculation, the evaluation of PPE for impairment is a key audit matter.	Our audit procedures included the following: • We evaluated the methodology used by the directors to calculate the value in use of the CGUs for compliance with the requirements of International Financial Reporting Standards; • We analysed the future projected cash flows used in the value in use calculation to determine whether the assumptions used by the directors in projecting the cash flows are reasonable and supportable given the current macroeconomic climate and expected future performance of the CGUs; • We compared the projected cash flows to historical performance, market forecasts and approved budgets to assess the reasonableness of the directors' projections; • We used our own internal valuation specialist, as part of our audit team, to assist us with challenging the key assumptions used by the directors to determine the discount rate by evaluating those assumptions against market data and specific risks relating to the Group; • We subjected the key assumptions to sensitivity analysis to confirm the reasonableness of the impairment assessment performed; • We discussed with the directors the progress over the past year and plans for the future; • We inspected communications with the Department of Mineral Resources; and • We have evaluated whether the assessment of impairment of property, plant and equipment and the related assumptions and judgments are adequately disclosed in the consolidated financial statements in terms of IAS 36.

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the consolidated financial statements as a whole was set at US$ 1 169 000, determined with reference to a benchmark of total assets of which it represents 0.8%. We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding US$ 58 000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

We subjected the Sylvania Metals (Pty) Ltd, Phoenix Platinum Mining (Pty) Ltd, Grasvally Chrome Mine (Pty) Ltd, Zoetveld Properties (Pty) Ltd, Hacra Mining and Exploration Company (Pty) Ltd, Pan Palladium South Africa (Pty) Ltd, and Sylvania South Africa (Pty) Ltd components within the Group to full scope audits for Group purposes. The work was performed by the Group audit team.

The components within the scope of our work accounted for the following percentages of the group's results

2018	Group profit after tax	Group total assets
Full scope audits	96%	99%

For residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

4. WE HAVE NOTHING TO REPORT ON GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or to cease their operations, and as they have concluded that the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's available financial resources over this period were:

- Commodity prices;
- Foreign exchange rates; and
- Production levels.

As these were risks that could potentially cast significant doubt on the Group's ability to continue as a going concern, we considered sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible (but not unrealistic) adverse effects that could arise from these risks individually and collectively and evaluated the achievability of the actions the directors consider they would take to improve the position should the risks materialise.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

6. RESPECTIVE RESPONSIBILITIES

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; in accordance with International Financial Reporting, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

WE ALSO:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

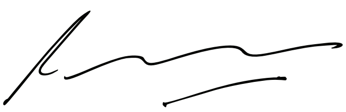
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the members of Sylvania Platinum Limited ("the Company"), as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

KPMG Inc.



Per **N van Niekerk**
For and on behalf of KPMG Inc.
Chartered Accountant (SA)
Director

2 September 2019

85 Empire Road
Parktown
Johannesburg 2193
South Africa

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June

	Note	2019 $	2018 $
Revenue	9	**70,537,993**	62,768,561
Cost of sales	10(b)(c)	**(44,854,637)**	(45,256,978)
Gross profit		**25,683,356**	17,511,583
Other income	10(a)	**68,788**	60,486
Other expenses	10(b)(c)	**(2,051,628)**	(2,055,788)
Operating profit before net finance income and income tax expense		**23,700,516**	15,516,281
Finance income	10(d)	**1,018,607**	878,191
Finance costs	10(d)	**(324,628)**	(293,792)
Profit before income tax expense		**24,394,495**	16,100,680
Income tax expense	11	**(6,191,004)**	(5,111,783)
Net profit for the year		**18,203,491**	10,988,897
Other comprehensive income			
Items that are or may be subsequently reclassified to profit and loss:			
Foreign operations – foreign currency translation differences	20	**(1,534,487)**	(3,593,788)
Total other comprehensive loss (net of tax)		**(1,534,487)**	(3,593,788)
Total comprehensive income for the year		**16,669,004**	7,395,109
Profit attributable to:			
Owners of the parent		**18,203,491**	10,988,897
		18,203,491	10,988,897
Total comprehensive income attributable to:			
Owners of the company		**16,669,004**	7,395,109
		16,669,004	7,395,109
		Cents	**Cents**
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share	12	**6.37**	3.83
Diluted earnings per share	12	**6.24**	3.76

The notes on pages 48 to 95 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June

	Note	2019 $	2018 $
ASSETS			
Non-current assets			
Other financial assets	13	**556,895**	1,052,267*
Exploration and evaluation assets	14	**53,405,798**	57,397,256
Property, plant and equipment	15	**37,676,939**	36,576,993*
Deferred tax asset	11	**1,813,237**	–
Total non-current assets		**93,452,869**	95,026,516
Current assets			
Cash and cash equivalents	16	**21,797,141**	14,025,729*
Trade and other receivables	17	**7,799,312**	25,433,124*
Contract assets	9	**23,275,665**	–
Inventories	18	**1,827,399**	1,488,382
Current tax receivable	24(b)	**279,620**	14,741
Assets held for sale	26	**4,163,292**	–
Total current assets		**59,142,429**	40,961,976
Total assets		**152,595,298**	135,988,492
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	19	**2,897,248**	2,911,337
Reserves	20	**66,718,821**	68,053,385
Retained earnings		**57,946,509**	41,025,586
Total equity		**127,562,578**	111,990,308
Non-current liabilities			
Borrowings	21	**184,390**	173,895
Provisions	22	**3,481,232**	3,685,257
Deferred tax liability	11	**14,461,024**	14,326,214
Total non-current liabilities		**18,126,646**	18,185,366
Current liabilities			
Trade and other payables	23	**6,715,787**	5,679,045*
Borrowings	21	**187,980**	132,700
Current tax liability	24(b)	**980**	1,073
Liabilities directly associated with assets held for sale	26	**1,327**	–
Total current liabilities		**6,906,074**	5,812,818
Total liabilities		**25,032,720**	23,998,184
Total liabilities and shareholders' equity		**152,595,298**	135,988,492

The notes on pages 48 to 95 form an integral part of these consolidated financial statements.

* Re-classified, refer note 5(i)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June

	Issued capital $	Share premium reserve $	Reserve for own shares $	Retained earnings $	Share-based payment reserve $	Foreign currency translation reserve $	Non-controlling interest reserve $	Equity reserve $	Total equity $
Balance as at 1 July 2018	**2,911,337**	**175,137,088**	**(1,141,362)**	**41,025,586**	**3,567,504**	**(39,989,339)**	**(39,779,293)**	**(29,741,213)**	**111,990,308**
Profit for the year	**–**	**–**	**–**	**18,203,491**	**–**	**–**	**–**	**–**	**18,203,491**
Other comprehensive loss	**–**	**–**	**–**	**–**	**–**	**(1,534,487)**	**–**	**–**	**(1,534,487)**
Total comprehensive profit for the year	**–**	**–**	**–**	**18,203,491**	**–**	**(1,534,487)**	**–**	**–**	**16,669,004**
Share transactions									
– Treasury shares acquired	**–**	**–**	**(119,606)**	**–**	**–**	**–**	**–**	**–**	**(119,606)**
– Share-based payments	**–**	**–**	**–**	**–**	**305,440**	**–**	**–**	**–**	**305,440**
– Shares cancelled	**(14,089)**	**(200,470)**	**214,559**	**–**	**–**	**–**	**–**	**–**	**–**
Dividends declared	**–**	**–**	**–**	**(1,282,568)**	**–**	**–**	**–**	**–**	**(1,282,568)**
Balance as at 30 June 2019	**2,897,248**	**174,936,618**	**(1,046,409)**	**57,946,509**	**3,872,944**	**(41,523,826)**	**(39,779,293)**	**(29,741,213)**	**127,562,578**

The notes on pages 48 to 95 form an integral part of these consolidated financial statements.

The group absorbs the losses that would be attributable to the non-controlling interest.

	Issued capital $	Share premium reserve $	Reserve for own shares $	Retained earnings $	Share-based payment reserve $	Foreign currency translation reserve $	Non-controlling interest reserve $	Equity reserve $	Total equity $
Balance as at 1 July 2017	2,979,819	175,705,741	(1,063,273)	30,036,689	3,896,700	(36,395,551)	(39,779,293)	(29,741,213)	105,639,619
Profit for the year	–	–	–	10,988,897	–	–	–	–	10,988,897
Other comprehensive profit	–	–	–	–	–	(3,593,788)	–	–	(3,593,788)
Total comprehensive profit for the year	–	–	–	10,988,897	–	(3,593,788)	–	–	7,395,109
Share transactions									
Treasury shares acquired	–	–	(1,414,669)	–	–	–	–	–	(1,414,669)
Share-based payments	–	–	–	–	370,249	–	–	–	370,249
Share options and bonus shares exercised	–	–	699,445	–	(699,445)	–	–	–	–
Shares cancelled	(68,482)	(568,653)	637,135	–	–	–	–	–	–
Balance as at 30 June 2018	2,911,337	175,137,088	(1,141,362)	41,025,586	3,567,504	(39,989,339)	(39,779,293)	(29,741,213)	111,990,308

The notes on pages 48 to 95 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		**64,476,100**	57,524,899
Payments to suppliers and employees		**(39,874,569)**	(39,172,209)
Finance income		**950,280**	803,812
Realised foreign exchange loss		**(22,641)**	(7,228)
Exploration expenditure		**–**	(682)
Finance costs		**(70,647)**	(48,886)
Taxation paid	24(b)	**(8,092,853)**	(4,054,932)
Net cash inflow from operating activities	24(a)	**17,365,670**	15,044,774
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		**13,192**	–
Acquisition of property, plant and equipment		**(8,040,462)**	(7,551,176)
Payments for exploration and evaluation assets	14	**(253,430)**	(362,935)
Payment for rehabilitation insurance guarantee		**–**	(207,737)
Refund received for rehabilitation insurance guarantee		**629,452**	–
Investment in joint venture		**–**	(4,943)
Receipt of loan repayment from Ironveld Holdings		**–**	1,178,357
Payments of loan to TS Consortium		**(360,607)**	(665,359)
Sylvania Lesedi acquisition		**–**	(6,272,453)
Cash acquired with Sylvania Lesedi acquisition		**–**	176,193
Cash from consolidation of Joint Operation		**17,861**	9,322*
Assets held for sale cash		**(4,164)**	–
Net cash outflow from investing activities		**(7,998,158)**	(13,700,731)
Cash flows from financing activities			
Repayment of borrowings	25(a)	**(147,674)**	(150,180)
Purchase of treasury shares	25(b)	**(119,606)**	(1,414,669)
Dividends paid		**(1,290,254)**	–
Net cash outflow from financing activities		**(1,557,534)**	(1,564,849)
Net (decrease)/increase in cash and cash equivalents		**7,809,978**	(220,806)
Effect of movement in foreign exchange fluctuations on cash held		**(38,566)**	(1,074,582)
Cash and cash equivalents, beginning of year		**14,025,729**	15,321,117
Cash and cash equivalents, end of year	16	**21,797,141**	14,025,729

The notes on pages 48 to 95 form an integral part of these consolidated financial statements.

* Re-classified, refer note 5(i)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Sylvania Platinum Limited (Sylvania or the Company) is a limited company incorporated and domiciled in Bermuda whose shares are publicly traded on the Alternative Investment Market (AIM) of the London Stock Exchange. 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 joint arrangements (collectively the Group).

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

2. BASIS OF ACCOUNTING

These consolidated financial statements have been prepared in accordance with IFRS. They were authorised for issue by the Company's board of directors on 30 August 2019.

Details of the Group's significant accounting policies are included in note 6.

This is the first set of the Group's annual financial statements in which IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* have been applied. Changes to significant accounting policies are described in note 5.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The consolidated financial information is presented in US Dollars which is the Company's functional currency. All amounts have been rounded to the nearest US Dollar, unless otherwise indicated.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

(a) 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 included in the following notes:

- **Note 6 (a) – consolidation –** whether the Group has de facto control over an investee;
- **Note 6 (d) – leases –** whether an arrangement contains a lease; and
- **Note 6 (o) – assets held for sale –** whether a sale is highly probable.

(b) ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Information about assumptions and estimation uncertainties at 30 June 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- **Note 15 – impairment of property, plant and equipment:** determining the fair value of cash generating units;
- **Note 22 – provision for restoration and rehabilitation and decommissioning of plant and equipment:** in determining the provision there are numerous factors that will affect the ultimate liability payable;
- **Note 14 – exploration and evaluation assets:** determine 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; and
- **Note 11 – deferred tax asset:** judgement whether a deferred tax asset is created on the statement of financial position.

(i) Impairment of property, plant and equipment

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. Refer to note 15.

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, 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. Refer to note 15.

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 2019. The internal financial model is based on the known and confirmed resources for each plant. Refer to note 15.

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. A range between 10% and 12.5% was used for the pre-tax discounted rate (2018:12.5%).

Commodity price – The Group has used forecast commodity prices obtained from a reputable publication and these range for years from 2020 – 2023 between $832 and $956/oz (2018: $839 and $1,114) for platinum,$1,446 to $1,370 (2018: $936 to $1,172) for palladium and $3,236 to $3,078/oz for rhodium. 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/ZAR exchange rate used in the discounted cash flow model ranges for year from 2020 – 2023 from 13.99 ZAR/$1 to 14.34 ZAR/$1 (2018: 11.83 ZAR/$1 to 13.93 ZAR/$1).

(ii) 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.

The provision has been calculated by discounting the estimated costs of rehabilitation of $3,368,519 (2018: $4,018,790) over a period of 10 years (2018: 10 years) using a discount rate of 8.32% (2018: 8.75%), which is the risk-free rate in relation to government bonds in South Africa and an inflation rate of 4.5% (2018: 4.6%).

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.

(iii) Exploration and evaluation assets

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 6 (j)).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *continued*

(iii) Exploration and evaluation assets *continued*

The determination of a Joint Ore Reserves Committee (JORC) resource or South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (SAMREC) 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.

(iv) Deferred tax asset

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 and timing 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.

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

(i) JOINT OPERATIONS

A joint arrangement is classified as a joint operation, when the jointly controlling parties, known as the 'joint operators, have rights to the assets and obligations for the liabilities relating to the arrangement.

TS Consortium is an unincorporated entity and were initially classified as a joint venture. It has been re-classified as a joint operation as it is not a separate vehicle and does not have legal form.

The accounting for TS Consortium changed from Equity accounting under Joint Ventures to accounting for all of the assets, liabilities, income and expenses on a partner contribution basis according to accounting for Joint Operations.

The effect of the change in the accounting policy had no significant material on comparative information and therefore the re-statement has not been disclosed in a separate note.

(ii) NEW STANDARDS

The Group has initially applied IFRS 15 and IFRS 9 from 1 July 2018. A number of other new standards are also effective from 1 July 2018 but they do not have a material effect on the Group's financial statements.

Due to the transition methods chosen by the Group in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The effect of initially applying these standards is mainly attributed to the following:

- recognition of a contract asset; and
- change in classification of financial assets.

IFRS 9 – Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement.*

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss ("FVTPL"):

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price), is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

For subsequent measurement financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The following table explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial instruments as at 1 July 2018.

Financial instrument	Original classification under IAS 39	New classification under IFRS 9
Trade and other receivables	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost
Other financial assets	Loans and receivables	Amortised cost
Borrowings	Other financial liabilities	Other financial liabilities
Trade and other payables	Other financial liabilities	Other financial liabilities

The original carrying amount under IAS 39 and the new carrying amount under IFRS 9 equates to each other as the impact of the new impairment requirements is not significant due to materiality considerations.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and contract assets recognised per IFRS 15. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of trade and other receivables, cash and cash equivalents and other financial assets.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade and other receivables and cash and cash equivalents at an amount equal to 12-month ECLs, and other financial assets at an amount equal to lifetime ECLs.

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES *continued*

(ii) NEW STANDARDS *continued*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 30 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss and OCI.

Impairment losses on other financial assets are presented separately in the statement of profit or loss and OCI due to materiality considerations.

Impact of the new impairment model

The Group has determined that the application of IFRS 9's impairment requirements at 1 July 2018 does not have a material impairment.

Refer to note 28 for further detail about the calculation of ECLs.

IFRS 15 – Revenue from Contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Group has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 July 2018). Accordingly, the information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations.

The following table summarises the impacts of adopting IFRS 15 in the Group's interim statement of financial position as at 30 June 2019:

Assets	Revenue recognition under IFRS 15 From 1 July 2018	Revenue recognition under IFRS 18 Prior to 1 July 2018
Contract assets	23,275,665	–
Trade and other receivables	7,045,750	24,711,269

There was no impact on the Group's statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

Under IFRS 15, the revenue is recognised when a customer obtains control of the goods or services.

Type of products	Nature, timing of satisfaction of performance obligations, significant payment terms	Nature of change in accounting policy
PGM sales	Customer obtains control of the goods when the goods are delivered to and have been accepted at their premises. Invoices are subsequently generated based on the contract with the customer. Invoices are usually payable within 30 days.	Under IAS 18, revenue for these sales was recognised when the goods were delivered to the customer's premises, which was taken to be the point in time at which the customer accepted the goods and the related risk and rewards of ownership transferred. Revenue was recognised at that point provided that the revenue and the costs could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods. Under IFRS 15, there is no impact on revenue. However, the impact of these changes on items other than revenue are a decrease in trade and other receivable and an increase in a new contract asset.

6. SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF CONSOLIDATION

(i) Subsidiaries

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.

(ii) Non-controlling interests

Where ownership of a subsidiary is less than 100%, and therefore a non-controlling interest/s exists. The group absorbs the losses that would be attributable to the non-controlling interests. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

6. SIGNIFICANT ACCOUNTING POLICIES *continued*

(a) BASIS OF CONSOLIDATION *continued*

(iii) Loss of control

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.

(iv) Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of the jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(v) Transactions eliminated on consolidation

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

(b) REVENUE RECOGNITION

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probably that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from contracts with customers

The Group has initially applied IFRS 15 from 1 July 2018. Information about the Group's accounting policies relating to contracts with customers is provided in note 4. The effect of initially applying IFRS 15 is described in note 5.

Revenue is recognised when the control 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. Control 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 sales 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 prior to the month of settlement. The period between initial recognition and final pricing is typically 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 contract assets (adjustment recognised in trade receivables under IFRS 18) in the statement of financial position. In all cases, fair value is determined with reference to estimated forward prices.

Interest income

For all financial assets measured at amortised cost interest income is recorded using the effective interest rate (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.

(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 6 (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 Group 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.

6. SIGNIFICANT ACCOUNTING POLICIES *continued*

(f) SHARE-BASED PAYMENT TRANSACTIONS *continued*

Equity settled transactions *continued*

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.

Where an award is settled net of withholdings tax and the number of equity instruments equal to the monetary value of the tax obligation is withheld, the entire transaction is classified as equity settled. The payments made are accounted for as a deduction from equity except to the extent that the payment exceeds the fair value of the equity instruments withheld.

The dilutive effect of outstanding shares and options issued is reflected as additional share dilution in the computation of earnings per share (refer note 12).

(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;
- 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 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 is 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 property, plant and equipment.

6. SIGNIFICANT ACCOUNTING POLICIES *continued*

(i) PROPERTY, PLANT AND EQUIPMENT *continued*

Depreciation

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

- property – five years
- mining property – ten years
- plant – ten years
- leasehold improvements – three years
- computer equipment and software – three years
- furniture and fittings – six years
- office equipment – five years
- equipment – five years
- motor vehicles – five years
- construction in progress – not depreciated

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. 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 involve 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 directly attributable 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 cash-generating unit (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.

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.

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

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets – Policy applicable from 1 July 2018
On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

6. SIGNIFICANT ACCOUNTING POLICIES *continued*

(I) FINANCIAL INSTRUMENTS *continued*

(ii) Classification and subsequent measurement continued

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocable designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment: Policy applicable from 1 July 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payment of principal and interest: Policy applicable from 1 July 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – subsequent measurement and gains and losses: Policy applicable from 1 July 2018

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets – Policy applicable before 1 July 2018

The Group classified its financial assets into one of the following categories:

- loans and receivables; or
- financial assets carried at amortised cost.

Financial assets – subsequent measurement and gains and losses: Policy applicable before 1 July 2018

Loans and receivables	Measured at amortised cost using the effective interest method.
Financial assets carried at amortised cost	Measured at amortised cost and changes therein, including interest, were recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

6. SIGNIFICANT ACCOUNTING POLICIES *continued*

(I) FINANCIAL INSTRUMENTS *continued*

(iv) Impairment

Financial instruments and contract assets

Policy applicable from 1 July 2018

The Group recognises loss allowances for ECLs on:

- Financial assets measured at amortised cost; and
- Contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- trade receivables and contract assets; and
- bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for other receivables are measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers the bank balances to have low credit risk when the banks credit risk rating is equivalent to P-3 or higher per Moody Investor Service.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms the Group would not consider otherwise; and
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due.

Policy applicable before 1 July 2018

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:

- debtor or a group of debtors were experiencing significant financial difficulty,
- default or delinquency in interest or principal payments,
- the probability that they would enter bankruptcy or other financial reorganisation, and
- where observable data indicated that there is a measurable decrease in the estimated future cash flows.

For an investment in an equity instrument, objective evidence included 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 assessed individually whether objective evidence of impairment existed individually for financial assets that are individually significant, or collectively for financial assets that were not individually significant. If the Group determined that no objective evidence of impairment existed for an individually assessed financial asset, whether significant or not, it included the asset in a group of financial assets with similar credit risk characteristics and collectively assessed them for impairment. Assets that were individually assessed for impairment and for which an impairment loss was, or continued to be, recognised were not included in a collective assessment of impairment.

If there was objective evidence that an impairment loss had been incurred, the amount of the los was 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 was discounted at the financial asset's original effective interest rate. If a loan had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate.

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

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(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.

6. 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) ASSETS HELD FOR SALE

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, property, plant and equipment are no longer amortised or depreciated.

(p) 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.

(q) 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; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

7. 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 2019. 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
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. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated statements, as described below. ***Leases in which the Group is a lessee*** The Group will recognise new assets and liabilities for its operating leases such as office space. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. No significant impact is expected for the Group's finance leases. Based on the information currently available, the Group estimates that it will recognise an additional lease liability of $300,818 as at 1 July 2019.	1 January 2019	1 July 2019

7. NEW STANDARDS AND INTERPRETATIONS *continued*

FUTURE ACCOUNTING STANDARDS *continued*

Reference	Title	Summary	Application date of standard	Application date for Group
		Leases in which the Group is a lessor No significant impact is expected for the property lease in which the Group is a lessor. ***Transition*** The Group plans to apply IFRS 16 initially on 1 July 2019. On transition to IFRS 16, the Group chooses to apply a practical expedient to 'grandfather' the previous assessment of which existing contracts are, or contain, leases. This means it will apply IFRS 16 to contracts entered into (or modified) after the date of initial application of the standard.		
Amendments to IAS28	Long-term Interests in Associates and Joint Ventures	An amendment to IAS 28 *Investments in Associates and Joint Ventures* will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment, which addresses equity-accounted loss absorption by LTI, involves the dual application of IAS 28 and IFRS 9 *Financial Instruments*. The impact of this amendment is currently being assessed.	1 January 2019	1 July 2019
IFRIC 23	Uncertainty over Income Tax Treatments	IFRIC 23 is a new interpretation that specifies how to reflect the effects of uncertainty in accounting for income taxes. The interpretation may affect tax amounts raised, the impact is currently being assessed.	1 January 2019	1 July 2019
IFRS 3, IFRS 11, IAS 12	Annual improvement to IFRS Standards 2015 2017 cycle – various standards	IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements* Clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. • If a party maintains (or obtains) control, then the previously held interest is not remeasured. • If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. IAS 12 *Income Taxes* Clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity. These standards are not expected to have a significant impact on the Group's consolidated financial statements.	1 January 2019	1 July 2019

Reference	Title	Summary	Application date of standard	Application date for Group
Amendments to References to Conceptual Framework in IFRS Standards	Framework	The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes: • A new chapter on measurement; • Guidance on reporting financial performance; • Improved definitions of an asset and a liability, and guidance supporting these definitions; and • Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs. The amendment do the Framework is not expected to have a significant impact on the Group's consolidated financial statements.	1 January 2020	1 July 2020
Amendments to IAS 1 and IAS 8	Definition of Material	The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework. The changes in Definition of Material all relate to a revised definition of 'material' which is quoted below from the final amendments: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The Board has also removed the definition of material omissions or misstatements from IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments to these standards are not expected to have a significant impact on the Group's consolidated financial statements.	1 January 2020	1 July 2020

8. SEGMENT REPORTING

SEGMENT INFORMATION

For management purposes the chief operating decision maker, being the Board of Directors of Sylvania Platinum Limited ("Board"), reports its results in the following segments:

- Sylvania Dump Operations (SDO) which includes the Six operational plants; and
- an open cast mining exploration project and a Northern Limb exploration project, which are both currently in the exploration phase.

Decision making by the Board is based on evaluating the operating plants as a group. Segment performance is evaluated on PGM ounce production and operating costs. The following items are not allocated to any segment as they are not considered to be part of the core operations of any segment:

- finance income;
- finance costs; and
- unallocated expenses.

The following tables present revenue and profit information and certain asset and liability information regarding reportable segments for the years ended 30 June 2019 and 30 June 2018.

	SDO $	Exploration $	Corporate/ Unallocated $	Consolidated $
2019				
Segment assets	81,619,891	60,590,455	10,384,952	152,595,298
Capital expenditure*	32,619,048	56,348,986	2,114,703(a)	91,082,737
Other assets	49,000,843**	4,241,469	8,270,249(b)	61,512,561
Segment liabilities	11,894,760	12,458,310	679,650(c)	25,032,720
Segment revenue	70,537,993	–	1,018,607	71,556,600
Net profit for the year after tax	19,677,724	(3,596)	(1,470,637)(d)	18,203,491
Included within the segment results:				
Depreciation	6,310,567	–	181,770	6,492,337(e)
Direct operating costs	38,362,300	–	–	38,362,300(f)
Other items:				
Income tax expense	6,187,401	3,596	7	6,191,004
Capital expenditure additions	8,429,782	253,430	328,835	9,012,047

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

** *Other assets consist of trade receivables $6,628,720, contract assets $23,275,665, cash and cash equivalents $14,548,307, other receivables $2,456,301 and tax assets $2,091,850.*

	SDO $	Exploration $	Corporate/ Unallocated $	Consolidated $
2019				
Segment assets	**68,428,164**	**60,919,441**	**6,640,887**	**135,988,492**
Capital expenditure*	**31,766,714**	**60,436,824**	**1,770,711(a)**	**93,974,249**
Other assets	**36,661,450****	**482,617**	**4,870,176(b)*****	**42,014,243**
Segment liabilities	**10,820,961**	**12,515,603**	**661,620**	**23,998,184**
Segment revenue	**62,768,561**	**–**	**878,191**	**63,646,752**
Net profit for the year after tax	**12,575,807**	**–**	**(1,586,910)(d)**	**10,988,897**
Included within the segment results:				
Depreciation	6,462,567	–	174,307	6,636,874(e)
Direct operating costs	38,620,104	–	–	38,620,104
Other items:				
Income tax expense	5,110,081	–	1,702	5,111,783
Capital expenditure additions	7,598,058	362,935	26,946	7,987,939

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

** *Other assets consist of trade receivables $24,483,992, cash and cash equivalents $9,956,008 and other receivables $2,221,450.*

*** *Re-classified, refer note 5(i).*

	2019 $	2018 $
Major items included in corporate/unallocated		
(a) Capital expenditure		
Property, plant and equipment	**2,114,703**	1,770,711
	2,114,703	1,770,711
(b) Other assets		
Cash and cash equivalents	**7,169,118**	3,993,292*
Current tax asset	**1,346**	1,017
Other financial assets	**556,895**	414,649*
Other receivables	**542,890**	461,218*
	8,270,249	4,870,176
* *Re-classified, refer note 5(i).*		
(c) Liabilities		
Borrowings	**80,007**	36,627
VAT payable	**–**	341,787
Other	**3,841**	280,735
Trade payables	**595,802**	2,471*
	679,650	661,620

* *Re-classified, refer note 5(i).*

8. SEGMENT REPORTING *continued*

SEGMENT INFORMATION *continued*

	2019 $	2018 $
(d) Unallocated income and expenses		
Administrative salaries and wages	**1,333,173**	1,429,878
Auditors' remuneration	**121,030**	72,632
Consulting fees	**130,353**	133,136
Depreciation	**230,997**	227,141
Finance income	**(1,018,607)**	(878,191)
Finance costs	**324,628**	293,792
Foreign exchange loss	**22,641**	7,228
Forgiveness of debt	**37,806**	–
Legal expenses	**53,648**	42,492
Other income	**(49,825)**	(60,486)
Overseas travelling expenses	**170,866**	201,474
Premises leases	**72,725**	75,526
Profit on disposal of property, plant and equipment	**(11,947)**	–
Share-based payments	**305,440**	370,249
Income tax expense	**3,603**	1,702
Share of loss of joint venture	**–**	12,847
Other	**(255,894)**	(342,510)
	1,470,637	1,586,910
Reconciliations of total segment amounts to corresponding amount for the Group		
(e) Depreciation		
Included within cost of sales	**6,492,337**	6,636,874
Included within general and administrative costs	**49,226**	52,834
	6,541,563	6,689,708
(f) Cost of sales		
Direct operating costs	**38,362,300**	38,620,104
Depreciation	**6,492,337**	6,636,874
	44,854,637	45,256,978

	2019 $	2018 $
Total segment revenue		
Revenue	**70,537,993**	62,768,561
Finance income	**1,018,607**	878,191
Total segment revenue	**71,556,600**	63,646,752
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.		
Revenue generated in South Africa	**70,537,993**	62,768,561
Finance income by geographical location is detailed below:		
Mauritius	**105,992**	26,412
South Africa	**912,615**	851,779
Total finance income	**1,018,607**	878,191
Total revenue	**71,556,600**	63,646,752
The sales of concentrate are to two customers. Revenue is split according to segment as detailed below:		
Customer 1	**66,832,586**	58,362,990
Customer 2	**3,705,407**	4,405,571
	70,537,993	62,768,561
Analysis of location of non-current assets:		
South Africa	**93,452,869**	95,026,516
Total non-current assets	**93,452,869**	95,026,516

9. REVENUE

	2019 $	2018 $
Revenue from contracts with customers	**70,537,993**	62,768,561
Contract balances		
Contract assets	**23,275,665**	–
Trade receivables	**7,045,750**	24,711,269
Reconciliation of contract assets:		
Balance at application of IFRS 15	**18,825,058**	
Movements during the year	**4,913,406**	
Foreign currency movements	**(462,799)**	
Closing balance at end of financial year	**23,275,665**	

The contract assets relate to the Group's rights to consideration for PGM ounces delivered but not billed at the reporting date. The contract assets are transferred to receivables when an invoice is issued.

The increase in the contract asset and decrease in the trade receivables are due to the effects of the modified prospective adoption of IFRS 15.

10. INCOME AND EXPENSES

	2019 $	2018 $
(a) Other income		
Scrap sales	**16,849**	7,485
Recoveries	**7,045**	–
Rent received	**44,894**	53,001
	68,788	60,486
(b) Cost of sales and other expenses		
Profit before income tax expense includes the following specific expenses:		
Included in cost of sales:		
Depreciation – property, plant and equipment	**6,492,337**	6,636,874
Write-off of property, plant and equipment	**–**	426,759
Included in other expenses:		
Consulting	**129,976**	132,630
Depreciation – property, plant and equipment	**49,227**	52,834
Operating lease payments	**86,948**	92,863
Prospecting expenses	**–**	682
Foreign exchange loss (gain)/loss	**22,641**	7,228
(Profit)/loss on sale of property, plant and equipment	**(11,946)**	61
(c) Staff costs		
Salaries and wages included in cost of sales	**13,965,908**	12,470,134
Salaries and wages included in other expenses	**1,333,173**	1,429,878
Share-based payments included in other expenses	**305,440**	370,249
	15,604,521	14,270,261
(d) Net finance income		
Interest income on other financial assets	**56,522**	812,493
Interest on cash and cash equivalents	**962,085**	65,698
Finance income	**1,018,607**	878,191
Interest expense on borrowings	**(98,908)**	(48,887)
Unwinding of discount on rehabilitation provision	**(225,720)**	(244,905)
Finance costs	**(324,628)**	(293,792)
Net finance income recognised in profit or loss	**693,979**	584,399

11. INCOME TAX EXPENSE

	2019 $	2018 $
Major components of tax expense		
Income tax recognised in profit or loss		
Current income tax:		
Current income tax charge	**7,414,749**	4,807,429
Recognition in respect of current income tax of previous year	**414,196**	(4,699)
Deferred income tax:		
Relating to recognition, origination and reversal of temporary differences	**(377,621)**	309,053
Recognition in respect of deferred tax of previous year	**(1,260,320)**	–
Total tax expense	**6,191,004**	5,111,783
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	**24,394,495**	16,100,680
Tax expense at rate of 28%	**6,830,458**	4,508,190
Non-deductible expenses	**79,650**	565,102
Prior year recognition	**(846,124)**	(4,699)
Benefit of tax losses and temporary differences not brought to account	**127,020**	43,190
Income tax expense	**6,191,004**	5,111,783

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.

A deferred tax asset has not been recognised in the prior year due to uncertainty about probable future taxable profits at that point in time.

	2019 $	2018 $
Deferred tax assets comprise:		
Unrealised gains and losses on foreign exchange	**(3,665,524)**	(3,917,025)
Rehabilitation provision	**(736,749)**	(787,513)
Other temporary differences	**(932,701)**	(984,687)
Deferred tax liabilities comprise:		
Exploration and evaluation assets	**11,586,357**	11,598,514
Property, plant and equipment	**6,333,814**	7,832,502
Other temporary differences	**62,590**	584,423
Deferred tax liabilities net	**12,647,787**	14,326,214
Deferred tax recognised in the Statement of Financial Position		
Deferred tax asset	**1,813,237**	–
Deferred tax liability	**(14,461,024)**	(14,326,214)
Deferred tax liabilities net	**(12,647,787)**	(14,326,214)

11. INCOME TAX EXPENSE *continued*

The Group has estimated tax losses arising in South Africa of $5,156,658 (2018: $4,844,055) and unredeemed capital expenditure of $10,218,769 (2018: $10,492,734) that are available indefinitely for offset against future taxable profits of the company in which the losses arose.

	2019 $	2018 $
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Exploration and evaluation assets	**922,375**	847,863
Unrealised gains and losses on foreign exchange	**2,275,340**	2,194,846
Tax losses	**1,447,481**	1,359,723
Other	**63,487**	63,126
	4,708,683	4,465,558

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 of the uncertainty of the timing of probable future taxable profits which will be utilised.

Reconciliation of deferred tax assets/(liabilities):

	Opening balance $	Charged to profit or loss $	Exchange differences $	Closing balance $
2019				
Other temporary differences	**400,264**	**284,810**	**185,036**	**870,110**
Rehabilitation provision	**787,513**	**(30,040)**	**(20,724)**	**736,749**
Unrealised gains and losses on foreign exchange	**3,917,025**	**46,284**	**(297,784)**	**3,665,525**
Property, plant and equipment	**(7,832,503)**	**1,336,887**	**161,802**	**(6,333,814)**
Exploration and evaluation assets	**(11,598,513)**	**–**	**12,156**	**(11,586,357)**
	(14,326,214)	**1,637,941**	**40,486**	**(12,647,787)**
2018				
Other temporary differences	331,785	3,593	64,886	400,264
Rehabilitation provision	758,329	50,343	(21,159)	787,513
Unrealised gains and losses on foreign exchange	3,535,369	–	381,656	3,917,025
Property, plant and equipment	(7,618,785)	(362,989)	149,271	(7,832,503)
Exploration and evaluation assets	(11,598,513)	–	–	(11,598,513)
	(14,591,815)	(309,053)	574,654	(14,326,214)

12. EARNINGS PER SHARE

	2019 Cents per share	2018 Cents per share
Basic earnings per share	**6.37**	3.83
Diluted earnings per share	**6.24**	3.76

	$	$
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	**18,203,491**	10,988,897
Earnings attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**18,203,491**	10,988,897

	2019 Number of shares	2018 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	**285,820,158**	286,997,598
Effect of dilution:		
Share options and bonus shares	**5,976,644**	5,462,603
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**291,796,802**	292,460,201

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.

13. OTHER FINANCIAL ASSETS

	2019 $	2018 $
Loans and receivables		
Loans receivable (a)	**556,895**	414,649*
Rehabilitation insurance guarantee (b)	**–**	637,618
Total	**556,895**	1,052,267
Non-current assets	**556,895**	1,052,267

* *Re-classified, refer note 5(i).*

(a) Loans receivable consist of a loan granted to TS Consortium by Sylvania South Africa (Pty) Ltd. The loan is unsecured, bears interest at 7% per annum and is repayable on 31 December 2020.

(b) Investment linked to the rehabilitation insurance guarantee. Monthly instalments of ZAR222,000 were paid to fund the investment. These guarantees have been transferred to a new facility and the investment was withdrawn and the account closed. The investment is no longer required as the method of funding the rehabilitation guarantee has changed. The balance of the funds was transferred to the Sylvania in January 2019.

14. EXPLORATION AND EVALUATION ASSETS

	Mineral rights $	Deferred exploration expenditure $	Total $
2019			
Balance at beginning of financial year	**2,541,589**	**54,855,667**	**57,397,256**
Foreign currency movements	**(66,061)**	**(190,676)**	**(256,737)**
Direct expenditure for the year	**55,875**	**197,555**	**253,430**
Assets held for sale	**(2,531,403)**	**(1,456,748)**	**(3,988,151)**
Balance at end of financial year	**–**	**53,405,798**	**53,405,798**
2018			
Balance at beginning of financial year	2,619,404	54,968,496	57,587,900
Foreign currency movements	(134,705)	(418,874)	(553,579)
Direct expenditure for the year	56,890	306,045	362,935
Balance at end of financial year	2,541,589	54,855,667	57,397,256

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.

An impairment assessment of the exploration and evaluation assets was done based on an independent valuation by a third party. The valuations were based on the differing levels of confidence per project. The Early Stage Projects were valued using a Cost and Market approach, whilst the advanced Projects were valued using a Cost, Market and Discounted Cash-flow approach. Discount rates of 12.5% and 15% were used respectively. No impairment was considered necessary or was recognised during the current year.

15. PROPERTY, PLANT AND EQUIPMENT

	Property $	Mining property $	Construction in progress $	Plant $	Equipment $	Leasehold improvements $	Computer equipment and software $	Furniture and fittings $	Office equipment $	Motor vehicles $	Total $
2019											
At 1 July 2018											
Cost	3,122,668	2,385,550	7,207,543	67,934,702	723,685	21,633	470,206	104,439	110,512	835,065	82,916,003
Accumulated depreciation	(90,442)	(1,799,499)	–	(42,817,350)	(534,071)	(21,141)	(411,588)	(85,869)	(85,495)	(493,555)	(46,339,010)
Net carrying value	3,032,226	586,051	7,207,543	25,117,352	189,614	492	58,618	18,570	25,017	341,510	36,576,993
Year ended 30 June 2019											
Opening net carrying value	3,032,226	586,051	7,207,543	25,117,352	189,614	492	58,618	18,570	25,017	341,510	36,576,993
Exchange differences	(79,151)	(16,498)	(206,361)	(628,732)	(4,764)	100	(1,221)	(493)	(643)	(8,294)	(946,057)
Additions	22,540	–	2,309,914	5,928,295	108,004	21,307	106,095	7,630	9,594	245,238	8,758,617
Re-classification	–	–	(5,117,997)	4,966,617	–	–	(1,449)	–	1,449	–	(151,380)
Disposals	–	–	–	(426)	–	–	(819)	–	–	–	(1,245)
Assets held for sale	–	–	–	(2,218)	(16,208)	–	–	–	–	–	(18,426)
Depreciation charge	(18,757)	(222,267)	–	(6,032,796)	(73,281)	(361)	(46,258)	(9,166)	(9,064)	(129,613)	(6,541,563)
Closing net carrying value	2,956,858	347,286	4,193,099	29,348,092	203,365	21,538	114,966	16,541	26,353	448,841	37,676,939
At 30 June 2019											
Cost	3,063,796	2,323,263	4,193,099	78,193,987	784,159	42,489	560,176	109,383	117,358	1,017,695	90,405,405
Accumulated depreciation	(106,938)	(1,975,977)	–	(48,845,895)	(580,794)	(20,951)	(445,210)	(92,842)	(91,005)	(568,854)	(52,728,466)
Net carrying value	2,956,858	347,286	4,193,099	29,348,092	203,365	21,538	114,966	16,541	26,353	448,841	37,676,939

15. PROPERTY, PLANT AND EQUIPMENT *continued*

	Property $	Mining property $	Construction in progress $	Plant $	Equipment $	Leasehold improvements $	Computer equipment and software $	Furniture and fittings $	Office equipment $	Motor vehicles $	Total $
2018											
At 1 July 2017											
Cost	3,251,863	2,511,007	2,232,696	62,482,155	819,255	22,252	424,679	56,011	108,721	856,038	72,764,677
Accumulated depreciation	(81,453)	(1,647,825)	–	(37,303,257)	(555,501)	(22,252)	(354,706)	(54,700)	(81,659)	(405,632)	(40,506,985)
Net carrying value	3,170,410	863,182	2,232,696	25,178,898	263,754	–	69,973	1,311	27,062	450,406	32,257,692
Year ended 30 June 2018											
Opening net carrying value	3,170,410	863,182	2,232,696	25,178,898	263,754	–	69,973	1,311	27,062	450,406	32,257,692
Exchange differences	(158,030)	(26,240)	(370,787)	(928,097)	(8,779)	(36)	(1,147)	734	(1,302)	(14,860)	(1,508,544)
Additions	16,614	–	4,786,846*	3,540,282	10,086	528	31,580	3,324	9,905	12,407	8,411,572
Re-classification	17,233	–	558,788	3,907,474	–	–	16,725	19,251	–	13,269	4,532,740
Disposals	–	–	–	(423,320)	(2,189)	–	(213)	–	(980)	(57)	(426,759)
Depreciation charge	(14,001)	(250,891)	–	(6,157,885)	(73,258)	–	(58,300)	(6,050)	(9,668)	(119,655)	(6,689,708)
Closing net carrying value	3,032,226	586,051	7,207,543	25,117,352	189,614	492	58,618	18,570	25,017	341,510	36,576,993
At 30 June 2018											
Cost	3,122,668	2,385,550	7,207,543	67,934,702	723,685	21,633	470,206	104,439	110,512	835,065	82,916,003
Accumulated depreciation	(90,442)	(1,799,499)	–	(42,817,350)	(534,071)	(21,141)	(411,588)	(85,869)	(85,495)	(493,555)	(46,339,010)
Net carrying value	3,032,226	586,051	7,207,543	25,117,352	189,614	492	58,618	18,570	25,017	341,510	36,576,993

* *Re-classified, refer note 5(i).*

LEASED ASSETS

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

	2019 $	**2018 $**
Plant and equipment		
Cost	**122,563**	132,467
Accumulated depreciation	**(96,950)**	(85,354)
	25,613	47,113
Motor vehicles		
Cost	**692,472**	533,590
Accumulated depreciation	**(289,557)**	(218,589)
	402,915	315,001

During the year, the Group acquired under finance lease motor vehicles with a carrying amount of $ 205,176 (2018: $ Nil).

NON-CURRENT ASSETS PLEDGED AS SECURITY

Leased assets are pledged as security for the related finance lease liability (refer to note 21). No other non-current assets are pledged as security for any liabilities.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

Given the constant pressure on the platinum price and that the Group's market capitalisation is lower than the net asset value, the directors performed an impairment assessment of the Group's property, plant and equipment at year end. No impairment was considered necessary in the current year. Refer to note 4 (B).

16. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and on hand	**8,893,037**	6,603,190*
Short-term deposits	**11,926,683**	6,464,542
Short-term deposits – restricted cash	**981,585**	957,997
Assets held for sale	**(4,164)**	–
	21,797,141	14,025,729

* *Re-classified, refer note 5(i).*

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 $21,797,141 (2018: $14,025,729).

At 30 June 2019, the Group had available $2,029,252 (2018: $2,083,656) 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 $981,585 (2018: $957,997) in order to fulfil collateral requirements for the guarantees held below.

Bank guarantees are held as follows:

	2019 $	2018 $
Eskom	**847,193**	869,906
The Department of Mineral Resources	**52,274**	53,675
Growthpoint	**26,923**	27,166

17. TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Trade receivables	**7,045,750**	24,936,276
Other receivables	**870,683**	496,848*
Assets held for sale	**(117,121)**	–
	7,799,312	25,433,124

* *Re-classified, refer note 5(i).*

Trade receivables are due from major minerals mining and processing companies. None of the amounts are past due or impaired.

Other receivables are non-interest bearing and are generally on 30-90-day terms. No other receivables are past due nor impaired.

18. INVENTORIES

	2019 $	2018 $
Stores and materials	**1,827,399**	1,488,382
	1,827,399	1,488,382

Inventories of $2,448,629 (2018: $2,124,571) were recognised as an expense during the current year and included in cost of sales.

STORES AND MATERIALS

Spares and consumables are held in stock for engineering breakdowns.

19. ISSUED CAPITAL

AUTHORISED CAPITAL

	2019 No of shares	2019 $	2018 $
Ordinary shares with a par value of $0.01	**1,000,000,000**	**10,000,000**	10,000,000

ISSUED CAPITAL

	2019 No of shares	2018 No of shares	2019 $	2018 $
Share capital				
Ordinary shares				
Ordinary shares fully paid	**289,724,772**	291,133,661	**2,897,248**	2,911,337

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 2018	Opening balance	291,133,661	2,911,337
	Cancellation of shares *	(1,408,889)	(14,089)
30 June 2019	Closing balance	289,724,772	2,897,248
1 July 2017	Opening balance	297,981,896	2,979,819
	Cancellation of shares	(6,848,235)	(68,482)
30 June 2018	Closing balance	291,133,661	2,911,337

* *516,632 shares were acquired from an employee and cancelled immediately and 892,257 shares were cancelled out of treasury.*

On 21 August 2017, the Company announced a Share Buyback Programme ("Programme"). The purpose of the Programme was to facilitate the sale of shares held by small non-UK shareholders prohibited from doing so by the cost and administrative burden of trading certificated shares outside of the UK. Sylvania's Board approved a programme to offer to buy back up to 4,156,982 shares where the individual shareholding is no more than 175,000 ordinary shares and is in certificated format. The Company repurchased these shares at A$0.1619. The closing date for the Programme was 24 August 2018.

The table below shows the movement in the treasury share account for 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 27 for further details.

Date	Number of shares
Opening balance at 1 July 2018	4,853,231
Shares purchased	516,632
Shares purchased through Share Buyback Programme	128,661
Shares cancelled	(1,408,889)
Other movements	120,000
Closing balance as at 30 June 2019	4,209,635

SHARE OPTIONS

	2019 Number of options	2018 Number of options
Employee option plan options		
– At $Nil per share on or before 29 December 2021	**1,000,000**	1,000,000
	1,000,000	1,000,000

Information relating to the employee option plan, is set out in note 27.

20. RESERVES

NATURE AND PURPOSE OF RESERVES

- **Reserve for own shares**

The reserve comprises the cost of the Company's shares held by the Group as treasury shares. Refer to notes 19 and 27 for further details.

- **Foreign currency translation reserve**

The foreign currency translation reserve comprises the exchange differences arising from the translation of financial statements of foreign controlled entities.

- **Share-based payment reserve**

This reserve comprises the value of equity benefits provided to employees, consultants and directors as part of their remuneration. Refer note 27.

- **Non-controlling interests reserve**

This reserve comprises the 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.

- **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.

21. BORROWINGS

	Future minimum lease payments due $	Finance charges $	Present value of minimum lease payments due $
Finance lease liabilities			
At 30 June 2019			
Due within one year	**207,252**	**(19,272)**	**187,980**
Due between one and five years	**209,900**	**(25,510)**	**184,390**
	417,152	**(44,782)**	**372,370**
At 30 June 2018			
Due within one year	155,901	(23,201)	132,700
Due between one and five years	192,305	(18,410)	173,895
	348,206	(41,611)	306,595

These borrowings are secured over various motor vehicles, plant and equipment, are repayable in monthly instalments of $18,918 (2018: $16,813) and bear interest at rates varying between 10% and 10.75% (2018: 10.25% and 11%) p.a. Refer to note 15 for further detail on non-current assets pledged as security.

22. PROVISIONS

	2019 $	2018 $
Rehabilitation provision	**3,481,232**	3,685,257
Movement in provision		
Balance at beginning of financial year	**3,685,257**	3,626,989
Foreign currency movements	**(96,799)**	(191,087)
Unwinding of discount factor	**225,720**	244,905
Changes during the year	**(332,946)**	4,450
Balance at end of financial year	**3,481,232**	3,685,257

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.

23. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	**3,070,766**	2,384,518
Accrued expenses	**3,247,602**	2,911,389
Other trade payables	**398,746**	383,138*
Liabilities directly associated with assets held for sale	**(1,327)**	–
	6,715,787	5,679,045

* *Re-classified, refer note 5(i).*

Trade and other payables are non-interest bearing and are normally settled on 30 day terms, predominately payable in ZAR and located in South Africa.

24. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019 $	2018 $
(a) Reconciliation of profit before tax to net cash flow from operating activities		
Profit before income tax expense	**24,394,495**	16,100,680
Adjusted for:		
Equity accounted net loss from joint venture	**–**	12,847
Profit on sale of property, plant and equipment	**(13,192)**	(61)
Write-off of property, plant and equipment	**–**	426,820
Finance income	**(1,018,607)**	(878,191)
Finance costs	**324,628**	293,792
Depreciation	**6,541,565**	6,689,708
Rehabilitation provisions	**(643,837)**	(134,609)
Share-based payments	**305,440**	370,249
Forgiveness of debt	**37,806**	–
Net operating profit before working capital changes	**29,928,298**	22,881,235
Changes in working capital:		
Increase in trade and other receivables and contract assets	**(6,061,892)**	(5,243,662)
(Increase)/decrease in inventories	**(232,790)**	528,755
Increase/(decrease) in trade and other payables	**945,274**	178,452
Cash generated from operating activities	**24,578,890**	18,344,780
Finance income received	**950,280**	803,812
Finance costs paid	**(70,647)**	(48,886)
Taxation paid	**(8,092,853)**	(4,054,932)
Net cash inflow from operating activities	**17,365,670**	15,044,774

24. NET CASH INFLOW FROM OPERATING ACTIVITIES *continued*

	2019 $	2018 $
(b) Taxation paid		
Balance receivable at the beginning of the year	**13,668**	756,255
Acquired through business combinations	**–**	(834)
Income tax recognised in profit or loss	**(7,828,945)**	(4,809,670)
Foreign currency movements	**1,064**	12,985
	(7,814,213)	(4,041,264)
Balance payable at the end of the year	**980**	1,073
Less: Balance receivable at the end of the year	**(279,620)**	(14,741)
Taxation paid	**(8,092,853)**	(4,054,932)

25. NET CASH OUTFLOW FROM FINANCING ACTIVITIES

	2019 $	2018 $
(a) Repayment of borrowings		
Balance owing at the beginning of the year	**(306,595)**	(470,159)
Cash flow items		
Finance lease payments during the year	**147,674**	150,180
Non-cash flow		
New finance leases	**(221,059)**	–
Finance leases cancelled	**–**	–
Foreign currency movements	**7,610**	13,384
Closing balance	**(372,370)**	(306,595)
(b) Payment for settlement of bonus shares		
Treasury shares opening balance	**(1,141,362)**	(1,063,273)
Cash flow items		
Purchase of treasury shares	**(119,606)**	(1,414,669)
Non-cash flow		
Share options & bonus shares exercised	**–**	699,445
Shares cancelled	**214,559**	637,135
Closing balance	**(1,046,409)**	(1,141,362)
(c) Payment for settlement of share options		
Share Based payments opening balance	**(3,567,504)**	(3,896,700)
Cash flow items		
Settlement of share options and bonus shares	**–**	–
Non-cash flow		
Share options & bonus shares exercised	**–**	699,445
Bonus shares expenses	**(305,440)**	(370,249)
Closing balance	**(3,872,944)**	(3,567,504)

26. ASSETS HELD FOR SALE

Management committed to a plan to sell 100% of the shares in, and shareholder claims against Grasvally Chrome Mine (Pty) Ltd ("Grasvally"), which forms an insignificant part of the Exploration segment. Efforts to sell the shares have started and a sale is expected by April 2020.

The following table summarises the carrying value for the assets held for sale and the liabilities directly associated with the assets held for sale:

	2019 $
Exploration and evaluation assets	3,988,151
Property, plant and equipment	18,426
Cash and cash equivalents	4,164
Trade and other receivables	117,121
Other financial assets	35,430
Assets held for sale	**4,163,292**
Trade and other payables	(1,327)
Liabilities directly associated with assets held for sale	**(1,327)**

No impairments have been recognised on Grasvally.

There are no cumulative income or expenses included in OCI relating to the disposal group.

27. SHARE-BASED PAYMENT PLAN

EXPENSE RECOGNISED THROUGH PROFIT AND LOSS

	2019 $	2018 $
Expense arising from equity-settled share-based payment transactions	305,440	370,249
Total expense	**305,440**	370,249

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.

The company does not intend to issue any further options under the Sylvania Platinum Option Plan and a decision was taken by the Board to cancel the Sylvania Platinum Option Plan in November 2017.

27. SHARE-BASED PAYMENT PLAN *continued*

Options

Grant date	Expiry date	Exercise price	Fair value at grant date $	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Balance at the end of the year Number	Vested and exercisable at end of year Number
2019								
29 Dec 2011	29 Dec 2021	Nil	0.33	**1,000,000**	**–**	**–**	**–**	**1,000,000**
Total				**1,000,000**	**–**	**–**	**–**	**1,000,000**
Weighted average exercise price				**–**	**–**	**–**	**–**	**–**
2018								
29 Dec 2011	29 Dec 2021	Nil	0.33	2,010,000	–	(1,010,000)	1,000,000	1,000,000
11 Jun 2013	11 Jun 2023	Nil	0.17	400,000	–	(400,000)	–	–
29 Aug 2013	29 Aug 2023	Nil	0.13	1,240,000	–	(1,240,000)	–	–
24 Aug 2016	24 Aug 2026	Nil	0.10	–	–	–	–	–
Total				3,650,000	–	(2,650,000)	1,000,000	1,000,000
Weighted average exercise price				–	–	–	–	–

The options outstanding at 30 June 2019 have vested and have an exercise price of $Nil (2018: $Nil) and a weighted average remaining contractual life of 3 years (2018: 4 years).

The weighted average share price at the date of exercise of options during the year ended 30 June 2019 was $ Nil (2018: $ Nil).

Share bonus award

On 17 August 2017, 2,675,000 ordinary shares of $0.01 each in Sylvania Platinum Limited were allocated to certain employees and senior management in recognition of the achievement of performance criteria. These shares vest on 16 August 2020.

On 24 August 2018, 2,710,000 ordinary shares of $0.01 each in Sylvania Platinum Limited were allocated to certain employees and senior management in recognition of the achievement of performance criteria. These shares vest on 23 August 2021.

Bonus shares

Issue date	Fair value at issue date $	Balance at start of the year Number	Issued during the year Number	Forfeit Number	Exercised during the year Number	Balance at the end of the year Number	Vested and exercisable at end of year Number
2019							
17 August 2017	**0.10**	**2,675,000**	**–**	**–**	**–**	**2,675,000**	**–**
24 August 2018	**0.10**	**–**	**2,710,000**	**–**	**–**	**2,710,000**	**–**
Total		**2,675,000**	**2,710,000**	**–**	**–**	**5,385,000**	**–**
2018							
24 August 2016	0.10	4,095,000	–	(190,000)	3,905,000	–	–
17 August 2017	0.10	–	2,675,000	–	–	2,675,000	–
Total		4,095,000	2,675,000	(190,000)	3,905,000	2,675,000	–

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 year ended 30 June 2019.

	2019	2018
Fair value at grant date ($)	**0.202**	0.09
Expected volatility (%)	**48.61**	36.95
Risk-free rate (%)	**7.75**	7.75
Expected life (years)	**3**	3
Share price at grant date ($)	**0.202**	0.09
Exercise price ($)	**Nil**	Nil
Expected dividend yield ($)	**Nil**	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.

28. FINANCIAL INSTRUMENTS

The effect of initially applying IFRS9 on the Group's financial instruments is described in note 5. Due to the transition method chosen, comparative information has not been restated to reflect the new requirements.

(a) ACCOUNTING CLASSIFICATIONS AND FAIR VALUES

The fair value for financial assets and liabilities at amortised cost approximates the carrying value.

	2019	2018	
	Amortised cost	Loans and receivables	Other financial liabilities
Financial assets			
Trade and other receivables *	**7,215,304**	25,164,243	–
Cash and cash equivalents	**21,797,141**	14,016,407	–
Other financial assets	**556,895**	1,432,456	–
	29,569,340	40,613,106	–
Financial liabilities			
Borrowings	**372,370**	–	(306,595)
Trade and other payables	**6,715,788**	–	(5,679,045)*
	7,088,158	–	(5,985,640)

* *Re-classified, refer note 5(i).*

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

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.

28. FINANCIAL INSTRUMENTS *continued*

(a) ACCOUNTING CLASSIFICATIONS AND FAIR VALUES *continued*

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 (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.

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

- The statement of financial position sensitivity relates to interest-bearing 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 2019 and 30 June 2018.

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 19 and 20).

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.

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 two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include receivables, loans, borrowings and deposits.

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.

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).

The financial instruments exposed to foreign currency risk are as follows:

	2019 $	2018 $
Financial assets		
Trade receivables	**6,317,529**	5,134,747

A reasonably possible strengthening (weakening) of the Rand (ZAR) against the US dollar (USD) at 30 June 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

	2019		2018	
	Profit/ (loss) $	Equity increase/ (decrease) $	Profit/ (loss) $	Equity increase/ (decrease) $
20% (2018: 20%) appreciation	**1,579,382**	**(1,579,382)**	1,283,687	(1,283,687)
20% (2018: 20%) depreciation	**(1,052,921)**	**1,052,921**	(855,791)	855,791

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 ZAR 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.

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

	2019 $	2018 $
Financial assets		
Cash and cash equivalents	**21,797,141**	14,025,729*
Investment for rehabilitation insurance guarantee	**–**	637,618
Financial liabilities		
Borrowings	**(372,370)**	(306,595)

* *Re-classified, refer note 5(i).*

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 $110,848 (2018: $38,646). The impact on equity would have been the same.

28. FINANCIAL INSTRUMENTS *continued*

(a) ACCOUNTING CLASSIFICATIONS AND FAIR VALUES *continued*

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 and contract assets. 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.

Trade receivables and contract assets

At reporting date, there is a significant concentration of credit risk represented in the trade receivables balance due to the fact that the majority of sales are made to two specific customers as per contractually agreed terms. These customers are reputable mining companies. The customers complied with all contractual sales terms and have not at any stage defaulted on amounts due.

The Group uses an allowance matrix to measure the ECLs of trade receivables from the customers.

The ECLs are calculated based on the Advanced method, which take into consideration the Probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). Rates are obtained from reputable ratings agencies.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, other financial assets and contract assets as at 30 June 2019.

	Weighted-average loss rate $	Gross carrying amount $	Loss allowance $	Credit-impaired
Trade receivables – Current (not past due)	0.0012%	7,106,330	8,528	No
Other financial assets	0.0014%	556,895	780	No
Contract assets	0.0012%	23,275,665	27,931	No

No loss allowance has been recognised on the initial application of IFRS 9 or for the 2019 financial year as these amounts are considered not material by management.

Cash and cash equivalents

The Group held cash and cash equivalents of $21,797,141 at 30 June 2019. The cash and cash equivalents are held with banks which are rated P-3 to P-1 based on Moody's Investment Services.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the banks. No impairment has been recognised for the year.

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.

	Carrying amount $	Contractual cash flows $	Less than 1 year $	1 – 5 years $	Total $
2019					
Trade and other payables	**6,715,787**	**6,715,787**	**6,715,787**	**–**	**6,715,787**
Borrowings	**372,370**	**372,370**	**187,980**	**184,390**	**372,370**
	7,088,157	**7,088,157**	**6,903,767**	**184,390**	**7,088,157**
2018					
Trade and other payables	5,679,045	5,679,045	5,679,045	–	5,679,045
Borrowings	306,595	306,595	132,700	173,895	306,595
	5,985,640	5,985,640	5,811,745	173,895	5,985,640

29. COMMITMENTS AND CONTINGENCIES

	2019 $	2018 $
Operating leases		
Leases as lessee		
Future minimum lease payments (net of VAT) 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	**86,225**	80,802
After one year but not more than five years	**213,740**	308,007
	299,965	388,809
Office equipment		
Within one year	**15,205**	16,842
After one year but not more than five years	**34,188**	17,908
	49,393	34,750
Leases as lessor		
Future minimum lease payments (net of VAT) under non-cancellable leases as at 30 June are as follows:		
Farm		
The Group has a lease agreement whereby it leases certain portions of the Grasvally farm to a third party exclusively for the grazing of livestock. This lease has an average life of three years and no renewal option included in the contract and with rentals escalating 8% per annum.		
Within one year	**36,146**	41,788
After one year but not more than five years	**–**	37,115
	36,146	78,903

Finance lease commitments

The Group has instalment sale agreements for various items of motor vehicles, plant and equipment and computer equipment. Refer to notes 15 and 21 for further details on finance lease commitments.

Commitments for plant construction

At 30 June 2019, commitments signed for continued improvements of the plants were $621,941 (2018: Nil).

30. 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	Balance at the start of the year	Issued under share and option plan	Balance at the end of the year
2019			
T M McConnachie	**5,015,000**	**–**	**5,015,000**
R A Williams	**1,067,000**	**–**	**1,067,000**
S A Murray	**1,000,000**	**–**	**1,000,000**
2018			
T M McConnachie	4,815,000	200,000	5,015,000
R A Williams	987,000	80,000	1,067,000
S A Murray	600,000	400,000	1,000,000

All equity transactions with key management personnel other than those arising under the Group's Share Option Plan and bonus shares granted 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	Balance at the start of the year	Exercised during the year	Balance at the end of the year
2019			
T M McConnachie	**–**	**–**	**–**
R A Williams	**–**	**–**	**–**
S A Murray	**–**	**–**	**–**
2018			
T M McConnachie	200,000	(200,000)	–
R A Williams	80,000	(80,000)	–
S A Murray	400,000	(400,000)	–

KEY MANAGEMENT PERSONNEL COMPENSATION

	Short Term Benefits			Share-based payment	Total
	Cash salary/ Consulting fees	Bonus [1]	Directors' fees	Equity shares/ share options [2]	
	$	$	$	$	$
2019					
Directors					
TM McConnachie	**505,004**	**–**	**–**	**–**	**505,004**
SA Murray	**–**	**–**	**125,000**	**–**	**125,000**
RA Williams	**–**	**–**	**85,000**	**–**	**85,000**
E Carr	**24,000**	**–**	**75,000**	**–**	**99,000**
Sub-total	**529,004**	**–**	**285,000**	**–**	**814,004**
Other key management	**948,135**	**268,396**	**–**	**119,858**	**1,336,389**
Total	**1,477,139**	**268,396**	**285,000**	**119,858**	**2,150,393**
2018					
Directors					
TM McConnachie	505,004	–	–	1,630	506,634
SA Murray	–	–	125,000	–	125,000
RA Williams	–	–	85,000	652	85,652
E Carr	24,000	–	75,000	–	99,000
Sub-total	529,004	–	285,000	2,282	816,286
Other key management	977,600	280,961	–	74,320	1,332,881
Total	1,506,604	280,961	285,000	76,602	2,149,167

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

[2] *Share-based payments include share options and bonus shares granted – refer to note 27.*

31. 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 2019 %	Equity Holding 2018 %
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
Phoenix Platinum Mining (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	74
Sylvania Resources (Pty) Ltd	South Africa	Ordinary	100	100
Sylvania Exploration (Pty) Ltd (previously Great Australian Resources South Africa (Pty) Ltd)	South Africa	Ordinary	100	100
Hacra Mining and Exploration Company (Pty) Ltd	South Africa	Ordinary	67	67
Pan Palladium South Africa (Pty) Ltd	South Africa	Ordinary	100	100
Volspruit Mining Company (Pty) Ltd	South Africa	Ordinary	74	74
Zoetveld Properties (Pty) Ltd	South Africa	Ordinary	100	100
Grasvally Chrome Mine (Pty) Ltd	South Africa	Ordinary	74	74
Grasvally Resources (Pty) Ltd	South Africa	Ordinary	100	100
PT Sands (Pty) Ltd	South Africa	Ordinary	100	100

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. An agreement has been entered into with non-controlling shareholders where the Group absorbs the losses that would be attributable to the non-controlling interests.

OTHER RELATED PARTIES' RELATIONSHIPS

Entities controlled or significantly influenced by key management

- Indian Ocean Smelters (Pty) Ltd

TERMS AND CONDITIONS WITH CONTROLLED ENTITIES

All loans are unsecured, bear no interest and have no fixed terms of repayment.

INVESTMENTS IN JOINT OPERATION

The Group has a 50% interest in TS Consortium, which operates a pilot pelletiser plant in South Africa (2018: 50%).

TERMS AND CONDITIONS WITH LOAN TO JOINT OPERATION

The loan to TS Consortium is unsecured, bears interest at 7% and is repayable on 31 December 2020.

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:

	2019 $	2018 $
Service fees paid to related parties		
Indian Ocean Smelters (Pty) Ltd	**(4,460)**	(5,135)

LOANS TO RELATED PARTIES

	2019 $	2018 $
Balance outstanding at 30 June 2019		
Loan to joint operation	**556,906**	378,371*

* *Re-classified, refer note 5(i).*

32. EVENTS AFTER THE REPORTING DATE

A conditional cash offer was received on 16 August 2019 from Forward Africa Mining (Pty) Ltd to purchase Grasvally Chrome Mine (Pty) Ltd for ZAR115,000,000.

33. GOING CONCERN

The Group's financial risk management objectives and policies are detailed in note 28 and available borrowing facilities are set out in note 16. 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.

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

05 ANCILLARY INFORMATION

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

SHAREHOLDERS PROFILE

AS AT 30 JUNE 2019

Shareholders holding 3% or more fully paid shares

	Shareholder	Number of shares	% Shareholding [1]
1	Africa Asia Capital	58,882,551	20.62
2	M&G Investment Management	28,247,500	9.89
3	FIL Investment International	27,106,869	9.49
4	Majedie Asset Management	16,470,840	5.77
5	Miton Asset Management	13,000,000	4.55
6	Hargreaves Lansdown Asset Management	10,729,728	3.76
7	Canaccord Genuity Wealth Management	9,900,000	3.47
8	Interactive Investor	9,023,786	3.16
		173,361,274	**60.71**

[1] *The percentage shareholdings are calculated on the total number of ordinary shares with voting rights being 285,515,137 shares. The total issued number of shares is 289,724,722 including 4,209,635 shares held in treasury.*

GLOSSARY OF TERMS AND ACRONYMS

The following definitions apply throughout the consolidated financial statements:

4E PGMs	4E PGM ounces include the precious metal elements platinum, palladium, rhodium and gold
AGM	Annual General Meeting
6E PGMs	6E ounces include the 4E elements plus additional iridium and ruthenium
AGM	Annual General Meeting
AIM	Alternative Investment Market of the London Stock Exchange
All-in sustaining cost	Production cost plus all costs relating to sustaining current production and sustaining capital expenditure
All-in cost	All-in sustaining cost plus non-sustaining expansion capital expenditure
BEE	Black Economic Empowerment
Bonus Shares	Sylvania Platinum Limited Bonus Share Award Plan
BIC	Bushveld Igneous Complex
CGU	Cash generating unit
Current arisings	Fresh chrome tails from current operating host mines processing operations
DI	Depository interests
DMR	Department of Mineral Resources
EBITDA	Earnings before interest, tax, depreciation and amortisation
EA	Environmental Authorisation
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
FAM	Forward Africa Mining (Pty) Ltd
GBP	Great British Pound
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
IRR	Internal Rate of Return
I&Aps	Interested and Affected Parties
JORC	Joint Ore Reserves Committee
JO	Joint operation
JV	Joint venture
Lesedi	Phoenix Platinum Mining Property Limited, renamed Sylvania Lesedi
LSE	London Stock Exchange
LTI	Lost time injury
MAR	Market Abuse Regulation (EU) 596/2014
MF2	Milling and flotation technology
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
MTO	Mining Titles Office
NOMR	New Order Mining Right
PAR	Pan African Resources Plc
PDMR	Persons displaying managerial responsibilities as defined by the Market Abuse Regulation
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
Pipeline ounces	6E ounces delivered but not invoiced

GLOSSARY OF TERMS AND ACRONYMS
continued

Pipeline revenue	Revenue recognised for ounces delivered, but not yet invoiced based on contractual timelines
Pipeline sales adjustment	Adjustments to pipeline revenues based on the basket price for the period between delivery and invoicing
Programme	Sylvania Platinum Share Buyback Programme
Project Echo	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install new additional fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein and Mooinooi.
QCA	Quoted Companies Alliance Corporate Governance Code 2018 for Smaller Companies in accordance with AIM Rules
Revenue (by products)	Revenue earned on ruthenium, iridium, nickel and copper
ROM	Run of mine
SDO	Sylvania dump operations
Shares	Common shares
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
The Code	UK Corporate Governance Code
TS Consortium	Tizer Sylvania Consortium
USD	United States Dollar
VWAP	Volume-weighted average price
WIP	Work in progress
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
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

Conyers Corporate Services (Bermuda) Limited

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South Africa

SOLICITORS

Conyers Dill & Pearman
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Bermuda

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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

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