SYLVANIA
PLATINUM LIMITED

ANNUAL REPORT
2022

Embedding ESG

ENGAGEMENT | CONSULTATION | COMPLIANCE

DISCLAIMER

To the best knowledge and belief of Sylvania Platinum and its Directors (having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information, prepared in accordance with applicable law and regulations.

REPORTING SCOPE AND BOUNDARIES

This 2022 annual report presents a review of the operational and non-financial performance of Sylvania Platinum Limited (Sylvania, the Company or the Group) for the 12 months ended 30 June 2022. The report seeks to illustrate the Company's business model and investment case through the application of capital in the process of creating value.

The Company's non-financial performance is presented to provide stakeholders with a broader understanding of the Company's influence, its impact and those issues which, without careful consideration and management, would materially affect the prospects of the Company (material issues). Our non-financial performance reporting is guided by the parameters of the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UNSDGs) and the Sustainability Accounting Standards Board (SASB).

The consolidated financial statements, set out on pages 36 to 82, were approved on 7 September 2022. 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 United States Dollars (USD), unless otherwise stated. The Company is quoted on the London Stock Exchange's 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 may be found on page 27 of this report.

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CORPORATE PROFILE AND LOCATION

Sylvania Platinum Limited is a producer of platinum group metals (PGMs) including platinum, palladium and 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 South Africa.

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

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

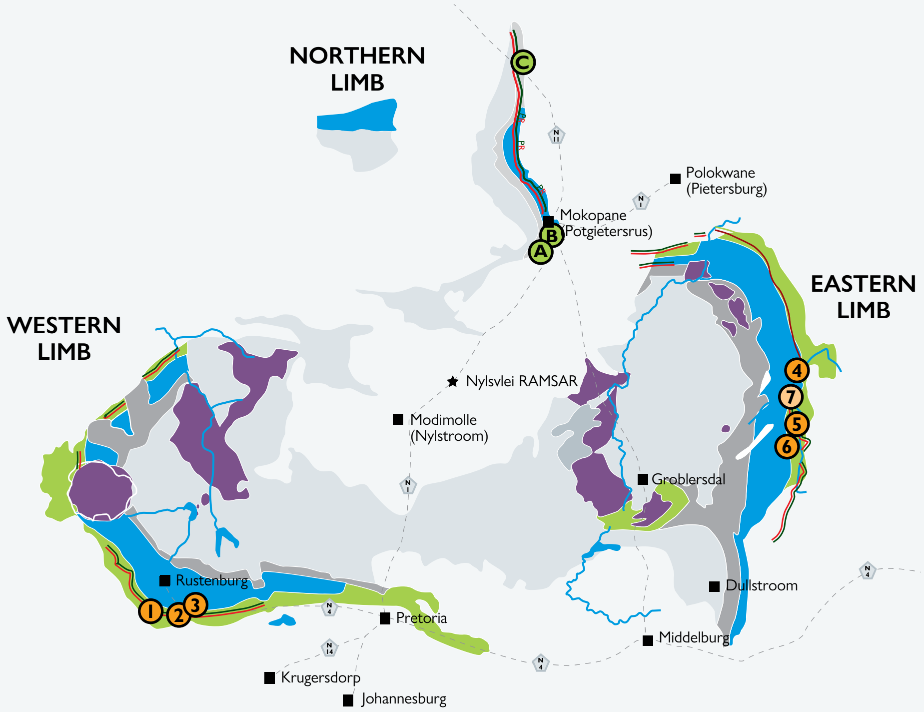
In order to strengthen the Company's position as a low-risk specialist in the lower cost production of PGMs, Sylvania operates according to the following business priorities:

- identifying projects that balance low 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;
- focusing on cash generation during uncertain economic times; and
- continuously applying appropriate practices/ technology striving to maintain the Company as a lower quartile producer.

The Company's strong focus is on cash generation which enables return in capital to shareholders according to its dividend policy.

The Board has recommended the payment of a dividend of 8p per Ordinary Share, payable on 2 December 2022 after the Annual General Meeting (AGM) to be held on 25 November 2022.

LOCATION OF OPERATIONS AND PROJECTS



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 carbonatities

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

VISION, MISSION AND VALUES

VISION

To be a leading mid-tier, lower unit cost, PGMs producer.

MISSION

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

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
Employees are at the heart of our Company We place their safety and health above all else in everything that we do	We treat all people with dignity and respect	We act honestly and show integrity by continually striving towards "doing what we say we are going to do" and showing commitment towards our accountabilities of delivering high performance outcomes, thus projecting an image of professionalism and meeting the expectations of our colleagues, investors, business partners and social partners	We act in a manner that is sustainable and environmentally responsible, applying professional and innovative methods	Our actions will support the communities in which we work while honouring their heritage and traditions

KEY PERFORMANCE FEATURES

67,053
4E PGM ounces produced

$151.9 million
net revenue

$82.8 million
EBITDA

$56.2 million
group net profit

windfall dividend
2.25p
(paid in April 2022)

annual dividend declared
8p

$121.3 million
positive cash balance

Debt free
no pipeline financing

Share buy-back:
6,590,923
average price 85.93p

OPPORTUNITIES

MF2 expansion at Tweefontein on track for commissioning; first production contributions expected in December 2022;

After successful roll-out of MF2 and ultra-fine screening circuits this technology is being implemented at Lannex, to be commissioned by end of 2023 calendar year;

Back-up power supply systems to be installed at most essential operations;

Progress in identifying and sourcing additional tailings resources to grow and extend life of operations;

Working with partner to develop novel chemical bonding process to create a chromite ore pellet for FeCr smelters – creating potential also to reduce energy consumption

CHALLENGES

Lower PGM feed grades and recovery potential have adverse effect on production and operating costs

Lesedi operations suspended; operations resumed after additional water supply and new tailings dam installed

CHAIRMAN'S LETTER

> The safety and health of all our employees is critical and that is why we are so proud of our sustained good safety performance during the period. The quality of the people, and the training and management have all contributed to this continued exceptional safety performance."

Dear Shareholder

WHAT A YEAR! As FY2022 progressed and Covid-19 eased, FY2022 was going to be easier than FY2021 – right? However, we saw riots in South Africa (SA); Russia's invasion of Ukraine; Covid-19 lockdowns in China; Supply chain problems; Ongoing loadshedding; Global interest rate hikes; Volatile Dollar metal prices and an unstable SA Rand exchange rate: for a business operator it's enough to make many a grown-up cry! Shareholders can rightly feel that they were riding a roller coaster this last year.

NAVIGATING A CHALLENGING ENVIRONMENT

After the unprecedented disruption occasioned by the coronavirus pandemic and governments' attempts worldwide to contain its impact, the Russian invasion of Ukraine reverberated across the global stage, wreaking widespread economic havoc, particularly in the West's energy and food sectors. The South African operating environment, which is host to our business, presented its own hurdles, compounding the effects on the business of the global markets. These have taken the shape of ongoing and escalating power supply instability; rapidly rising costs of certain imports; a restive labour environment and a government which is sluggish in its responses. Against this background, your Chief Executive, Jaco, and his team deserve great praise for your Company's general performance over the past 12 months.

PERFORMANCE AND FINANCIALS

Sound management and prudent decisions during the period have kept our results very acceptable for FY2022, despite a slight drop of circa 4% in PGM production and a drop of 23% in the Dollar PGM basket price received over the period compared to FY2021. Although tailings related downtime at the Lesedi plant during HY1 and lower PGM feed grades and recovery efficiencies associated with Run-of-Mine (ROM) material received from the host mines at Mooinooi and Lannex accounted for lower volumes, we still managed to produce 67,053 ounces and generated approximately $56.2 million net profit for the financial year.

Efficiency and optimisation remain the cornerstone of our management allowing the Company to deliver a solid financial performance. During the period, the increase in unit cash costs was fuelled by the lower PGM ounce production, ongoing higher electricity prices and mining costs – the latter owing to a temporary host mine subsidy paid to secure higher-grade feed material in the first half of the financial year. Management is making a concerted effort to mitigate these impacts wherever possible. The declining value of the ZAR against the USD exacerbates the rising cost of imported consumables, fuel and power and will continue to influence the cost of doing business in South Africa for at least the medium term.

In the current labour environment, now more than ever it is important for us to maintain exceptionally good relationships with our workforce. Although this is an ongoing concern for the industry, we have been very fortunate with a very stable and positive labour environment over the years and Jaco and his team continue to work hard on this aspect of the business, keeping lines of communication open and dealing with

CHAIRMAN'S LETTER (continued)

matters promptly as they arise. Our employee profile differs from that of the conventional South African underground mine, in that we have a relatively small complement of 422 unionised members with a high skill level. Given the current scenario, the decision to share in the wellbeing of the Company has seen our employees enjoy a cash distribution through the Employee Dividend Entitlement Plan (EDEP), as implemented in the previous year, which has proven to be both appropriate and wise.

Management will continue to focus on that which we are able to control: direct operating costs, maintaining a safe, stable and efficient production environment, and ensuring disciplined capital allocation and spending controls, all of which will continue to be the main drivers of our business. We also continue to run a conservative financial operating structure.

Decisions taken in the year saw us increase stock levels such as steel balls, ceramic beads and reagents. This has helped mitigate the logistics supply chain disruptions that are being felt in the sector and has meant that our operations were able to continue with minimal disruption. The global logistics disruption has the potential to severely challenge procurement operations and it takes careful and prudent financial management to keep consumables and other stocks at appropriate levels in-line with maintaining a conservative financial balance sheet.

SAFETY

The safety and health of all our employees is critical and that is why we are so proud of our sustained good safety performance during the period. The quality of the people, and the training and management have all contributed to this continued exceptional safety performance. We have come a long way with managing safety, and there can be no doubt that the shift from an authoritarian, paternalistic approach, to one which empowers our employees to take responsibility for their own safety, and on proactively being aware of risks, was a timely and key development in the workspace. Safety performances across our operations have been excellent, as illustrated by the Doornbosch plant which has just recorded a phenomenal ten years without a Lost-Time Injury (LTI). Our ESG report, Embedding our Strategy, provides more detail on safety and health, which is such a significant element of our social performance.

COVID-19

The effects of Covid-19 on both employees and operations have remained a key focus of the Company despite the further easing of South Africa's regulations during the period. As we emerge from this pandemic, management will continue to monitor the situation and ensure the health and well-being of the entire workforce. The Employee Assistance Programme (EAP) implemented for all of Sylvania's employees, immediate family members, as well as those living in the same household, will continue to assist our staff. The efficiency and flexibility of our operations allowed the management team to effectively navigate through the uncertainties associated with the pandemic. A significant realisation has been the affirmation of our strategy to provide sufficient working capital as a buffer to cater for unforeseen circumstances and events. This has bolstered our ability to navigate through these uncertainties. I believe it is a strategy that will serve us well into the future.

POWER PROBLEMS & ELECTRICITY COSTS

The current power situation in South Africa remains a matter of concern. With the growth of renewable energy and independent power suppliers, domestic users and small businesses will in the future have access to alternative power supply. For large industrial users like mines and smelters however, the cost of adequate energy supplies from renewable source remains prohibitive, and this is unlikely to change significantly in the near future. The mines and large industrial plants have historically had constructive and cooperative working relations with the national power utility, and indeed the impact of loadshedding on our operations has been somewhat limited. My sense is that there is a recognition of the role these industries play in keeping SA Inc running. However, the annual increase in electricity prices is damaging to large electrical consumers, both us and our host mines included.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

This year, for the first time, we have prepared a standalone ESG report, which should be read along with this annual report. Our ESG report, Embedding our Strategy, seeks to present the Company's operational and non-financial performance to stakeholders in a meaningful way, illustrating how we manage our material issues. In addition, we have included in this annual report, an abridged version of our standalone report.

As a value-driven Company, sustainability is fundamental to the way we run our business, and it underpins our ESG strategy. We are committed to making a positive contribution to the lives of our employees, the industry and our host communities. As a Board, we are tasked with balancing the interests of all stakeholders, which will inevitably impact our management of ESG practices.

PROJECTS UPDATE

The new financial year will see the completion of our MF2 milling and flotation project, Project Echo, and to date, I am pleased to report that it has been a tremendous success. We are currently executing works on both the Tweefontein MF2 and Lannex MF2 plants in a phased approach as part of our capital project strategy and spend.

The next major phase of capital expenditure, being the construction of additional tailings facilities, is now upon us. These necessary installations enable the Sylvania Dump Operations (SDO) to both extend the SDO's life in addition to reprocessing older tailings in an orderly manner with state-of-the-art impoundment. As a result of scheduling each of the new dams construction and tie-ins to older facilities, there will be some disruption to the production profile in FY2023 but these new dams will result in continuing production levels over subsequent years.

GUIDANCE

Production performance for FY2023 is expected to improve slightly with guidance of 68,000-70,000 ounces and targeted to rise above 70,000 ounces during FY2024.

EXPLORATION

Taking advantage of the improved outlook for PGMs in general (as compared to the early years I chaired the Company), the Board approved the spend of $2.3 million last year and has approved a further $4.4 million for the coming year to upgrade the quality of geological information at its Volspruit project. Last year's spend resulted in some limited drilling undertaken and new geological interpretation of certain zones in the portfolio. The new geological interpretation coupled with the spend, builds upon work done in the past and is yielding some noteworthy findings compared to the earlier work. The interpretation work relating to last year's drilling will be completed in Q1 of FY2023 and the new findings released to shareholders thereafter. Work for the FY2023 year will continue to focus on looking at shallow "hot spots" of higher PGM grade mineralisation on the Northern Limb properties. This new strategy is expected to add value and is expected to yield a positive outcome in FY2023 and beyond.

PELLETIZER

Some years ago, the Company partnered with a 'binding technology' player to co-develop a novel chemical bonding process which operates at ambient pressure and temperature to create a chromite ore pellet with physical attributes suitable for ferrochrome (FeCr) smelters but with the anticipated added potential to markedly cut the smelters' electrical energy consumption per ton of FeCr produced. The technology is of interest to our host miner amongst others. In exchange for funding development costs in the venture, Sylvania holds the licence for any future chrome pellet production in South Africa.

ASSET SALE

Although formally a post year-end event, the unconditional sale of the Grasvally Chrome Mine was welcome. The mine was included in the purchase of a package of strategic surface property rights adjacent to the Volspruit Project. The Company retains the rights it requires and will see a modest profit on the sale, albeit over a period of time.

RETURNING VALUE TO SHAREHOLDERS

The Board is cognisant that the risks associated with the sorts of disruptive events outlined in the opening paragraph of this statement remain a major concern for shareholders. Whilst maintaining a conservative balance sheet, returning capital to shareholders will continue to be part of the Board's strategic goals through both dividends and share buybacks.

In the FY2022 year, dividends amounting to $22.7 million were paid (comprising normal dividends of $14.6 million and windfall dividends of $8.1 million) and share buybacks of 6.6 million shares with a value of $7.1 million were undertaken. Six million shares were cancelled in the year, resulting in 266,130,788 shares with voting rights in issue with an additional 14 million shares held in Treasury as at 30 June 2022. Considering the current cash balance, the cash generation potential, the working capital requirements and capital expenditures for FY2023, the Board has decided to declare an annual dividend of 8p per Ordinary Share for the 2022 financial year, payable in December 2022. This reflects the second year in a row that total dividend payments are around half the prior financial year's free cashflow.

The Company will continue to pay dividends in a prudent manner guided by the six metrics of our policy. This approach has served us well and enables us to better weather the impact of these challenging times. The Board has committed itself to review the dividend policy in the new financial year and will communicate any updates to shareholders in due course. In addition, the Company will continue to implement further share buybacks as the opportunity arises – our success in this area is on record.

IN CONCLUSION

Attending an industry lunch in May hosted by a leading PGM refiner and fabricator, the key speaker declined to venture an opinion on rhodium supply and demand (and hence price) going forward and caveated his supply and demand predictions and prices for platinum and palladium with questions about possible supply disruptions from Russia. I smiled – if this speaker cannot be drawn on future prices, I pray nobody asks me my opinion! Despite the uncertainties of FY2022, the average gross 4E PGM basket price for FY2022 was 23% lower than FY2021. Precious metals are supposed to be considered a safe haven in uncertain times. Wrong this time around! Russia is the largest producer of palladium – essential for gasoline catalysts – and the price is down around a third from its peak on 2021. For rhodium – what goes up definitely comes down, although I for one remain a happy camper with a rhodium price at ~$15,000 per ounce at this point.

Given the current global disorder, it has become increasingly difficult to predict PGM prices. The levers that historically drove PGM demand and prices – notably internal combustion engine (ICE) car production – are becoming blurred as more technologies arrive for automotive powertrains. Naysayers believe electric marks the end of the ICE and by extension the death of PGM markets. They could not be more wrong. Short-termist politicians who think the car market (that is now heading to 100 million units a year) is going to be all-electric by 2030 live in la-la land. Certain of the new powertrain technologies are more PGM rich relative to ICE! Also, the much-vaunted hydrogen economy of the future needs PGMs – most probably buckets more than are currently produced. For shareholders on this roller coaster – keep the seat belt fastened!

For Sylvania, we are however seeing signs that the chrome market is picking up which benefits the plans of our host mines and will ultimately flow through to us in the medium-term by way of higher quality ROM and current arisings feed sources. We expect the weakening trend of the Rand to the US Dollar to continue especially as the benefits which accrue to the SA current account from the great commodity prices in the prior year starts to wear off.

Sylvania's management and employees have done a remarkable job of navigating the last year. Despite the easing of Covid-19, FY2022 proved a tough year! My thanks go to all of them. To my fellow Board members, my thanks for their hard work and resilience. The year also saw substantial Board renewal. We bade farewell to Roger Williams at the end of the half-year, after ten years of service to the Company. He is sorely missed, but I welcome two new members: Adrian Reynolds and Simon Scott, both already contributing diligently and wisely to your Board. And of course, as always, my thanks go to Eileen Carr for her continued support and guidance to the Board. Jaco Prinsloo and Lewanne Carminati, your two Executive Directors, have done great service in their time on the Board these past two years and I look forward to their contributions as they continue to grow into their roles. I would also like to thank our host mine's management for their continued support as I am aware they too face challenges of their own. And, to you, our shareholders, my thanks for your sustained trust in us to lead your Company forward.

Stuart Murray
Chairman

CEO'S REVIEW

"Our Doornbosch plant achieved ten years LTI-free in June 2022 and was awarded the 'Best-in-class Safety Performance' commendation by the Mine Metallurgical Managers Association of South Africa."

After a challenging year, I am pleased with the solid production performance of the SDO in delivering 67,053 4E PGM ounces. I thank and commend the teams on their efforts and notably our Tweefontein plant that achieved monthly, quarterly, six-monthly and annual production records during the period. Further, our Doornbosch plant achieved ten years LTI-free in June 2022 and was awarded the 'Best-in-class Safety Performance' commendation by the Mine Metallurgical Managers Association of South Africa. The strong effort put in by all production teams and the newly commissioned MF2 circuit at Lesedi, as well as the improvement in ROM PGM grade received from the host mine in the second half of the year, assisted the Company to deliver ounces in the mid-range of its stated production target.

The Company continues to employ a shareholder-friendly strategy in order to return attractive value to shareholders and remained disciplined and diligent in terms of the application of its capital and cash resources during the year. The Company paid both an annual dividend of 4p per Ordinary Share for the FY2021 year, as well as a windfall dividend of 2.25p per Ordinary Share during the period. All capital projects were funded from cash generated from operations in the amount of $16.4 million (ZAR249.6 million). We also conducted another Share Buyback programme in which 6.6 million shares were bought back in the market, equating to $7.1 million. Finally, in ending off the financial year with the strong cash position holding $121.3 million I am pleased to report that the Board has declared an annual cash dividend of 8p per Ordinary Share.

With a 23% decrease in the average basket price received in comparison to the previous period, attributable to the drop in palladium and rhodium metals prices in particular, the Board will continue to monitor and manage its cash position during the coming year in order to ensure that the Company remains in a position with sufficient cash reserves to cover working capital for the pipeline period, finance capital projects, fund growth and exploration and mitigate any potential future adverse impacts it may face.

The 2022 operational, financial and corporate results can be summarised as follows:

HEALTH, SAFETY AND ENVIRONMENT

During the period under review the operations continued to focus on health, safety and environmental compliance. The Group is proud to report that there were no significant health or environmental incidents reported during the year and that the Company remains fatality-free since inception in 2006.

The Doornbosch operation achieved the significant industry milestone of ten years LTI-free. Both Lesedi and Lannex have exceeded two-years LTI-free and Tweefontein achieved a one-year LTI-free milestone during the year. Unfortunately, Mooinooi and Millsell both recorded one LTI each when an employee on their plants fractured a finger during maintenance. The Company continues to target zero harm to employees and every injury that is recorded is fully investigated and corrective measures are implemented to prevent any future reoccurrences.

Although South Africa emerged from a fifth wave of Covid-19 infections in the country during H2 FY2022, the effects on a national level were far milder than previously experienced. During the period under review, the Company reported 77 cases of the virus, with all employees returned to work. Sylvania has reported 142 infections since the start of the pandemic.

During HY2 FY2022, lockdown regulations were eased with the mandatory wearing of masks and limitations placed on gatherings, amongst others, being lifted completely during the fourth quarter. Sylvania continues to encourage responsible behaviour amongst all employees. The Company continues to support vaccination to limit the spread of the pandemic although is ever cognisant that this remains a personal choice.

In acknowledgement of the toll that the pandemic has had on the mental health and well-being of employees and their loved ones, the Company implemented its Employee Assistance Programme (EAP). The EAP is available to all employees and their immediate family members, as well as those living in the same household. Although there is a focus on treatment and prevention, the programme will enhance the corporate culture of caring and wellness. It enables continuous management and measurement of reported cases to assist in identifying areas of concern to implement remedial measures, thereby monitoring overall wellness risk within the organisation. Reporting lines are confidential, and each case is treated with utmost discretion to protect any subject's right to privacy.

Through the collaborative efforts of management and all our employees, we continuously strive to maintain high safety standards and a safe working environment at all operating sites, with each plant continuing to operate in accordance with legislated safety and occupational regulations pertaining to the industry and country as a whole.

OPERATIONAL PERFORMANCE

The SDO met the mid-range of the Company's stated guidance for the financial year by delivering an annual production of 67,053 4E PGM ounces.

PGM Plant Feed Tons were 4% lower than the previous period despite facing challenges related to lower quality feed sources and blends received from the host mines at the Western Operations during the year, as well as the Lesedi tailings dam related stoppage during HY1 FY2022. PGM feed grades increased slightly by 1% year-on-year while recovery efficiencies decreased by 1%. This was associated with the more oxidised ROM and current arisings material treated at the Western Operations, with recovery for the combined SDO remaining within the anticipated 52% to 54% range.

The SDO cash cost per 4E PGM ounce increased by 11% in ZAR (the functional currency) from ZAR9,779/ounce to ZAR10,899/ounce while the USD cash cost increased 12% to $716/ounce against $637/ounce in the prior year. The increase in costs was primarily driven by higher electricity cost, reagent price increases during the second part of the year and an increase in community upliftment expenditure. The effect of high global inflation and uncertainty continues to directly impact the cost of reagents, fuel and transport which also impact operating costs.

Engagement with the host mine continued during the year to address the lower PGM grades in ROM and current arisings sources. As announced in HY1 FY2022, various initiatives were undertaken to investigate and evaluate potential alternative feed sources. Preferred ore sources were identified, and improved ROM feed grades were observed from April 2022 onwards, increasing considerably during the fourth quarter particularly at the Mooinooi operation. The source and quality of material being received from the host mine will continue to be a focus to ensure production targets are maintained into the future.

Subsequent to the operational stoppage at the Lesedi operation announced in our FY2021 Annual Report, various mitigatory measures were undertaken by the Company to ensure safety at the plant, the nearby communities and the environment. The anticipated ramp-up to normal production levels during the second quarter of the 2022 financial year was hampered by general water shortages in the area as well as some technical difficulties experienced in recovering return-water from the emergency tailings deposition facility at Lesedi. Additional boreholes and the commissioning of a newly constructed tailings facility allowed for the plant to return to full operation during HY2 FY2022. Together with optimisation of the new MF2 plant, improving recovery efficiencies and resultant ounce production at the plant will remain a focus of management.

The Company experienced localised power supply constraints to operations during the year as a result of continuing vandalism and cable theft at substations of the national power utility. This was also affected by the re-implementation of loadshedding in the country. Our power mitigation strategies are being implemented at the most affected operations – as is explained in more detail in our ESG report, Embedding our Strategy, released alongside this Annual Report FY2022.

CAPITAL PROJECTS

Capital expenditure for the year increased 118% to $16.4 million (ZAR249.6 million), in line with the roll-out of planned projects.

The MF2 expansion at Tweefontein is on track for commissioning by the end of the 2022 calendar year and is expected to start contributing PGM ounces from December 2022.

Based on the successful roll-out of MF2 and ultra-fine screening circuits at various operations since 2017, to improve process and PGM recovery efficiencies, a project was initiated to implement this technology at Lannex, with commissioning scheduled towards the end of the 2023 calendar year.

Approximately ZAR66.5 million ($4.1 million) is budgeted in FY2023 for necessary expansion of the Company's tailing facilities to ensure integrity and capacity at the tailings deposition facilities and to cater for the remaining sources that need to be processed.

The Company has also budgeted to install new emergency backup power generation capacity at two of its plants in order to reduce the impact of power interruptions caused by instability of the national and provincial supply grids. While the Company is fully committed to reducing its carbon footprint in line with ESG objectives, standalone

CEO'S REVIEW (continued)

emergency backup plants operating fully on renewable technologies are not currently viable, but these will be introduced in future where possible to lower diesel consumption and bolster supply capacity during peak day time running hours.

As part of its commitment to further improve the viability of its exploration projects at Volspruit and the Northern Limb projects, to further unlock economic potential from these owned assets, the Company anticipates spending approximately ZAR70.0 million ($4.4 million) during FY2023 to perform further resource optimisation and exploration drilling as detailed in the mineral asset and development section, as well as on the required regulatory Social and Labour Plan (SLP) spend.

As alluded to by your Chairman, the Company is working together with a 'binding technology' player towards the creation of chromite ore pellets suitable for FeCr smelters. As the research and development progresses, Sylvania will fund the development costs in exchange for holding the license for any future chrome pellet production in the country.

FINANCIAL PERFORMANCE

When interpreting financial results, it is important to note that the Group generates revenues in USD which are converted to ZAR and incurs costs in ZAR, USD and GBP. The average USD:ZAR exchange rate was ZAR15.21:$1 against the ZAR15.34:$1 recorded in the previous period, and the spot price was ZAR16.38:$1 at 30 June 2022 (FY2021: ZAR14.36:$1).

The average gross basket price for PGMs in the financial year was $2,890/ounce – a 23% decrease on the previous year's basket price of $3,762/ounce. The decrease in the overall PGM basket price was primarily due to circa 33% decrease in rhodium prices from record highs recorded during FY2021, and a circa 27% decrease in palladium prices.

Revenue on 4E ounces delivered decreased by 24% in dollar terms to $142.5 million year-on-year (FY2021: $188.3 million) with revenue from base metals and by-products contributing $12.4 million to the total revenue (FY2021: $13.3 million). Net revenue, after adjustments for ounces delivered in the prior year but invoiced in FY2022, decreased 26% on the previous year's $206.1 million to $151.9 million.

Group cash costs increased by 19% year-on-year from $755/ounce (ZAR11,590/ounce) to $897/ounce (ZAR13,643/ounce). Direct operating costs increased 7% in ZAR (the functional currency) from ZAR685.0 million to ZAR730.8 million and indirect operating costs increased 14% from ZAR233.0 million to ZAR265.1 million. The increase in indirect costs is mainly attributable to the increase in the social responsibility cost of ZAR12.3 million (FY2021: ZAR3.6 million).

General and administrative costs, included in the Group cash costs, are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs increased 20% to $2.9 million in the reporting currency year-on-year mainly due to the increase in administrative salaries and wages, legal and consulting fees.

All-in sustaining costs (AISC) increased by 16% to $1,052/ounce (ZAR16,008/ounce) from $907/ounce (ZAR13,910/ounce). Similarly all-in costs (AIC) increased by 28% to $1,256/ounce (ZAR19,109/ounce) from $981/ounce (ZAR15,052/ounce) recorded in the previous period as a result of the increase capital spend on strategic projects and exploration.

Group EBITDA decreased 43% year-on-year to $82.8 million (FY2021: $144.9 million). The taxation expense for the year was $24.8 million (2021: $43.4 million) (as per the statement of profit or loss and other comprehensive income and includes deferred taxation movements and dividend withholding tax) and depreciation amounted to $3.1 million.

The Group net profit for the year was $56.2 million (FY2021: $99.8 million).

Capital spend for the year was ZAR249.6 million ($16.4 million) (FY2021: ZAR115.4 million ($7.5 million)), primarily associated with Lesedi, Mooinooi and Doornbosch tailings facilities, Lesedi and Tweefontein MF2 projects, and stay-in-business capital in line with the Company's business plan for the year.

Basic earnings per share (EPS) decreased 44% to 20.62 US cents per share from 36.65 US cents per share in FY2021.

The cash balance on 30 June 2022 was $121.3 million (FY2021: $106.1 million), including $0.8 million in financial guarantees (FY2021: $0.9 million). Cash generated from operations before working capital movements was $85.2 million, with net changes in working capital of $6.7 million mainly due to the movement in trade receivables of $9.5 million. Net finance income amounted to $1.5 million and $23.8 million was paid in income tax for the period, including dividend withholding tax of $1.3 million.

At the corporate level, 6.6 million shares were bought back through the Share Buyback for a cost of $7.1 million which was announced in Q4. The Company cancelled 6.0 million Treasury Shares at the end of June 2022. A further 2.1 million shares were bought back from employees which includes buybacks for tax purposes during the period totalling $2.7 million. Dividends of $22.7 million were paid out and a further $0.7 million was paid through the Employee Dividend Entitlement Plan (EDEP).

The impact of exchange rate fluctuations on cash held at year end was a $4.5 million loss due to the ZAR depreciating against the USD by 14%.

The Company remains debt free with a cash balance of $121.3 million, allowing for continued funding of capital expansion projects as identified.

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

The Group owns various mineral asset development projects on the Northern Limb of the Bushveld Igneous Complex located in South Africa, for which it has approved mining rights. New targeted studies were commissioned during the 2021 financial year on both the Volspruit and Northern Limb PGM opportunities to determine how best to optimise the respective projects. Significant progress has been made towards unlocking mineral potential on these projects to generate value for shareholders.

Volspruit Project

Based on the historical resource statements for Volspruit, the in situ grade of the project was relatively low and as a consequence, low PGM concentrate grades would have necessitated the need for very capital-intensive in-house smelting and refining facilities. This was one of the primary reasons for the relatively slow progress on this project in earlier years. Based on the improved metal prices in recent years and an improved focus on unlocking the potential and further value from existing assets, the Company initiated a resource optimisation study. Earthlab Technical Division (Earthlab) which is a mining and exploration specialist company, assisted the Company. The primary objective is to improve the ore feed grades for the project to enable the production of a higher grade, saleable PGM concentrate, eliminating the need for expensive and complicated downstream processing infrastructure.

During the past year Earthlab has reviewed historical exploration results of the Volspruit North Pit resource (South Pit resource not yet optimised). A revised geological interpretation was applied which allows for higher cut-off grades, reducing the Mineral Resource to a smaller volume, but of a higher quality. Due to the alternative definition of mineralised zones, estimated as separate domains, the 3E PGM grade of the Mineral Resource Estimate increased and has enhanced the economic potential of the North Pit, especially when combined with the relatively low waste to reef stripping ratios anticipated.

The specific deliverables of the study include an upgraded JORC-compliant Mineral Resource Statement and a Scoping Study Report based on the updated Mineral Resource, which are expected to be published during Q1. Based on preliminary findings we believe that we would be able to further enhance the value of this project by proceeding to a Pre-Feasibility Study during the next financial year to allow for a JORC-compliant Ore Reserve and increased confidence in the feasibility status of the entire mineral asset.

The investment for the permitting requirements in support of the existing Mining Right continues with specialist technical teams currently working on the authorisations. The authorisations include the Water Use License for the mining and on-site processing of the ore, updating of the Environmental Impact Assessment and the finalisation of the amended SLP which will update the Local Economic Development (LED) project that is included in the Mining Right held by the Company.

Northern Limb Projects

The Company currently holds approved Mining Rights for PGMs and Base Metals for both the Hacra and Aurora project areas. Similar to Volspruit, the historical Mineral Resource Estimates for the respective project areas did not support an acceptable in situ grade, or the ore feed grade to enable acceptable quality saleable PGM concentrates, and consequently limited progress was made in earlier years to develop these projects.

In 2020, the Company together with Earthlab, initiated a targeted review of the Hacra and Aurora PGM and Base Metal projects through an infill drilling programme, re-evaluation of existing drillhole data, and an optimisation study. This initial proof of concept study was aimed at improving the resource classification and updating the Mineral Resource Estimate over a specifically identified target area that represents approximately 10% of the total strike length held under Mining Rights by the Company. Further studies on the remaining project areas under the Mining Right, including a scoping-level mining study evaluating a new business case for the area is to follow completion of the initial phase.

The interpretation and modelling of the mineralisation over the initial target area on the La Pucella property of the Far Northern Limb will be completed shortly, and the updated Mineral Resource Estimate is expected to be published at the end of Q1 FY2023.

Based on the preliminary findings we believe that we may be able to further enhance the value of this project by subjecting this Mineral Resource to a scoping-level mining study to evaluate a business case for the La Pucella target area of the Mining Right during the next year.

In addition, a similar study philosophy is planned for the three additional target areas on strike, and down to a depth of 200m below surface during the next financial year, contributing towards increasing and improving the overall near-surface Mineral Resources for the far Northern Limb project.

Grasvally Chrome Opportunity

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

CORPORATE ACTIVITIES

Dividend Approval and Payment

On 6 September 2021, the Board declared a final dividend of 4p per Ordinary Share, with a record date of 29 October 2021 and payment date of 3 December 2021.

In addition to the annual dividend paid, the Board declared a windfall dividend of 2.25p per Ordinary Share for the calendar year 2021. Payment of the windfall dividend was made on 8 April 2022 to shareholders on the register at the close of business on 4 March 2022.

The Board has now declared the payment of a cash dividend for FY2022 of 8p per Ordinary Share, payable on 2 December 2022. Payment of the dividend will be made to shareholders on the register at the close of business on 28 October 2022 and the ex-dividend date is 27 October 2022. The declaration of the dividend was done in accordance with the six metrics of our dividend policy, namely:

- **Liquidity and forecast cash requirements of the business:** the approximate six-month working capital cycle which needs to be provided for.
- **Debt:** some negative covenants could restrict the payment of dividends in the event the Company were to secure external funding.
- **Capital expenditure initiatives:** expansion capital required to grow the business and continue to extend the life of the SDO.
- **Metal prices and Rand / Dollar exchange rate:** fluctuations in prices can have a major impact on the Company's results, especially with lengthy payment terms.
- **Legal considerations:** Bermudan law permits a company to declare or pay a dividend provided the liquidity and solvency requirements are met; and
- **Sustainability:** The Company's ability to continue annual dividend payments.

CEO'S REVIEW (continued)

The Board has committed to review the dividend policy in the new financial year and any changes will be communicated to shareholders in due course.

Further to the dividends paid to shareholders, in accordance with the Company's EDEP whereby eligible employees receive an equivalent dividend paid on shares bought back by the Company in the market and ring-fenced for the EDEP, a total of ZAR10.4 million ($0.7 million) was paid out under the EDEP during the financial year.

Transactions in Own Shares

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

At the commencement of the financial year, shares in the Company were valued at 120p per Ordinary Share and at the close of FY2022, the share price had depreciated 27% to 88p per Ordinary Share, largely influenced by the macroeconomic and geopolitical environment. Although most of the factors influencing the share price are outside of the Company's control, management do monitor it closely and will continue to manage the business in the best way possible to maximise shareholder value.

Bonus shares over 2.4 million Ordinary Shares were exercised by various persons displaying management responsibilities (PDMRs) and employees which vested from bonus shares awarded to them in August 2018. 1.1 million of the vested bonus shares were repurchased to satisfy the tax liabilities of PDMRs and certain employees, and an additional 0.8 million shares were bought back from various employees. All shares awarded came from Treasury. In addition, the Company bought back into Treasury a total of 0.3 million shares at the 30-day VWAP of 100.7725p per share from certain employees and a PDMR where the shares had been awarded to the sellers under the Sylvania Platinum Award Scheme permitted to be sold back during the specified periods of March and September.

During H2 FY2022, the Company concluded its third Share Buyback programme in which it bought back 6.6 million shares in the market at the average price of 85.93p per share, equating to $7.1 million.

The Company was notified that three of its Non-Executive Directors, namely Adrian Reynolds, Simon Scott and Eileen Carr, had each purchased 20,000 Ordinary Shares in the Company on market during the year. Consequently, Adrian's and Simon's shareholdings in the Company total 20,000 Ordinary Shares each and Eileen's shareholding totals 70,000 Ordinary Shares, representing 0.007%, 0.007% and 0.026% of the Company's total number of Ordinary Shares with voting rights.

During the financial year, a total of 6.0 million Ordinary Shares held in Treasury were cancelled. Following the above transactions, the Company's issued share capital is 280,155,657 Ordinary Shares, of which a total of 14,024,869 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights is 266,130,788.

Appointment of Directors

Sylvania announced during the financial year that it had appointed Adrian Reynolds and Simon Scott as Independent, Non-Executive Directors effective 1 August 2021 and 1 January 2022 respectively. Roger Williams stepped down from his role as Non-Executive Director effective 31 December 2021 after serving on the Board of the Company since 2011.

As a result of the Directorate changes, and as part of a Board succession plan, the following changes in committee roles were effected: Eileen Carr was appointed Chair of the Audit Committee, Adrian Reynolds was appointed Chair of the Remuneration Committee and Simon Scott has become a member of the Audit Committee. Eileen Carr's role as Assistant Company Secretary is now being carried out by a member of the Company's in-house legal staff.

THANK YOU AND OUTLOOK

With the newly commissioned Lesedi MF2 in operation, improved ROM feed grades at the Western Operations, together with the roll-out of the Tweefontein MF2, I am confident that our operations will continue to deliver a strong production performance. For that reason, Sylvania will target an annual production of between 68,000 to 70,000 ounces for the financial year ahead. Based on current resources and production scheduling and the planned contribution of improvement projects currently in execution, PGM production for FY2024 and FY2025 is targeted to increase.

Whilst the dip in PGM prices over the past financial year has created more volatility, looking forward I am optimistic about the uptick displayed in the chrome market. Higher global cost inflation impacts are firmly on the Company's radar and thus we will continue to maintain prudent cash management with disciplined capital allocation and control as well as production cost control.

I thank our management and production teams, as well as all employees for their continued efforts and support over the past year, and you, our shareholders for your support. I look forward to keeping you abreast of the Company's developments as the year unfolds.

Jaco Prinsloo
Chief Executive Officer

ESG: EMBEDDING OUR STRATEGY

Released alongside this 2022 Annual Report is Sylvania's first ESG report, Embedding our Strategy, which outlines the operational and non-financial performance of Sylvania Platinum Limited for the 12 months ended 30 June 2022 and demonstrates how it is addressing environmental, social and governance responsibilities to give stakeholders a wider understanding of the Company's influence and impact on the environment, the communities in which it operates and the economy of South Africa.

Sylvania's ESG journey follows a pathway that began with identifying and **activating** the drivers of ESG, gathering baseline information on potential material risks to ensure that future targets are based on verifiable information and assumptions. The **transition** phase included designing an ESG strategy and reporting framework. Finally, ESG has been **embedded** throughout Sylvania's business strategy, identifying and including ESG in the Sylvania strategic risk register. This ensures that mitigation strategies for risks or opportunities linked to ESG elements are prioritised.

As mandated by the Board, Sylvania's Executive Committee acknowledges its responsibility for ensuring the integrity of the ESG report, and has applied diligence in the collection of data, defining assumptions, as well as the preparation and presentation of the report. It is the Company's opinion that the Sylvania 2022 ESG Report is aligned with global trends for sustainability reporting and addresses all material matters linked to the Company's core business. It offers a balanced view of how the Company addresses impacts on society, the environment and the economy in the short, medium and long term.

ENVIRONMENTAL PERFORMANCE

GHG Data (excluding scope 3) (tCO_2e)	94,582.38
Scope 1: GHG emissions (tCO_2e)	265.53
Scope 2: GHG emissions (tCO_2e)	94,316.85
Estimate Annual Water Consumed	• 12,975,525 m^3 total annual water consumed • 89,011m^3 consumed in product
Incidents (not necessarily reportable)	One Tailings Storage Facility (TSF) incident
Programmes Implemented	Laboratory test phase for greener technology to be used in rehabilitation completed

SOCIAL PERFORMANCE

Lost-time injury frequency rate (LTIFR)	0.20 (per 200,000 hrs)
Fatalities	Fatality-free since inception
Women empowered in mining	20.9%
Contribution to hosting communities	ZAR 77 million
Employee Assistance	• Private Medical Aid • Pension Funds • Employee Assistance Programme implemented
Community Assistance	• Learnerships and Bursaries • Preferential employment opportunities offered to local community members

GOVERNANCE PERFORMANCE

Total economic contribution [1]	ZAR 2 billion
Direct taxes paid [2]	ZAR 440 million
Indirect taxes paid [3]	ZAR 492 million
Regulatory Notices and/or instructions issued	No DMRE MHSA Section 54 nor 55 instructions issued [4]
Programmes Implemented	ESG Reporting Toolkit and Framework Policies drafted

[1] Includes total payments to SARS, total salaries and total supplier spend.

[2] Direct taxes include PAYE, income tax.

[3] Indirect taxes include VAT, dividend withholding tax and mineral royalties tax.

[4] One DWS Directive issued for FY2022.

HOW WE OPERATE

Sylvania was not the first to treat mineral tailings dams in the mining industry, however, was the first company to build a commercial chrome tailings retreatment plant to beneficiate both PGMs and chrome from historical tailings. The first operation, Millsell, was commissioned in 2007. Based on the relatively low risk of operations from a technological standpoint and using chemicals much less hazardous than those used in the reprocessing of gold (which uses cyanide, for example), we were able to replicate the process and success to grow operations to the current six operating plants.

Besides beneficiating both chrome and PGM minerals — which were historically uneconomical to recover — Sylvania's operations have the further benefit of cleaning up smaller older tailings facilities (which were often built to lower, and less stringent environmental standards) and re-depositing new tailings in a more efficient and responsible way. The new tailings facilities built by the Company in the last decade comply with higher regulatory standards and have a significantly lower risk of pollution than the older historic dams. In addition, they consolidate many smaller facilities, often with a much larger footprint, into bigger, more modern facilities that reduce the environmental footprint.

The PGM metals produced by the Company have a twice-over positive impact on the environment and are crucial for the future: they are key in terms of the reduction of emissions in terms of standards of the alternative renewable energy sector and serve as a primary component of autocatalytic converters which reduce contaminants in automotive gases.

Sylvania prioritises safe, healthy working operations and minimising environmental harm. The Company is guided by its values to strengthen and support the communities it operates in, and work to build a socially inclusive economy for all stakeholders, shareholders, employees and hosting communities. Sylvania's values run through every aspect of the business

OUR COMMITMENT TO ESG

The mining and processing sector is increasingly in the spotlight in terms of its potential operational hazards and its impact on the environment, employees and communities. As a minerals re-processor, the Company takes its responsibilities to the planet and its people as seriously as it does its duties and obligations to customers and shareholders. Sylvania believes that a sustainable business in the industry is one with a diverse and inclusive workforce where employees can thrive; and one which acts in a responsible manner, reducing its impact on the environment and benefiting the communities in which it operates. This approach aligns with the ten principles for sustainable development outlined by the International Council on Mining and Metals (ICMM), which integrate with the 17 United Nations Sustainable Development Goals (UNSDGs).

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

	1 Ethical business	2 Decision-making	3 Human rights	4 Risk management	5 Health and safety	6 Environmental performance	7 Conservation of biodiversity	8 Responsible production	9 Social performance	10 Stakeholder engagement
17 Partnerships for the goals	●		●	●			●		●	●
16 Peace, justice and strong institutions	●	●	●						●	●
15 Life on land			●	●		●	●		●	
14 Life below water		●	●	●			●		●	
13 Climate action		●	●			●	●	●	●	●
12 Responsible consumption and production		●		●		●	●	●	●	
11 Sustainable cities and communities		●	●	●			●	●	●	●
10 Reduced inequalities	●		●						●	●
9 Industry, innovation and infrastructure		●	●	●		●			●	
8 Decent work and economic growth		●	●						●	
7 Affordable and clean energy		●		●		●		●	●	
6 Clean water and sanitation			●	●		●	●		●	●
5 Gender equality	●		●	●	●				●	
4 Quality education		●							●	
3 Good health and well-being			●	●	●			●	●	
2 Zero hunger			●			●	●		●	
1 No poverty	●	●	●						●	●

ESG: EMBEDDING OUR STRATEGY (continued)

ENVIRONMENT

CLIMATE ACTION

Energy management is key to reducing carbon emissions and Sylvania is continuously assessing and quantifying its energy needs, risks and impact. South Africa is currently experiencing an energy crisis caused inter alia by ageing infrastructure and a lack of alternative energy producers, and the Company's energy management activities this year must be viewed in this context. Sylvania's carbon transition journey starts with establishing our current and future energy requirements, securing the energy to drive operations, improving energy efficiency and reducing energy intensity, and ultimately reducing and replacing Scope 1 and Scope 2 energy sources with renewables. The Company is in the process of preparing a Task Force on Climate-related Financial Disclosures (TCFD)-baseline report that includes a strategic climate risk assessment.

WATER SECURITY AND STEWARDSHIP

Water is a precious resource, and effective management of water supply and usage is vital for Sylvania's operations. Water shortages have led to production and financial losses at some sites, necessitating the testing of different approaches to securing, managing, monitoring and controlling water consumption, many of which are looking promising. The strategy is aligned with the South African mining sector and the Department of Water and Sanitation (DWS) guidelines.

TAILINGS MANAGEMENT AND REHABILITATION

Continuous reworking of mineral waste dumps and redepositing (or recycling) tailings on the same or enhanced tailings storage facility (TSF) is inherently good for the environment. The volume of mineral waste is reduced through the extraction of chrome and PGMs, and there is less potential of pollution from seepage or tailings spillages.

The Sylvania Dump Operations (SDO) are responsible for the rehabilitation of the area impacted by business under the host mine's mining rights. The composition and physical properties of TSFs pose several challenges to successful rehabilitation: the dry dusty conditions present difficulties when planting and encouraging new vegetation to grow; and dust control measures to reduce the impact on local communities and the environment rely on costly chemicals and other methods.

However, working with environmental consultants and industry specialists, the Company looked to develop an alternative method of rehabilitation and/or capping. The research encompassed repurposing the existing tailings material to remove the need for topsoil, along with alternatives for water quality remediation. The aim of the research and pilot test site is to create a fertile growing material with soil-like characteristics and functions, giving Sylvania the option of creating new 'topsoil' from tailings and organic waste material. The technology is being rolled out on site in a pilot mobile water treatment unit before scaling up to fulfil Sylvania's vision of greener technologies.

SOCIAL

FEMALE EMPOWERMENT

Sylvania is committed to increasing the representation of women within the business. In the 2022 financial year, the Company welcomed 92 new employees, 64 of whom were from host communities, and 38 (41% of the total) were women. Female representation is notably increasing at the junior management and core and critical skills levels, which is likely to show up at higher levels in future years. Female representation in junior management has increased from 7.96% in 2021 to 8.53% in 2022. At the core and critical skills levels, 11.43% of the workforce is female this year, compared with 10.99% in 2021. The Company is increasing the number of women in the current internship and learnership intakes in various fields including fitting, electrical engineering, instrumentation and other engineering trades. The 2022 intakes include 80% and 15% female representation in the internships and learnerships respectively.

WORKFORCE DIVERSITY AND LABOUR PRACTICES

Sylvania has created structures and procedures to remove gender and ethnicity barriers to progress. Women currently represent 20.9% of the workforce, with 81.5% of them also Historically Disadvantaged Persons (HDPs). Sylvania is continually striving to appoint more women and HDPs at senior levels. A well-supported employee equity forum, with representatives from all levels of the organisation, meets quarterly to discuss concerns around equity, skills development and other matters, and to propose improvements on an ongoing basis.

EMPLOYEE PARTICIPATION AND REPRESENTATION

422 of the total workforce are members of recognised unions for collective bargaining and labour matters. During FY2022, Sylvania maintained "unavailable labour percentage levels" below industry norms, specifically in terms of absenteeism, which was recorded at levels less than 0.01%. No industrial actions occurred at any of the Sylvania operations during the period.

In 2020, employees — key stakeholders in the business — received the first distributions of the Employee Dividend Entitlement Programme (EDEP). With the declaration of subsequent dividends in the intervening period, employees have received further distributions.

Sylvania has implemented a Whistle-blower Policy which protects the interests of employees in instances where they genuinely disclose information in accordance with the policy and national legislation.

EMPLOYEE SAFETY AND HEALTH

The business has been fatality-free since its inception. The health and safety strategies are integrated with the host mines to effectively identify, mitigate and respond to workplace-related health and safety risks and ensure leaders have the right information to take risk-based decisions. The Doornbosch operation celebrated ten years LTI-free in June 2022 and received the 'Best-in-class Safety Performance' award from the Mine Metallurgical Managers Association of South Africa. Two LTIs occurred in FY2022 at the Mooinooi and Millsell plants however the LTI frequency rate (LTIFR) improved to 0.20 per 200,000 man-hours compared to 0.25 in FY2021. No occupational illnesses were recorded in this reporting period and more than 99% of employees were declared medically fit for duty.

An employee assistance programme was launched this year giving access to a number of support services including financial, legal and family support. Feedback from the service provider highlights that the non-work-related issues affecting employees are linked mainly to finance and family concerns. Individual employee discussions and assistance are confidential, but feedback regarding the broader areas of concern is monitored closely by management to identify trends and establish focus workshops and lines of communication for assistance.

Sylvania provides the option of a medical aid or medical scheme allowance to all employees. Following a promotional drive in 2022, 95% of all employees are now members of a recognised medical aid scheme, up from 85.67% in 2021. The Company will continue to encourage participation in medical aid schemes.

TRAINING AND DEVELOPMENT

As well as regular training for employees, delivered by Sylvania, the host mine and external service providers, the Company also offers training and development programmes to people living in the local community. Community programmes focus on artisan-related trade certification in disciplines such as fitting and turning and electrical competencies. The Company also introduced a Milling & Floatation training module in September 2019 with 63 participants. The success of this training is measured not only on the number of people taking part, but by how many of them find employment as a result. To date 31 participants have found employment (49%), with Sylvania providing two of those appointments from September 2022. The current year programme has 24 participants, 44% of whom are women.

COMMUNITIES, CUSTOMERS AND LOCAL STAKEHOLDER RELATIONSHIPS

Engagement with employees and local communities is driven by the Employment Engagement Forums and Community Liaison Officers. In the 2022 financial year, a further 64 members of the local community started working with Sylvania. The Company is also actively involved in community outreach and upliftment programmes with 58 projects at various stages of delivery, including a monthly feeding scheme for home-based care and pre-primary schools and investment in community education projects by providing schools with guidelines, online learning material and textbooks, winter clothes and sports kit and office furniture and laptops. A hosting community is also reimbursed for the use of land to abstract affected mine water for operational use and the Company has sponsored a breast cancer awareness campaign.

GENDER-BASED VIOLENCE

Sylvania regards the elimination of gender-based violence (GBV) as a priority across our operations and host communities. The Company takes a zero-tolerance approach to GBV, while acknowledging that many incidents go unreported. Initiatives to create awareness in order to help prevent these incidents from occurring are run. Sylvania launched an awareness campaign called 'We Can Do Something', running over the past two years for 16 days between November and December, and encouraged employees to speak up and fight against GBV. The campaign was welcomed by all employees and generated a lot of discussion. A similar campaign is planned for every year going forward.

ESG: EMBEDDING OUR STRATEGY (continued)

GOVERNANCE

PROCESS AND CODE OF CONDUCT

Sylvania's senior leadership team, under the guidance of the CEO, is responsible for taking key strategic and tactical decisions that may impact ESG aspects at a project and operational level. ESG is embedded into the business with relevant decisions taken at monthly operational meetings, quarterly technical reviews, monthly risk and safety executive committee meetings and monthly social and ethics executive committee meetings. In 2022 the Company developed an ESG Reporting Toolkit to establish a set of criteria and baseline data to help map Sylvania's ESG Journey. In addition, SHE and ESG Framework policies were drafted, aligned with the expectations of stakeholders and focused on legal compliance and the management of business risks.

SUSTAINED RESOURCES, GROWTH AND DIVERSIFICATION

While the current dump, current arisings and ROM feed sources at the host mines are available to the Group for the life of the mine, retreating dump material is not an infinite activity. To ensure a long-term sustainable future production profile the Company is continuously exploring additional feed sources and engaging with third parties with the potential resources to form strategic partnerships that add life to the operations. Furthermore, in order to increasingly recover more metal from existing resources and improve efficiencies, the Company continues to research, develop and implement new technology and circuit modifications such as the additional MF2 modules (Project ECHO expansion) rolled out across the Group in recent years.

In terms of the Company's various mineral assets, significant progress has been made during the past 12 to 18 months to unlock potential value in Sylvania's owned projects where the Company holds approved Mining Rights. Through engaging with reputable specialist consultants in the field and a very innovative approach the Company managed to improve the confidence in the resources for both the Volspruit project and Northern Limb assets which enables the Company to advance to a pre-feasibility phase for the Volspruit project during the next financial year.

The Company has also partnered to co-develop a novel chemical bonding process to create a chromite ore pellet suitable for ferrochrome (FeCr) smelters with the anticipated added potential to cut the smelters electrical energy consumption per ton of FeCr produced. Sylvania funds the development costs in the venture and holds the licence for any future chrome pellet production in South Africa. This research and development project is expected to yield positive results and if successful may enable the Company to diversify into other areas and commodities.

STAKEHOLDERS AND ENGAGEMENT

Relationships with stakeholders enables Sylvania to be accountable, and to provide a foundation for its business planning and strategy and inform on its key issues. The material results of stakeholder engagement programmes are presented in quarterly, interim and annual reports, and integrated into day-to-day operations.

Relevant authorities need to legally permit the Company to undertake various activities at every step of the process – from exploration to rehabilitation and closure. The permits incorporate binding commitments and obligations that must be monitored to ensure compliance. This is crucial, as delays in acquiring permits or failing to comply with their conditions and commitments can have significant financial, operational, legal and reputational consequences. Apart from a DWS directive regarding the decommissioning of the Lesedi TSF in 2021 no other directive or instructions of a material nature was issued to Sylvania.

ECONOMIC CONTRIBUTION

At its peak in 1980, mining was the largest industry in South Africa, was responsible for 21% of GDP and employed nearly 800,000 people. By 2016 it had fallen to sixth place, but still contributed 8% of GDP and employed almost 500,000 people — with PGM businesses accounting for over 40% of this workforce. However, unemployment in South Africa is high, especially amongst younger age groups. Sylvania works to change this: it invests in community training programmes and its recruitment initiatives focus on the communities surrounding its operations. More than two-thirds of new employees in FY2022 were from hosting communities.

DIRECTORS' REPORT

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 2022. 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.

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:

SA Murray	(Independent Non-Executive Chairman)
JJ Prinsloo	(Chief Executive Officer)
L Carminati	(Chief Financial Officer)
RA Williams – resigned 31 December 2021	(Independent Non-Executive Director)
E Carr	(Independent Non-Executive Director)
A Reynolds – appointed 1 August 2021	(Independent Non-Executive Director)
S Scott – appointed 1 January 2022	(Independent Non-Executive Director)

The Directors of Sylvania were in office from 1 July 2021 unless otherwise stated.

INFORMATION ON DIRECTORS

SA Murray

Mr Murray has over 30 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, Barplats, and Middelburg Steel and Alloys, before joining Aquarius Platinum Limited in 2001 as Chief Executive Officer, holding that position until 2012. He was a Non-Executive Director of Talvivaara Mining Company Plc, the former Finnish nickel miner, and is the Chairman of Imritec Limited, an aluminium by-products recycler.

Special responsibilities

- Independent Non-Executive Chairman of the Board; and
- Member of the Remuneration Committee

E Carr

Ms Carr 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 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 Bacanora Lithium plc. Currently Ms Carr is the Non-Executive Chair of Oriole Resources plc.

Special responsibilities

- Chair of the Audit Committee

A Reynolds

Mr Reynolds joined the Board as from 1 August 2021 and has over 40 years' experience in the mining and minerals industry, commencing his Directorship career in 2010 at Morila, a Randgold Resources subsidiary. He is currently a Director of Resolute Mining Limited and has previously held Directorship positions at Somilo SA (a Randgold Resources subsidiary), Aureus Mining Limited, Digby Wells Environmental, Geodrill Limited, Acacia Mining Plc, GT Gold Corporation and Mkango Resources Limited. Mr Reynolds is a fellow of the Institute of Materials, Minerals and Mining as well as of the Geological Society of South Africa. He is a registered Professional Natural Scientist and holds a Masters of Science in Geology obtained from Rhodes University in 1979, as well as a Graduate Diploma in Engineering obtained from the University of Witwatersrand in 1987.

Special responsibilities

- Chair of the Remuneration Committee
- Member of the Audit Committee

S Scott

Mr Scott joined the Board on 1 January 2022 and has over 25 years' experience in mining and resources, including over 15 years in the Southern African platinum sector. He is currently also an Independent Non-Executive Director of First Quantum Minerals Limited and AngloGold Ashanti Holdings plc and has previously held Executive Directorship positions at Lonmin plc, Aveng Limited, Anglo-American Platinum Limited, JP Morgan Chase and Chubb Holdings Limited.

DIRECTORS' REPORT (continued)

Mr. Scott is a Chartered Accountant and professional member of the South African Institute of Chartered Accountants. He holds both a Bachelor of Accountancy and Bachelor of Commerce degree obtained from the University of Witwatersrand and has also completed a Management Development Programme at the University of Cape Town.

Special responsibilities

- Member of the Audit Committee

JJ Prinsloo

Mr Prinsloo was appointed as CEO and admitted to the Sylvania Board in March 2020. Since January 2012, he has served in senior positions at Sylvania, initially as Executive Officer: Operations and as Managing Director of the South African Operations from March 2014, until his appointment to his current position. Prior to joining Sylvania, Jaco was principal metallurgist at Anglo American for Anglo Operations Limited, which followed eight years at Anglo American Platinum Limited from 2002 in various senior metallurgical positions across the group. During the past 24 years in the mining industry, he has been exposed to various operational and technical aspects of both the South African as well as international mining landscape and he has gained experience in both the precious and base metals sectors.

Jaco is a metallurgical engineer and holds a Bachelor of Engineering in Metallurgy from Pretoria University, a Postgraduate Diploma in Business Administration and an MBA from the Gordon Institute of Business Science (UP).

Special responsibilities

- Chief Executive Officer

L Carminati

Ms Carminati is a qualified Chartered Accountant and holds a Postgraduate Certificate in Mining Tax. She joined Sylvania in 2009 and in 2011 was appointed as Executive Officer: Finance for the South African operations before being appointed CFO and admitted to the Sylvania Board in March 2020. She has gained substantial and diverse experience in the various aspects of financial management at a senior level, with a particular focus on compliance, governance and financial reporting. She has also taken a leadership role in corporate finance transactions.

Special responsibilities

- Chief Financial Officer

COMPANY SECRETARY

The Company Secretary role is held by Conyers Corporate Services (Bermuda) Limited, and they are assisted by an in-house legal appointment.

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to a variety of risks both in the mining and exploration industry as well as various other non-industry specific risks. The Board and the Audit Committee guides risk management and the alignment thereof with the Group's risk and overall strategy; however, risk management is the responsibility of all employees.

The Board and management recognise that the risk profile is dynamic and evolving, hence risk assessments are performed on an ongoing basis by those members of the management team responsible for risk management. Identified risks are linked to the Group's business plan and strategy to ensure that the necessary mitigating measures are put in place. A risk register is maintained for all principal risks, which is reviewed and considered by the Board and management on a regular basis. A minimum of two formal risk workshops are held annually and risks are considered in all safety, operations and executive meetings. Short-term and long-term risks and the effect thereof on the Group's business plan and strategy is assessed, including extraordinary risks such as the Covid-19 pandemic and the recent Russian invasion of Ukraine.

Principal risks described below are known risks. However, the Company acknowledges that risks may also exist that the Board and management are not aware of. The disclosure below is not in any particular order of importance or relevance and immaterial risks are not noted.

Environmental, social and governance risk

Environmental

Risk and impact:

Global climate change which causes extreme weather conditions and impacts businesses worldwide has been particularly notable. It has been recognised that uncontrolled carbon emissions will have permanent and disastrous effects on planet earth. It was emphasised at COP26 in October 2021 that global warming needed to be constrained to 1.5 degrees Celsius, which in turn emphasised the importance of the shift from fossil fuels to renewable energy by corporate companies.

Extreme droughts in some regions contrasted by severe floods in other regions, increased numbers of thunderstorms and extreme wind conditions are but a few examples of natural disasters which have occurred more often in recent times, all of which could potentially affect the Group's performance adversely if these occur in the regions where the operations are situated. For example, the Group's operational activities are highly dependent on water. A water shortage could potentially affect the operations negatively and a rise in cost to procure water could cause an increase in the cost base, with a consequent negative effect on profit margins.

Mitigation:

The environmental variables and effects thereof are outside of the control of the Board and management. However, the Board and management monitor the effect thereof on the business continuously and as far as possible identify potential risks upfront to minimise the impact. Energy and water efficient ways of product processing are continuously investigated. The Board and management put a strong emphasis on complying with environmental laws and regulations, health and safety rules as well as investing in all the communities in which the Group operates.

The Group's focus on ESG compliance and reporting has increased during the past financial year, of which detail can be found in the separate ESG section of the Annual Report.

Social

Health, safety and employee wellbeing

Risk and impact:

The nature of the Group's business inherently holds certain risks. Health and safety of all employees is a key focus area of the Company and underpins the sustainability of the Company. It is also a measurable key performance indicator (KPI) for management. Disruptions due to health and safety incidents could potentially affect the Company's profitability and could also present a reputational risk for the Company.

Over the past two years, the Covid-19 pandemic was on the forefront of health and safety protocols. The South African government announced a state of disaster on the 15th of March 2020 which was followed by a period of hard lockdown which was later relaxed to a partial state of lockdown with some restriction lifted. Although various vaccination programmes were rolled out with great success, the short- and long-term effects of the pandemic were evident in numerous aspects of society, of which the full extent is still unknown.

Mitigation

Although the national state of disaster was lifted earlier in the year, the Company still emphasises the safety of all employees. The Company does encourage employees to utilise the vaccination programmes and supports employees as far as possible. However, vaccination remains a personal choice.

Management and the Board still monitor the wellbeing of employees, including mental health, and various support programmes are available to help employees and their families if required.

Commodity price and exchange rate fluctuations

Risk and impact:

The Group's cash generating ability, growth prospects and profitability is dependent on the metal prices as well as the USD/ZAR exchange rate. The Group's operations are based in South Africa with a ZAR cost base, while the bulk of the revenue stream is USD based which exposes the Group to the volatility of the ZAR/USD exchange rate. Payments from smelters are received in both USD and ZAR.

Metal prices as well as the exchange rates are subject to high levels of volatility influenced by a number of factors that are beyond the control of the Board and management, including political uncertainty, supply and demand and changes in the market. These factors have been particularly volatile in the past financial year as a result of Russia's invasion of Ukraine as well as the long-term effects of the Covid-19 pandemic and inflation pressures on the global economy.

The PGM basket price has been lower over the past financial year, which directly impacted the Group's revenue and profitability. However, the Group still maintains a strong cash position as a result of the effective management of the Group's low-cost model and sound cash management.

Mitigation:

In order to identify potential risks, the Board and management monitor the market in which the Group operates. Short-, medium- and long-term financial planning is undertaken to ensure that the Group's risk is managed at an acceptable level. Stringent cost control is a key focus area and cost-saving strategies are investigated and reviewed regularly. New areas of development are constantly investigated to identify potential new sources and current production processes and procedures are continuously monitored to ensure optimal efficiencies and recovery optimisation.

The Group makes use of external advisors to ensure optimal management of foreign exchange exposure. Cash is held in ZAR for the operational and capital expenditure and surplus cash is converted to USD to limit the impact of the exchange rate fluctuations.

Sustained Resources, growth and diversification

Risk and impact:

The retreatment of dump material has a finite life and the processing of current arisings alone results in lower margins as a result of the depletion of high-grade minerals.

Although the Group is constantly working on improving extraction efficiencies and capitalising on economies of scale, diversification remains important to ensure the longevity of the Group.

DIRECTORS' REPORT (continued)

Mitigation:

The dumps at the majority of plants have sufficient dump resources to support production for several years. The current arisings obtained from the operational host mines partially mitigate the risk of resource depletion. Both these feed sources are available to the Group for the full extent of the life of mine. The addition of the MF2 projects during the period as well as in the near future support the ounce production and will also extend the life of the SDO.

Investigations into additional and new resources are conducted on an ongoing basis and the realisation of any of the sources will extend the life of the SDO or lead to the building or acquisition of new plants. Further research and development projects show positive results which may enable the Group to diversify into other commodities.

The Board continued the work commenced in the prior financial year to improve the resource statements and optimise the mining model of the exploration assets during the reporting period. Initial test work appears promising and the independent reports on these assets will assist the Board to make informed decisions on how to further extract value from the Volspruit, Aurora and Hacra projects while still aligning with the Sylvania low-cost business model.

Capital management

Risk and impact:

The selection of capital projects to sustain current- and expand on future operations – is key to the Group. Capital projects and spend must be in line with the Group's overall strategy and support the business model. Due to the nature of the capital projects, mismanagement could potentially lead to financial and other losses to Sylvania.

Mitigation:

For any new projects, a detailed business case is required, supported by an advanced project management plan. The progress of the project according to the pre-determined milestones are monitored closely and any deviations are identified and addressed as soon as possible. The measurement of cost against budget is emphasised to avoid unnecessary overspend.

Any capital expansion projects are funded out of surplus cash although pipeline finance is available.

Cyber security

Risk and impact:

Although the goal of digital technology and cloud-based solutions is to safeguard businesses against data compromises, it does open the door for new and often unknown threats. Additionally, external factors like loadshedding interfere with connectivity which could cause system disruptions and essential data being lost or compromised.

The Group is exposed to various risks including, but not limited to cyber-attacks and ransomware, business interruptions, fraud, failing hardware and sabotage on IT infrastructure which could all potentially lead to financial loss. The remote work environment at the plants increases the risk of and exposure to IT breaches and data compromises.

Mitigation:

The Group conducts regular cyber vulnerability tests and IT and cyber security forms part of both the internal and external audit review procedures. Penetrations tests, amongst others, are performed to identify potential weaknesses upfront in order for the Group to respond appropriately to any current threats.

All systems are upgraded to the most recent versions to avoid exposure to unauthorised internal and external access. The Group makes use of an external consultant to advise on new developments and potential risks in the unique environment in which the Group operates. Regular back-ups are made, and testing of the efficiency thereof is done on an ongoing basis. Disaster recovery and cyber security policies are updated and reviewed regularly, and any changes thereto communicated. Emphasis is put on employee awareness and the upskilling of employees with regards to cyber risk and the desired processes and procedures to be followed.

Human capital

Retention of key staff and succession planning

Risk and impact:

The Group is reliant on a small team with a specialised skill set to ensure the success of the Company. Corporate intelligence and the continuation thereof is a key factor for operational excellence. A fast turnover in management might affect employee morale negatively. The lack of a succession plan for both key management and the Board can potentially lead to the unnecessary disruption of the operations and potentially lead to a loss of investor confidence.

Mitigation:

The Group creates a supportive work environment for all employees with emphasis on employee health which is supported by the employee assistance plan that was rolled out during the period. The Company incentivises key management through the granting of bonus share awards, regular salary benchmarking and opportunities to further any relevant studies.

Succession planning is a focus area of the Board and the Remuneration Committee and forms part of the Executive strategy workshops.

GROUP FINANCIAL RESULTS

Results for the year

		2022	2021	+- % Change
Average 4E Gross basket price	$/oz	2,890	3,762	(23)
Net Revenue	$ 000	151,944	206,112	(26)
Group cash cost	ZAR/oz	13,643	11,590	18
Group cash cost	$/oz	897	755	19
Gross profit	$ 000	83,201	143,068	(42)
General administration costs	$ 000	(2,860)	(2,375)	20
Profit before income tax expense	$ 000	80,929	143,213	(43)
Group EBITDA	$ 000	82,768	144,860	(43)
Cash generated from operations (before working capital changes)	$ 000	85,203	145,649	(42)
Changes in working capital	$ 000	(6,735)	(31,876)	(79)
Net finance income received	$ 000	1,512	1,573	(4)
Taxation paid	$ 000	(23,832)	(47,111)	(49)
Net increase/(decrease) in cash and cash equivalents [1]	$ 000	19,694	38,692	(49)
Cash and cash equivalents, end of year	$ 000	121,282	106,135	14

		2022	2021	+- % Change
Production				
Plant feed	T	2,393,355	2,700,685	(11)
Total 3E and Au	Oz	67,053	70,043	(4)
PGM plant recovery	%	53	54	(2)
Capital expenditure				
Property, plant and equipment	$ 000	14,498	6,104	138
Exploration and evaluation assets	$ 000	1,907	1,415	35
Total capital expenditure	$ 000	16,405	7,519	118

[1] *Before foreign exchange movements*

DIRECTORS' REPORT (continued)

Net Revenue

Net Revenue decreased 26% year-on-year mainly due to the 23% decrease of the gross basket price from $3,762/ounce in FY2021 against $2,890/ounce recorded in the current year.

Cash costs

Cash costs for the Group increased 18% year-on-year to ZAR13,643/ounce compared to ZAR11,590/ounce in the previous year. The increase is attributable to higher electricity and mining costs as well as the sharp increase in the cost of reagents, fuel and transport due to the high global inflation rate and rising fuel cost. An increase in the administrative salaries, wages and legal fees, Directors' fees as a result of the appointment of an additional Non-Executive Director as well as the increase in international travel cost after the upliftment of the travel restrictions due to the Covid-19 pandemic further contributed to the higher Group cash cost.

General and administration

The general and administration cost increased by 20% year-on-year. The increase relates mainly to overseas travel as the Directors were allowed to travel abroad after the Covid-19 restrictions were lifted, legal expenses and Directors' fees due to the appointment of an additional Non-Executive Director, as well as an increase in administrative salaries and wages. General and administrative costs are incurred in USD, GBP and ZAR and are impacted by exchange rate fluctuations over the reporting period. These costs increased 9% year-on-year in the reporting currency.

Mining and income tax

Income tax paid for the financial year amounted to ZAR362.0 million ($23.8 million) compared to ZAR721.2 million ($47.1 million) for the previous financial year, as a result of decreased 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. Mineral royalty tax of ZAR105.3 million ($6.9 million) was paid for the financial year against ZAR126.9 million ($8.3 million) in the prior year.

Profit

The consolidated profit before tax of the Group at 30 June 2022 was $81.0 million (FY2021: $143.2 million), a 43% decrease on the prior year. Decreased revenue due to the lower basket prices compared to the prior year as well as marginally lower ounce production, contributed to the decrease in profits. Group EBITDA decreased by 43% from $144.9 million to $82.8 million.

Capital

Capital spend increased during the current financial year from $7.5 million in the prior year to $16.4 million in the current year. Capital expenditure was mainly incurred at the TSF constructions at Mooinooi, Lesedi and Doornbosch, the MF2 projects at Tweefontein and Lesedi, the emergency tailings dam at Lesedi as well as stay-in-business (SIB) capital, in line with the Company's plan for the year.

Cash

The cash balance on 30 June 2022 was $121.3 million (FY2021: $106.1 million), including $0.8 million in financial guarantees (FY2021: $0.9 million). Cash generated from operations before working capital movements was $85.2 million, with net changes in working capital of $6.8 million mainly due to the movement in trade receivables of $9.5 million. Net finance income amounted to $1.5 million and $23.8 million was paid in income tax for the period, including dividend withholding tax of $1.3 million. Major spend items include $1.9 million (FY2021: $1.4 million) on exploration activities as well as $14.5 million (FY2021: $6.1 million) on capital projects and SIB for the SDO plants.

At the corporate level, 6.6 million shares equating to $7.1 million, were bought back through the Share Buyback programme which was announced in Q4. The Company cancelled 6.0 million Treasury Shares at the end of June 2022 and the remaining 0.6 million shares will be cancelled post the reporting period. A further 2.1 million shares were bought back from employees and PDMRs, including those shares bought back for tax purposes, totalling $2.7 million. Dividends of $22.7 million were paid out and a further $0.7 million was paid through the Employee Dividend Entitlement Plan (EDEP).

The impact of exchange rate fluctuations on cash held at year end was a $4.5 million loss due to the ZAR depreciating against the USD by 14%.

The Company remains debt free with a cash balance of $121.3 million, allowing for the continued funding of capital expansion projects as identified.

For more details on the financial performance of the Group, please refer to the accompanying consolidated annual 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

On 8 September 2021, the Board declared a final dividend of 4p per Ordinary Share, with a record date of 29 October 2021 and payment date of 3 December 2021.

In addition to the annual dividend paid, the Board declared a windfall dividend of 2.25p per Ordinary Share for the calendar year 2021. Payment of the windfall dividend was made on 8 April 2022 to shareholders on the register at the close of business on 4 March 2022.

The Board has now declared the payment of a cash dividend for FY2022 of 8p per Ordinary Share, payable on 2 December 2022. Payment of the dividend will be made to shareholders on the register at the close of business on 28 October 2022 and the ex-dividend date is 27 October 2022.

DIRECTORS' REPORT (continued)

Further to the dividends paid to shareholders, in accordance with the Company's EDEP whereby eligible employees receive an equivalent dividend paid on shares bought back by the Company in the market and ring-fenced for the EDEP, a total of ZAR10.4 million ($0.7 million) was paid out under the EDEP during the financial year.

Transactions in own 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 close of FY2021, shares in the Company were valued at 120p per Ordinary Share and at the close of FY2022, the share price had depreciated 36% to 88p per Ordinary Share due to inflation, global trends and the impact of the Russian invasion of Ukraine.

Options over 2,385,000 Ordinary Shares were exercised by various persons displaying management responsibilities (PDMRs) and employees which vested from bonus shares awarded to them in August 2018. 1,066,850 of the vested bonus shares were repurchased to satisfy the tax liabilities of PDMRs and certain employees, and an additional 806,580 shares were bought back from various employees. All shares awarded came from Treasury. In addition, the Company bought back a total of 263,724 shares at the 30-day VWAP of 100.7725 pence per share from certain employees and a PDMR where the shares had been awarded to the sellers under the Sylvania Platinum Award Scheme permitted to be sold back during the specified periods of March and September.

During H2 FY2022, the Company concluded its third Share Buyback programme in which it bought back 6,590,923 shares in the market at the average price of 85.93 pence per share, equating to $7.1 million.

The Company was notified that three of its Non-Executive Directors, namely Adrian Reynolds, Simon Scott and Eileen Carr, had each purchased 20,000 Ordinary Shares in the Company from the market. Consequently, Adrian's and Simon's shareholding in the Company total 20,000 Ordinary Shares each and Eileen's shareholding totals 70,000 Ordinary Shares, representing 0.007%, 0.007% and 0.026% of the Company's total number of Ordinary Shares with voting rights.

During the financial year, a total of 6.0 million Ordinary Shares held in Treasury were cancelled. Following the above transactions, the Company's issued share capital is 280,155,657 Ordinary Shares, of which a total of 14,024,869 Ordinary Shares are held in Treasury. Therefore, the total number of Ordinary Shares with voting rights is 266,130,788.

Appointment of directors

Sylvania announced during the financial year that it had appointed Adrian Reynolds and Simon Scott as Independent, Non-Executive Directors effective 1 August 2021 and 1 January 2022 respectively. Roger Williams stepped down from his role as Non-Executive Director effective 31 December 2021 after serving on the Board of the Company since 2011.

As a result of the Directorate changes, and as part of a Board succession plan, the following changes in committee roles were effected: Eileen Carr was appointed Chair of the Audit Committee, Adrian Reynolds was appointed Chair of the Remuneration Committee and Simon Scott has become a member of the Audit Committee. Eileen Carr's role as Assistant Company Secretary is now being carried out by a member of the Company's in-house legal staff.

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 and its operations.

Meetings of Directors

During the financial year under review, there were three formal Directors' meetings, a budget review meeting and five information/strategy sessions. 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.

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		Information/strategy 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	Number of meetings eligible to attend	Number of meetings attended
SA Murray	3	3	–	–	2	2	5	5
J J Prinsloo	3	3	4	4	–	–	5	5
L Carminati	3	3	4	4	–	–	5	5
RA Williams [1]	2	2	2	2	1	1	2	2
E Carr	3	3	4	4	2	2	5	5
A Reynolds	3	3	4	4	2	2	5	5
S Scott	1	1	2	2	1	1	2	2

[1] *Resigned effective 31 December 2021*

DIRECTORS' REPORT (continued)

Directors' interest in shares and options

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

Shares and options

2022	Common Shares
SA Murray	1,050,000
J J Prinsloo	1,372,394
L Carminati	1,244,331
E Carr	70,000
A Reynolds	20,000
S Scott	20,000

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[2] shares/bonus shares[2]	
2022	$	$	$	$	$
Directors					
SA Murray	–	–	125,000	–	125,000
JJ Prinsloo	318,999	61,253	75,000	79,725	534,977
L Carminati	289,886	56,193	75,000	69,810	490,889
RA Williams – resigned 31 December 2021	–	–	42,500	–	42,500
E Carr	26,500	–	80,000	–	106,500
AJ Reynolds – appointed 1 August 2021	–	–	71,250	–	71,250
S Scott – appointed 1 January 2022	–	–	37,500	–	37,500
Sub-total	635,385	117,446	506,250	149,535	1,408,616
Other key management	1,734,634	232,863	–	266,723	2,234,220
Total	2,370,019	350,309	506,250	416,258	3,642,836

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

[2] *Share-based payments include shares issued and bonus shares granted.*

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

The Group identified the principal risks and uncertainties related to the Russian invasion of Ukraine, the floods in Kwa-Zulu Natal and the Covid-19 pandemic. Management has produced forecasts and budgets that have been sensitised to reflect plausible downside scenarios for the global volatile economy.

The Russian invasion of Ukraine that commenced in February 2022 had a widespread economic impact worldwide. These events contributed to global uncertainty with resultant lower commodity prices and a weaker Rand. However the Group operates in an essential industry with a low-risk business model which supports business continuity. The Group is in a fortunate position of being cash strong which mitigates the impact and market risk both short- and long term.

The series of floods that occurred in South-Africa during the second quarter of the reporting period, did not occur in the geographical areas where the Group's operations are located. The Group does not rely on importation and does not procure from affected areas, and hence was not impacted by the negative knock-on effects of the floods.

The impact of the Covid-19 pandemic has stabilised since the last reporting period. The Directors are monitoring the pandemic and will take the necessary precautionary measures to ensure the safety of employees where a risk is identified.

The Group has sufficient cash reserves and resources to continue to meet its obligations even in the event if operations were to be placed on care and maintenance for 12 months.

After considering the aforementioned, 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 at least 12 months from date of signing the financial statements.

Events after the reporting period

On 8 July 2022 the sale of Grasvally Chrome Mine (Pty) Ltd, as described in note 26 of the financial statements, became effective.

The Directors are not aware of any further matters or circumstances arising since the end of the reporting period, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Group or the results of its operations.

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

Jaco Prinsloo
Chief Executive Officer

7 September 2022

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Company is quoted on AIM and has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 (the Code) 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 (https://www.sylvaniaplatinum.com/governance/corporate-governance).

The Board is committed to maintaining the highest standards of corporate governance throughout its operations and to ensuring that all its practices are conducted transparently, ethically and efficiently to ultimately deliver long-term value to shareholders. The Board examines all aspects of its business to ensure an effective and efficient management framework as recommended by the Code.

The Board and management continue to review, analyse and improve the Company's procedures resulting in the continued success of the Company and increasing shareholder value. Good and transparent communication is key to promoting shareholder confidence and building trust.

The Company provides a summary of its current Corporate Governance Code compliance as guidance, as detailed below.

The Board, guided by the Chairman, reviews the Group strategy and business plan on a regular basis to ensure medium- and long-term value for stakeholders. The Board communicates the Group strategy to, and connects with shareholders, through formal platforms to promote trust in the Group and the Board. The shareholders are granted the opportunity to respond to these engagements to promote open communication channels. The Group Vision, Mission and Values are the foundation of this strategy, summarised below:

Vision:	To be the leading mid-tier, lower unit cost, PGMs producing company.
Mission:	To generate wealth for all our stakeholders using safe and innovative processes with a focus on PGMs while exploiting any value-adding associated minerals.
Values:	• We value the safety and health of all • We value the fundamental rights of all people • We value honesty and integrity • We respect the environment • We value the culture, traditional rights and society in which we operate

In achieving the above Vision and Mission, the Board and management operate according to four focus areas:

- Maintaining safe and profitable production
- Progressing Research & Development as well as Exploration Projects
- Strengthening License to Operate
- Growth Opportunities

The Executive Board members lead by example in living the values and promoting the culture of the Group, which facilitate improved performance, reduce and mitigate risk and create sustainable growth. Group results are disclosed on the Group website on a quarterly basis, supported by more detailed reports bi-annually, promoting transparency.

THE BOARD OF DIRECTORS

The Board is responsible for providing leadership aligned with the Company's culture and ethical values, creating an environment where strategy, performance, risk management and sustainability is equally valued and balanced to optimise results. The Board is responsible for the management of the Company by developing, reviewing and approving the Company's strategy, budgets and corporate actions. Regular Board meetings are held to review strategy, planning, operational and financial performance. Furthermore, the Board ensures that its obligations to shareholders and other stakeholders are met and that good relationships are maintained.

The Board comprises six members, representing a balance of sector expertise, financial and market experience and personal attributes. The composition of the Board and the respective skills supports the delivery of the Company's strategy and business plan. The Board is made up of: the Independent Non-Executive Chairman, three Independent Non-Executive Directors and two Executive Directors. The details of the Board members are outlined in the Directors' report. There is a clear division of responsibilities at the head of the Group through the separation of the positions of the Chairman and the Chief Executive Officer and the roles and responsibilities of the Board members are clearly defined.

The Board currently comprises:

SA Murray	Independent Non-Executive Chairman
JJ Prinsloo	Chief Executive Officer
L Carminati	Chief Financial Officer
E Carr	Independent Non-Executive Director
A Reynolds	Independent Non-Executive Director
S Scott	Independent Non-Executive Director

The Board met eight times during the reporting period. Three formal Board meetings, one budget meeting and four strategy and information update meetings were held.

The Board receives detailed information packs ahead of all Board meetings on all operational, financial and corporate activities to enable them to make informed decisions when necessary.

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

SHAREHOLDER RELATIONS AND EXPECTATIONS

The Company is committed to communicate with shareholders through investor roadshows, individual meetings, on-line, through RNS and on the Company's website. The interactions are conducted quarterly as well as in line with the half-year end annual reporting cycles. The goal is to maintain an open and transparent relationship with shareholders on the strategy and performance of the Company.

Board appointments, succession planning, corporate governance, risk management and sustainability matters are dealt with by the full Board of Directors. In addition, the Directors have established Audit and Remuneration Committees to address specific areas in more detail.

AUDIT COMMITTEE

The Audit Committee has been established to assist the Board in fulfilling its obligations in respect of financial reporting and results, other public announcements where applicable, the internal and external audit process and the control environment.

Following the resignation of Roger Williams, Eileen Carr was appointed as Chair of the Audit Committee. Adrian Reynolds and Simon Scott joined the Audit Committee on 1 August 2021 and 1 January 2022 respectively. Detail of the Committee members qualifications and experience is detailed in the Directors' report.

The role of the Audit Committee includes, amongst other, the below:

- monitor and review the integrity of the financial reporting of the Company, reviewing significant financial reporting judgments;
- review the Company's insurances on behalf of the Board, noting that the Company's risks in general are addressed by the Board itself;
- monitor, review and oversee the external audit function including matters concerning appointment and remuneration, independence and non-audit services;
- monitor, review and oversee the internal audit function and the financial control system;
- monitor and review compliance with the Company's Code of Conduct and Whistle-blower Policy; and
- perform such other functions as assigned by law, the Company's Byelaws, or the Board.

The Audit Committee invites representatives of the external auditor, management and on occasion the internal auditor to all committee meetings. PwC is the Company's external auditors for a second consecutive year and 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 2021

- The Annual Report for the year ended 30 June 2021;
- External Audit Report on the Group Annual Financial Statements for the year ended 30 June 2021;
- Going concern;
- Impairment;
- Internal audit update;
- IT governance update; and
- Whistle-blower feedback

November 2021

- External auditor's strategy and planning report for the Half year review;
- Directors and Officers Liability Insurance;
- Internal audit update;
- IT governance update;
- ESG reporting update; and
- Whistle-blower feedback

February 2022

- Half year results and report to 31 December 2021;
- External audit report on half year;
- Half year Impairment and going concern assessments;
- Internal audit update;
- IT governance update; and
- Whistle-blower feedback

May 2022

- External audit strategy and plan for the 30 June 2022 year-end audit;
- Exploration assets and projects update;
- Internal audit update;
- IT governance update; and
- Whistle-blower feedback

All announcements released via RNS, including quarterly, half year and annual results are approved by the entire Board.

CORPORATE GOVERNANCE STATEMENT (continued)

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 Adrian Reynolds as Chair and Stuart Murray. During the year the Remuneration Committee met twice and invited Eileen Carr, the CEO as well as Simon Scott to attend.

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 bonus share allocations. No Director is involved in reviewing their own remuneration. Directors' interest in shares is set out in the Directors' report. Succession planning for Senior Executives is reviewed annually.

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.

STAKEHOLDER AND SOCIAL RESPONSIBILITIES

All stakeholders are engaged with on a regular basis, whether formally or informally. Two-way communication ensures that healthy and transparent relationships, built on trust and integrity, are maintained with all stakeholders. The Company is committed to "doing what we say we are going to do" and show commitment towards delivering high performance outcomes portraying an image of professionalism.

Refer to the Company website https://www.sylvaniaplatinum.com/ and our ESG Report for more detail on the various engagements with our employees and communities in which the Company operates.

RISK ASSESSMENT AND INTERNAL CONTROLS

Details of the principal risks are disclosed in the Directors' report. The Board and management perform ongoing risk assessments which are tracked in a risk register and discussed regularly at operational and strategic risk workshops. The Board also considers financial indicators including solvency and liquidity. The Group's ability to continue as a going concern is formally assessed bi-annually and as part of the annual budgeting process. Further consideration of the Group's solvency and liquidity ratios are performed when dividend payments are made.

The Group does not have a separate internal audit function to consider the design and effectiveness of the control environment. However, an external independent firm has been engaged to assist with the evaluation and testing of the control environment and to identify possible vulnerabilities. The planning and reporting of the Group's internal audit function is monitored by the Audit Committee and the Board of Directors, and the internal auditors are invited to the Audit Committee meetings on an *ad hoc* basis. The internal audit function is also discussed with the external auditors during the year end and half year reporting periods.

The Group's financial support function is responsible for intermittently testing the control environment. Management at various organisational levels are responsible for ensuring that the integrity of the control environment remains of a high level and to highlight any possible shortcomings. The Board considers the internal controls and procedures in place to be appropriate for the size, complexity and risk profile of the Group.

By order of the Board

Jaco Prinsloo
Chief Executive Officer

7 September 2022

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

Jaco Prinsloo
Chief Executive Officer

7 September 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sylvania Platinum Limited

OUR OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sylvania Platinum Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Sylvania Platinum Limited's consolidated financial statements set out on pages 36 to 82 comprise:

- the consolidated statement of financial position as at 30 June 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

OUR AUDIT APPROACH

Overview

Overall group materiality

- $4,000,000, which represents 5% of consolidated profit before income tax expense.

Group audit scope

- We conducted full scope audit procedures at 2 components and audits of material financial statement line items at 8 components based on their financial significance to the consolidated financial statements.

Key audit matters

- Rehabilitation provision

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	$ 4,000,000
How we determined it	5% of consolidated profit before income tax expense.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of the Company and 20 subsidiaries (18 subsidiaries were considered a component for purposes of our group audit scope). Financially significant components were identified based on scoping benchmarks such as their contribution to key financial statement line items which included consolidated profit before income tax expense, consolidated revenue and consolidated total assets and the risks associated with the entity.

Based on our scoping assessment, we conducted full scope audits on 2 components and audits of material financial statement line items for 8 components. For the components that were considered to be financially inconsequential, we performed group wide analytical procedures in order to obtain sufficient appropriate audit evidence in respect of the consolidated financial statements.

The group engagement team performed audit procedures over the consolidated financial statements, the consolidation process, financial statement disclosures and significant accounting positions taken by the group to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT (continued)

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. 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 a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Rehabilitation provision Refer to the following disclosures in the consolidated financial statements as it relates to the key audit matter: • Note 4 – Significant accounting judgements, estimates and assumptions; • Note 6 – Significant accounting policies; • Note 22 – Provisions. As at 30 June 2022, the group's rehabilitation provision amounted to $ 5,936,804. Management reviews the site closure, restoration and environmental obligations using experts to provide support in its assessment. The review incorporates the effects of changes in local laws and regulations and management's expected approach to restoration and rehabilitation for each individual site. In determining the present value of the total rehabilitation provision, management apply significant judgement and make assumptions relating to: • extent and costs associated with rehabilitation activities; • inflation rates; and • change in discount rates. We considered the determination of the rehabilitation provision to be a matter of most significance to the current year audit due to the following: • The calculation of these provisions requires management judgement in estimating the costs associated with rehabilitation activities; • These calculations also require management to determine an appropriate rate to discount future costs to their net present value.	Through our discussions with management and inspection of underlying calculations, we gained an understanding of the methodology applied by management in determining the rehabilitation provisions. • We assessed the reasonableness of management's process to determine the rehabilitation provisions by comparing management's process with that used in the industry and found the process used by management to be materially consistent with industry practice. • We assessed the objectivity, competence, capabilities, and experience of management's experts through inspection of Curriculum Vitae (CV's) and membership certificates from professional bodies where applicable. • We assessed the appropriateness of the underlying cost assumptions used by management in their calculation by evaluating whether costs underpinning the provisions represent management and the experts' best estimate of expenditure. • We independently assessed the appropriateness of the discount and inflation rates used in the estimation of the present value of the future costs associated with rehabilitation and restoration activities. We found the discount rate used by management to be within an acceptable range. Although our estimate of the inflation rate differed from management's assumption, the impact thereof was assessed to not be material. • We tested the mathematical accuracy of the model used by management by performing an independent recalculation and comparing the results of our calculation with management's calculations. We noted no material differences.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sylvania Platinum Limited Annual Report 30 June 2022" and "Sylvania Platinum Limited Environment, Social and Governance Report Embedding Our Strategy 30 June 2022". The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of 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 and the Company'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 and/or the Company 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 and the Company'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

INDEPENDENT AUDITOR'S REPORT (continued)

conditions that may cast significant doubt on the Group's and the Company'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 and/or Company 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, actions taken to eliminate threats or safeguards applied.

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.

PricewaterhouseCoopers Inc.
Director: MM Mokone
Registered Auditor

Johannesburg, South Africa

Date: 8 September 2022

* *The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	2022 $	2021 $
Revenue	9	151,944,273	206,112,444
Cost of sales	10(b)(c)	(61,823,181)	(54,767,603)
Royalties tax		(6,920,404)	(8,276,344)
Gross profit		83,200,688	143,068,497
Other income	10(a)	82,132	1,146,710
Other expenses	10(b)(c)	(3,608,140)	(2,334,764)
Operating profit before net finance costs and income tax expense		79,674,680	141,880,443
Finance income	10(d)	1,711,371	1,705,366
Finance costs	10(d)	(457,363)	(373,236)
Profit before income tax expense		80,928,688	143,212,573
Income tax expense	11	(24,777,844)	(43,406,522)
Net profit for the period		56,150,844	99,806,051
Other comprehensive income/(loss)			
Items that are or may be subsequently reclassified to profit and loss:			
Foreign operations – foreign currency translation differences	20	(17,747,559)	24,461,386
Total other comprehensive loss (net of tax)		(17,747,559)	24,461,386
Total comprehensive income for the year		38,403,285	124,267,437
		Cents	**Cents**
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share	12	20.62	36.65
Diluted earnings per share	12	20.40	35.92

The notes on pages 40 to 82 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note(s)	2022 $	2021 $
ASSETS			
Non-current assets			
Exploration and evaluation expenditure	13	46,087,453	45,351,817
Property, plant and equipment	14	46,298,978	39,915,437
Other financial assets	15	283,450	298,864
Total non-current assets		92,669,881	85,566,118
Current assets			
Cash and cash equivalents	16	121,282,425	106,135,435
Trade and other receivables	17	52,939,589	68,612,119
Other financial assets	15	1,029,205	885,593
Inventories	18	4,258,960	3,838,147
Current tax asset	24(b)	3,486,226	4,329,860
		182,996,405	183,801,154
Assets held for sale	26	3,771,661	4,216,190
Total current assets		186,768,066	188,017,344
Total assets		279,437,947	273,583,462
EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	19	2,801,557	2,861,557
Reserves	20	38,663,288	65,314,647
Retained profit/(Accumulated losses)		209,221,487	175,776,721
Total equity		250,686,332	243,952,925
Non-current liabilities			
Borrowings	21	35,031	70,956
Provisions	22	5,936,804	4,539,937
Deferred tax liability	11	11,614,765	11,154,515
Total non-current liabilities		17,586,600	15,765,408
Current liabilities			
Trade and other payables	23	11,110,196	13,652,017
Borrowings	21	48,957	212,651
		11,159,153	13,864,668
Liabilities directly associated with the assets classified as held for sale	26	5,862	461
Total current liabilities		11,165,015	13,865,129
Total liabilities		28,751,615	29,630,537
Total liabilities and shareholders' equity		279,437,947	273,583,462

The notes on pages 40 to 82 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	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 01 July 2021	2,861,557	173,609,067	(8,840,725)	175,776,721	4,420,761	(34,353,949)	(39,779,293)	(29,741,213)	243,952,925
Profit for the period	–	–	–	56,150,844	–	–	–	–	56,150,844
Total other comprehensive loss	–	–	–	–	–	(17,747,559)	–	–	(17,747,559)
Total comprehensive income/ (loss) for the period	–	–	–	56,150,844	–	(17,747,559)	–	–	38,403,285
Share transactions									
– Shares issued	–	–	–	–	–	–	–	–	–
– Treasury shares acquired	–	–	(9,865,070)	–	–	–	–	–	(9,865,070)
– Share based payments	–	–	–	–	901,269	–	–	–	901,269
– Share options and bonus shares exercised	–	–	650,871	–	(650,871)	–	–	–	–
– Shares cancelled	(60,000)	–	60,000	–	–	–	–	–	–
Dividends declared and paid	–	–	–	(22,706,078)	–	–	–	–	(22,706,078)
Balance at 30 June 2022	2,801,557	173,609,067	(17,994,924)	209,221,487	4,671,159	(52,101,508)	(39,779,293)	(29,741,213)	250,686,332

The notes on pages 40 to 82 form part of these consolidated financial statements.

FOR THE YEAR ENDED 30 JUNE 2021

	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 01 July 2020	2,868,457	173,609,067	(7,616,128)	96,084,007	3,937,489	(58,815,335)	(39,779,293)	(29,741,213)	140,547,051
Profit for the period	–	–	–	99,806,051	–	–	–	–	99,806,051
Total other comprehensive income	–	–	–	–	–	24,461,386	–	–	24,461,386
Total comprehensive income for the period	–	–	–	99,806,051	–	24,461,386	–	–	124,267,437
Share transactions									
– Shares issued	–	–	–	–	–	–	–	–	–
– Treasury shares acquired	–	–	(1,602,765)	–	–	–	–	–	(1,602,765)
– Share based payments	–	–	62,707	–	791,833	–	–	–	854,540
– Share options and bonus shares	–	–	308,561	–	(308,561)	–	–	–	–
– Shares cancelled	(6900)	–	6,900	–	–	–	–	–	–
Dividends declared and paid	–	–	–	(20,113,337)	–	–	–	–	(20,113,337)
Balance at 30 June 2021	2,861,557	173,609,067	(8,840,725)	175,776,721	4,420,761	(34,353,949)	(39,779,293)	(29,741,213)	243,952,925

The notes on pages 40 to 82 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2022

	Note(s)	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers	24(a)	160,657,030	173,210,207
Payments to suppliers and employees	24(a)	(68,726,242)	(59,436,882)
Cash generated from operations		91,930,788	113,773,325
Finance income		1,604,100	1,607,930
Finance costs		(91,841)	(34,574)
Taxation paid	24(b)	(23,831,718)	(47,111,379)
Net cash inflow from operating activities	24(a)	69,611,329	68,235,302
Cash flows from investing activities			
Purchase of plant and equipment		(14,497,650)	(6,104,381)
Proceeds from sale of property, plant and equipment		3,006	–
Payments for exploration and evaluation capitalised	13	(1,907,396)	(1,414,699)
Loan to related party: Tizer		(70,767)	(65,534)
Loan to Forward Africa Mining		(702,728)	–
Assets held for sale cash		7,148	(1,228)
Net cash outflow from investing activities		(17,168,387)	(7,585,842)
Cash flows from financing activities			
Repayment of borrowings	25(a)	(117,635)	(160,577)
Payment of lease liabilities	25(a)	(59,697)	(80,288)
Payment for treasury shares	25(b)	(9,865,070)	(1,602,765)
Dividends paid		(22,706,078)	(20,113,337)
Net cash outflow from financing activities		(32,748,480)	(21,956,967)
Net increase in cash and cash equivalents		19,694,462	38,692,493
Effect of exchange fluctuations on cash held		(4,547,472)	11,566,330
Cash and cash equivalents at the beginning of reporting period		106,135,435	55,876,612
Cash and cash equivalents at the end of the reporting period		121,282,425	106,135,435

The notes on pages 40 to 82 form part of these consolidated financial statements.

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, its subsidiaries (collectively the Group) and investments in joint arrangements.

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 International Financial Reporting Standards (IFRS). It was authorised for issue by the Company's board of Directors on 7 September 2022.

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

The related changes to significant accounting policies are described in note 5.

3. FUNCTIONAL AND PRESENTATION CURRENCY

The presentation currency of the Group's consolidated financial statements is in US Dollars. The functional currency of the parent entity is US Dollars. 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. Revisions to estimates are recognised prospectively.

JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Information about assumptions and estimation uncertainties at 30 June 2022 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 14 – 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 as there are numerous factors that will affect the ultimate liability payable;
- **Note 13 – exploration and evaluation assets:** determining whether future economic benefits are likely either from future exploration, sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves;
- **Note 11 – deferred tax asset:** judgement whether a deferred tax asset should be recognised on the statement of financial position.

Note 14 – 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 14.

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 14 for further details on assumptions and estimates in relation to impairment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (continued)

Note 14 – Impairment of property, plant and equipment (continued)

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 2022. The internal financial model is based on the known and confirmed resources for each plant.

The discounted cash flow model 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. Sensitivities were performed on key assumptions resulting in sufficient headroom.

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 12.35% and 17.5% was used for the pre-tax discount rate (2021: range between 10.63% and 15%).

Commodity price – The Group has used forecast long-term commodity prices obtained from a reputable publication, $2,200/oz (2021: $1,138) for platinum, $800/oz (2021: $2,703/oz) for palladium and $10,000/oz (2021: $11,000) 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 long-term: ZAR/$15.00 (2021: 14.40 ZAR/$1).

Note 22 – 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.

	30 June 2022	30 June 2021
Long term CPI	7.00%	4.43%
Pre-tax discount rate	10.630%	8.995%

	30 June 2022	30 June 2021
Decrease in total environmental rehabilitation provisions as a result of a 1% increase in discount rate ($)	464,245	292,701
Increase in total environmental rehabilitation provisions as a result of a 1% decrease in discount rate ($)	420,302	323,786

The 1% change applied in the sensitivity analysis was deemed appropriate and reasonable in relation to movements in market rates.

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES (continued)

Note 13 – 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 for activities that have not reached a stage which permits a reasonable assessment of the existence of reserves (refer to accounting policy note 6 (k)).

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.

Key assumptions used in the assessment of impairment of exploration and evaluation assets

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 comparable approach, whilst the advanced Projects were valued using a Cost, Market comparable and Discounted Cash-flow approach. Sensitivities were performed on key assumptions resulting in sufficient headroom.

Discount rate – Ranges between 12.35% and 17.5% was used for the pre-tax discount rate (2021: range between 10.63% and 15%).

Commodity price – The Group has used forecast long-term commodity prices obtained from a reputable publication, $2,200/oz (2021: $1,138/oz) for platinum, $800/oz (2021: $2,703/oz) for palladium and $10,000/oz (2021: $11,000) for rhodium.

Platinum group metals are priced in USD. The USD/ZAR exchange rate used in the discounted cash flow model long-term: ZAR/$15.00 (2021: 14.40 ZAR/$1).

Note 11 – 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 and requires 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 forecasted 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 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

A number of new or amended standards became effective for the current reporting period. Where these were applicable, the group did not have to change its accounting policies nor make retrospective adjustments as a result of adopting these standards.

New accounting standards, amendments to accounting standards and interpretations issued which are relevant to the group, but not yet effective on 30 June 2022, have not been adopted. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date. The group continuously evaluates the impact of these standards and amendments. The effect of the implementation of the new, amended or revised standards are not expected to have a material impact, although assessments of the effect of the implementation of these new, amended or revised standards are ongoing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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 continues 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 holding company, using consistent accounting policies.

(ii) Non-controlling interests

Where ownership of a subsidiary is less than 100%, a non-controlling interest/s exists. A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(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 holding company'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. 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.

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.

(B) REVENUE RECOGNITION

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

Revenue from contracts with customers

Revenue is recognised when the control of the goods has passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Control of ownership is considered to pass to the customer 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 trade receivables in the statement of financial position. In all cases, fair value is determined with reference to month end prices. Foreign exchange gains and losses on the translation of revenue is recognised in profit and loss.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(C) INTEREST INCOME

For all financial assets measured at amortised cost, interest income is recorded using the effective interest method. The 'effective interest rate' (EIR) 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 gross carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

(D) 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.

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(E) LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group uses the definition of a lease in IFRS 16.

Group as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and make certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in index or rate, or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(E) LEASES (continued)

Leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases where the underlying asset value is $5,000 and below when it is new. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other Income'.

(F) 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.

(G) SHARE-BASED PAYMENT TRANSACTIONS

Equity settled transactions

The Group provides benefits to employees (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.

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 bonus shares issued is reflected as additional share dilution in the computation of earnings per share (refer note 12)

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(H) FOREIGN CURRENCY TRANSLATION

The functional currency of the parent company as well as the presentation currency of the Group is 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 the statement of profit or loss and other comprehensive income.

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 profit and loss and other comprehensive income are translated at the average exchange rate for the year. The exchange differences arising on the translation for consolidation are recognised in other comprehensive income.

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.

(I) INCOME TAX

Income tax expense comprise of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax

Current 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 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 holding company 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) INCOME TAX (continued)

Deferred tax (continued)

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.

(J) 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 as right-of-use assets within property, plant and equipment.

Upon completion of construction, the assets are transferred into property, plant and equipment or properties. When a construction project moves into the production stage, the capitalisation of certain construction costs cease and costs are either regarded as part of the cost of inventory or expensed.

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
- leased assets – over the period of the remaining lease

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(J) PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation (continued)

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 de-recognition 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 for 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 is expensed as incurred.

(K) 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(K) EXPLORATION AND EVALUATION ASSETS (continued)

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 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 or minus, 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

On initial recognition, a financial asset is classified and measured either at: amortised cost; FVOCI for 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.

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.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) FINANCIAL INSTRUMENTS (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

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 irrevocably 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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) FINANCIAL INSTRUMENTS (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – subsequent measurement and gains and losses

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 at FVTPL	These assets are subsequently measured at fair value. Subsequent movements in fair value are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified and 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: (i) the contractual rights to the cash flows from the financial asset expire; or (ii) 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 (iii) 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.

(iv) Impairment

Financial instruments

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires lifetime ECLs to be recognised from initial recognition of the trade receivables.

For all other financial assets, the general expected credit loss model is used. This means that the probability of default occurring in the next 12 months is considered, together with the loss which may arise from such events of default, unless there has been a significant increase in credit risk. Financial assets at amortised cost are stated net of the loss allowance in the statement of financial position. Such financial assets are written off when there is no reasonable expectation of recovery.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) FINANCIAL INSTRUMENTS (continued)

(iv) Impairment (continued)

Financial instruments (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 such as macro-economic conditions, economic growth and inflationary outlook in the short term.

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;
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(L) FINANCIAL INSTRUMENTS (continued)

(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) TRADE AND OTHER RECEIVABLES

Trade receivables (relating to the sale of PGM concentrate) is measured at fair value through profit or loss from the date of recognition up to date of settlement, as it fails the IFRS 9 amortised cost requirement of cash flows representing solely payment of principal and interest. The fair value changes due to non-market variability (that is, changes based on quantity and quality of the contained metal) are considered to be variable consideration within the scope of IFRS 15 as Sylvania's right to consideration is contingent upon the physical attributes of the contained metal. The historic and current year differences between the initial assay and final assay are not significant. Therefore, the variable consideration is not considered to be constrained.

The fair value changes due to market variability (that is, changes in the commodity prices and exchange rates) are not in the scope of IFRS 15 and are therefore not presented as revenue from contracts with customers. The changes in commodity prices are accounted for as other revenue and disclosed separately from revenue from contracts with customers and changes in exchange rates are accounted for as other income or expenses.

Trade and other receivables (including trade receivables not relating to the sale of PGM concentrate) are measured at amortised cost. Impairment of receivables measured at amortised cost is determined using the expected credit loss model (note 28).

(N) 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 purchased are measured 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.

(O) 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.

6. SIGNIFICANT ACCOUNTING POLICIES (continued)

(O) PROVISIONS (continued)

Rehabilitation provision (continued)

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.

(P) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include notes and coins on hand, restricted balances held with Standard Bank and highly liquid financial assets with original maturities three months or less, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

(Q) 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, contractual rights under insurance contracts, financial assets, deferred tax assets, employee benefit assets, investment property (measured at fair value) or biological assets (measured at fair value), 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.

(R) 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.

(S) EARNINGS PER SHARE

Basic earnings per share is calculated as net profit or loss attributable to members of the holding company, 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 holding company, adjusted for:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

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 2022. None of these are expected to have a significant impact on the Groups' consolidated financial statements.

8. SEGMENT REPORTING

SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM), who is responsible for allocating resources and assessing performance of the reportable operating segments. The CODM is identified as the Board. Segments reported are based on the Group's operations and performance is evaluated on PGM ounce production and operating costs.

In applying IFRS 8 Operating Segments, judgements have been made by the CODM with regards to the identification of reportable segments of the group. These judgements are supported by the nature of the operations, the type of commodity and the location of the operations. The segments, as described below, are managed separately based on commodity, location and support function grouping.

Sylvania Dump Operations

This reportable segment comprises the six tailings operational plants located in the Western as well as Eastern Limb. Segment performance is evaluated on PGM ounce production. The six plants have similar economic characteristics and follow the same processes and methods of production and delivery and similar products are delivered under the same off-take agreements.

Exploration projects

This reportable segment comprises the Group's exploration projects, being the open cast mining project as well as Northern Limb exploration project.

Other segments

"Other" segment comprises corporate, administration and other expenditure not allocated to the reported segments. These have been appropriately aggregated into this segment.

The following tables present revenue and profit information as well as certain assets and liability information regarding reportable segments for the years ended 30 June2022 and 30 June 2021:

	Reportable segments			
	SDO $	Exploration projects $	All other segments $	Consolidated $
30 June 2022				
Segment assets	190,598,062	53,485,435	34,488,308	278,571,805
Capital expenditure*	41,862,164	48,166,856	1,805,613 (a)	91,834,633
Other assets**	148,735,898	5,318,579	32,682,695 (b)	186,737,172
Segment liabilities	19,159,697	8,860,674	731,244 (c)	28,751,615
Segment revenue	151,944,273	–	1,711,371	153,655,644
Net profit/(loss) for the year after tax	58,939,745	10,751	(2,799,652)(d)	56,150,844
Included within the segment results:				
Depreciation	2,974,782	795	–	2,975,577 (e)
Direct operating costs	58,850,728	–	–	58,850,728 (f)
Royalties tax	6,920,404	–	–	6,920,404
Other items:				
Income tax expense	23,462,055	–	1,315,789	24,777,844
Foreign exchange loss on revenue	795,783	–	–	795,783
Capital expenditure additions during the year	14,508,884	1,907,396	834,536	17,250,816

** Capital expenditure consists of property, plant and equipment.*

***Other assets consist of trade receivables $51,646,827, cash and cash equivalents $121,268,556, inventory $4,258,962 and other receivables $2,304,941.*

8. SEGMENT REPORTING (continued)

SEGMENT INFORMATION (continued)

Other segments (continued)

	Reportable segments			
	SDO	Exploration projects	All other segments	Consolidated
	$	$	$	$
30 June 2021				
Segment assets	179,909,519	52,192,874	41,481,069	273,583,462
Capital expenditure*	35,611,522	47,723,662	1,932,070 (a)	85,267,254
Other assets**	144,297,997	4,469,212	39,548,999 (b)	188,316,208
Segment liabilities	20,136,737	8,708,113	785,687 (c)	29,630,537
Segment revenue	206,112,443	–	1,705,367	207,817,810
Net profit/(loss) for the year after tax	103,375,207	(797)	(3,568,359)(d)	99,806,051
Included within the segment results:				
Depreciation	2,850,600	797	–	2,851,397 (e)
Direct operating costs	60,193,346	–	–	60,193,346 (f)
Other items:				
Income tax expense	40,763,743	–	2,642,780	43,406,523
Foreign exchange loss on revenue	(1,070,452)	–	–	(1,070,452)
Capital expenditure additions during the year	5,955,062	1,414,699	158,746	7,528,507

* *Capital expenditure consists of property, plant and equipment. During the year, the CODM made the decision to reallocate some motor vehicles from all other segments to the SDO segment as it is in line with the nature of the operations. As a result of this motor vehicles amounting to $1,573,746 were reclassified from 'All other segments' to the SDO segment.*

** *Other assets consist of trade receivables $68,119,392, cash and cash equivalents $106,127,515, inventory $3,838,147 and other receivables $10,231,330.*

	2022	2021
	$	$
Major items included in corporate/unallocated		
(a) Capital expenditure		
Property, plant and equipment	1,805,613	1,932,070
	1,805,613	1,932,070
(b) Other assets		
Cash and cash equivalents	31,952,430	38,271,833
Other financial assets	47,950	885,593
Other receivables	682,315	391,573
	32,682,695	39,548,999
(c) Liabilities		
Borrowings	63,286	151,771
Other	543,467	545,003
Trade payables	124,491	88,913
	731,244	785,687

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. SEGMENT REPORTING (continued)

SEGMENT INFORMATION (continued)

Other segments (continued)

	2022 $	2021 $
Major items included in corporate/unallocated		
(d) Unallocated income and expenses		
Administrative salaries and wages	1,826,460	1,502,133
Auditor's remuneration	155,844	86,379
Consulting fees	176,189	113,332
Depreciation	116,905	128,396
Finance income	(1,711,371)	(1,705,366)
Finance cost	457,364	373,236
Foreign exchange loss	983	(20,912)
Legal expenses	136,043	34,625
Other income	(82,132)	(76,258)
Overseas travelling expenses	101,268	–
Loss/(Profit) on disposal of property, plant and equipment	3,006	(36,947)
Share-based payments	595,511	568,344
Income tax expense	10,770	8,878
Dividend tax	1,315,789	2,633,902
VAT write off	(61,715)	6,865
Other	(241,262)	(48,248)
	2,799,652	3,568,359
Reconciliations of total segment amounts to corresponding amount for the Group		
(e) Depreciation		
Included within cost of sales	2,975,577	2,851,397
Included within general and administrative costs	116,905	128,396
	3,092,482	2,979,793
(f) Cost of sales		
Direct operating costs	58,850,728	60,193,346
	58,850,728	60,193,346
Total segment revenue		
Revenue	151,944,273	206,112,444
Finance income	1,711,371	1,705,366
	153,655,644	207,817,810

8. SEGMENT REPORTING (continued)

SEGMENT INFORMATION (continued)

Other segments (continued)

	2022 $	2021 $
Revenue generated in South Africa	151,944,273	206,112,444
Finance income by geographical location is detailed below:		
Mauritius	8,763	–
South Africa	1,702,608	1,705,366
Total finance income	1,711,371	1,705,366
Total revenue	153,655,644	207,817,810
The sales of concentrate are to two customers. Revenue is split according to customer as detailed below:		
Customer 1	130,401,718	145,693,762
Customer 2	21,542,555	60,418,682
	151,944,273	206,112,444
Analysis of location of non-current assets:		
South Africa	92,669,881	85,566,118
Total non-current assets	92,669,881	85,566,118

9. REVENUE

	2022 $	2021 $
Disaggregated revenue information		
Revenue from contracts with customers – PGM sales	151,963,950	177,808,889
Other sales – provisionally-priced sales	(19,677)	28,303,555
	151,944,273	206,112,444

Other sales comprise subsequent movements in provisionally priced sales of $0.02 million (2021: $28.3 million). Foreign exchange gains and losses relating to provisionally priced sales are recognised in “Other income” or “Other expenses”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

10. INCOME AND EXPENSES

	2022 $	2021 $
(a) Other income		
Foreign exchange income on revenue	–	1,070,452
Scrap sales	27,784	27,933
Rent received	54,348	48,325
	82,132	1,146,710
(b) Cost of sales and other expenses		
Includes the following specific expenses:		
Included in cost of sales:		
Depreciation – property, plant and equipment	2,975,577	2,851,397
Electricity cost	7,457,168	6,488,261
Consumables	5,194,788	3,777,188
Share-based payments operations	305,758	286,196
Included in other expenses:		
Consulting	195,411	152,689
Other depreciation – property, plant and equipment	116,905	128,396
Foreign exchange (gain)/loss	982	(20,912)
Foreign exchange loss on revenue	795,783	–
Insurance	217,584	164,779
Lease payments	2,721	3,637
Public relations	76,791	104,712
Share registry expenses	76,101	98,399
Directors' fees	532,750	479,000
Travel	101,268	–
Computer expenses	139,224	98,994
Professional fees	46,015	69,288
(c) Staff costs		
Salaries and wages included in cost of sales	20,117,033	18,501,555
Salaries and wages included in other expenses	1,803,509	1,482,970
Share-based payments admin	595,511	505,637
	22,516,053	20,490,162
(d) Net finance income		
Interest income on other financial assets	152,414	97,353
Interest on cash and cash equivalents	1,558,573	1,608,013
Other interest	384	–
Finance income	1,711,371	1,705,366
Interest expense on borrowings	(3,735)	(13,240)
Unwinding of discount on rehabilitation provision	(365,523)	(289,985)
Interest on leases	(10,858)	(20,637)
Other interest paid	(77,247)	(49,374)
Finance cost	(457,363)	(373,236)
Net finance income	1,254,008	1,332,130

11. INCOME TAX

	2022 $	2021 $
Income tax recognised in profit or loss		
Current tax:		
Current year tax	22,850,836	40,044,898
Recognition in respect of current income tax of previous year	–	40,326
Deferred tax:		
Relating to recognition, origination and reversal of temporary differences	733,609	687,397
Change in rate	(122,390)	–
Normal income tax	23,462,055	40,772,621
Dividends withholding tax	1,315,789	2,633,901
Total tax expense	24,777,844	43,406,522
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	80,928,688	143,212,573
Tax expense at rate of 28%	22,660,032	40,099,520
(Non-taxable income)/Non-deductible expenses	786,922	512,556
Adjustment in respect of prior year	–	42,106
Change in tax rate	(122,390)	–
Benefit of tax losses and temporary differences not brought to account	137,491	118,439
Income tax expense	23,462,055	40,772,621

Sylvania Platinum Limited is a Bermudan incorporated company and has no tax liability under that jurisdiction with respect to income derived.

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

The tax rate used for the deferred tax in the above and below reconciliation is the future corporate tax rate of 27% which will be payable by South African entities on taxable profits under South African tax law. The rate change is as a result of the announcement on 23 February 2022 by the Finance Minister in the Budget Speech that there will be a reduction in the South African corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023 (i.e. for years of assessment beginning on or after 1 April 2022 with the possible exception where a financial year has changed). The rate change has been substantively enacted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

11. INCOME TAX (continued)

	2022 $	2021 $
Deferred tax assets comprise:		
Unrealised gains and losses on foreign exchange	(5,122,306)	(4,655,472)
Rehabilitation provision	(1,961,234)	(1,037,239)
Other temporary differences *	(60,233)	(653,448)
Deferred tax liabilities comprise:		–
Exploration and evaluation assets	7,512,883	7,512,883
Property, plant and equipment	11,204,339	9,998,084
Other temporary differences *	41,316	(10,293)
Deferred tax liabilities net	11,614,765	11,154,515
Deferred tax recognised in the Statement of Financial Position		
Deferred tax asset	–	–
Deferred tax liability	(11,614,765)	(11,154,515)
Deferred tax liabilities net	11,614,765	11,154,515

**Made up of temporary differences on leases, pre-payments and property plant and equipment.*

The Group has estimated tax losses arising in South Africa of $5,919,865 (2021: $5,881,814) and unredeemed capital expenditure of $12,749,849 (2021: $11,579,164) that are available indefinitely for offset against future taxable profits of the company in which the losses arose.

	2022 $	2021 $
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following items:		
Exploration and evaluation assets	159,842	411,043
Unrealised gains and losses on foreign exchange	2,593,371	2,774,860
Tax losses	1,514,499	1,646,908
Deductible temporary differences	340,285	56,263
	4,607,997	4,889,074

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.

11. INCOME TAX (continued)

Reconciliation of deferred tax assets/(liabilities)

	Opening balance $	Charged to profit or loss $	Exchange differences $	Closing balance $
2022				
Other temporary differences	604,851	61,474	(29,837)	636,488
Rehabilitation provision	1,037,239	568,264	(167,922)	1,437,581
Unrealised gains and losses on foreign exchange	4,655,476	1,642,134	(1,039,070)	5,258,540
Property, plant and equipment	(9,939,197)	(3,005,481)	1,387,798	(11,556,880)
Exploration and evaluation assets	(7,512,884)	–	–	(7,512,884)
Change in rate	–	122,390	–	122,390
	(11,154,515)	(611,219)	150,969	(11,614,765)
2021				
Other temporary differences	433,471	152,467	18,913	604,851
Rehabilitation provision	825,616	45,069	166,554	1,037,239
Unrealised gains and losses on foreign exchange	4,497,671	–	157,806	4,655,477
Property, plant and equipment	(7,571,913)	(884,933)	(1,482,352)	(9,939,198)
Exploration and evaluation assets	(7,512,884)	–	–	(7,512,884)
	(9,328,039)	(687,397)	(1,139,079)	(11,154,515)

12. EARNINGS PER SHARE

	2022 Cents per share	2021 Cents per share
Basic earnings per share	20.62	36.65
Diluted earnings per share	20.40	35.92

	$	$
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	56,150,844	99,806,051
Earnings attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	56,150,844	99,806,051

	2022 Number of shares	2021 Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	272,353,604	272,310,455
Effect of dilution:		
Share options and bonus shares	2,874,461	5,513,932
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	275,228,065	277,824,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

13. EXPLORATION AND EVALUATION ASSETS

	Deferred exploration expenditure $
2022	
Balance at beginning of financial year	45,351,817
Foreign currency movements	(1,609,585)
Direct expenditure for the year	1,907,396
Assets held for sale	437,825
Balance at end of financial year	46,087,453
2021	
Balance at beginning of financial year	42,840,775
Foreign currency movements	1,827,809
Direct expenditure for the year	1,414,699
Assets held for sale	(731,466)
Balance at end of financial year	45,351,817

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.

The projects comprise Hacra and Aurora, located within the northern portion of the Northern Limb in the Waterberg and Capricorn district, as well as Volspruit, located at the southern end of the Northern Limb of the Bushveld Igneous Complex. The projects are PGM and Base Metal mining projects for which Mining Rights for PGMs and Base Metals have been awarded.

Specialist consultants have been appointed to assist Sylvania in evaluating the respective resources and in exploring the economic potential. Extensive work was conducted during the reporting period, with the view to possibly upgrade the mineral resource either for development or sale.

14. 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 $
2022											
At 1 July 2021											
Cost	3,276,681	2,283,707	3,608,994	87,416,315	1,055,236	67,903	638,735	80,325	325,277	1,111,239	99,864,412
Accumulated depreciation	(268,525)	(2,181,232)	–	(55,245,222)	(739,395)	(30,994)	(493,502)	(64,486)	(189,077)	(736,542)	(59,948,975)
Net carrying value	3,008,156	102,475	3,608,994	32,171,093	315,841	36,909	145,233	15,839	136,200	374,697	39,915,437
Year ended 30 June 2022											
Opening net carrying value	3,008,156	102,475	3,608,994	32,171,093	315,841	36,909	145,233	15,839	136,200	374,697	39,915,437
Additions	37,794	–	8,375,598	6,500,273	121,318	6,493	61,266	8,492	47,091	185,097	15,343,422
Re-classification	–	–	(3,604,164)	3,604,381	–	–	(217)	–	–	–	–
Disposals	–	–	–	(45,594)	–	–	(517)	–	–	–	(46,111)
Depreciation charge	(66,314)	–	–	(2,685,369)	(83,825)	(9,836)	(79,535)	(5,925)	(38,142)	(119,373)	(3,088,319)
Exchange differences	(367,935)	(12,603)	(797,090)	(4,515,235)	(41,507)	(4,302)	(16,512)	(2,130)	(17,387)	(50,750)	(5,825,451)
Closing net carrying value	2,611,701	89,872	7,583,338	35,029,549	311,827	29,264	109,718	16,276	127,762	389,671	46,298,978
At 30 June 2022											
Cost	2,908,806	2,002,843	7,583,338	85,975,718	1,038,159	65,584	568,425	78,335	329,019	1,052,086	101,602,313
Accumulated depreciation	(297,105)	(1,912,971)	–	(50,946,169)	(726,332)	(36,320)	(458,707)	(62,059)	(201,257)	(662,415)	(55,303,335)
Net carrying value	2,611,701	89,872	7,583,338	35,029,549	311,827	29,264	109,718	16,276	127,762	389,671	46,298,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. 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 $
2021											
At 1 July 2020											
Cost	2,728,535	1,906,249	3,775,952	67,242,406	654,079	37,496	439,072	95,866	158,557	902,292	77,940,504
Accumulated depreciation	(165,138)	(1,804,651)	–	(43,836,957)	(540,581)	(21,923)	(346,928)	(84,281)	(91,963)	(575,855)	(47,468,277)
Net carrying value	2,563,397	101,598	3,775,952	23,405,449	113,498	15,573	92,144	11,585	66,594	326,437	30,472,227
Year ended 30 June 2021											
Opening net carrying value	2,563,397	101,598	3,775,952	23,405,449	113,498	15,573	92,144	11,585	66,594	326,437	30,472,227
Additions	7,363	–	799,161	4,696,988	254,301	21,515	106,969	13,918	77,375	135,114	6,112,704
Re-classification	–	–	(1,677,086)	1,675,026	–	–	(256)	(7,798)	10,114	–	–
Disposals	–	–	–	–	–	–	104	–	–	(11,853)	(11,749)
Depreciation charge	(66,175)	(18,011)	–	(2,553,517)	(85,917)	(4,428)	(74,201)	(4,283)	(34,669)	(138,592)	(2,979,793)
Exchange differences	503,571	18,888	710,967	4,947,147	33,959	4,249	20,473	2,417	16,786	63,591	6,322,048
Closing net carrying value	3,008,156	102,475	3,608,994	32,171,093	315,841	36,909	145,233	15,839	136,200	374,697	39,915,437
At 30 June 2021											
Cost	3,276,681	2,283,707	3,608,994	87,416,315	1,055,236	67,903	638,735	80,325	325,277	1,111,239	99,864,412
Accumulated depreciation	(268,525)	(2,181,232)	–	(55,245,222)	(739,395)	(30,994)	(493,502)	(64,486)	(189,077)	(736,542)	(59,948,975)
Net carrying value	3,008,156	102,475	3,608,994	32,171,093	315,841	36,909	145,233	15,839	136,200	374,697	39,915,437

14. PROPERTY, PLANT AND EQUIPMENT (continued)

LEASED ASSETS – VEHICLES UNDER INSTALMENT SALE AGREEMENTS

	2022 $	2021 $
Motor vehicles		
Cost	–	405,949
Accumulated depreciation	–	(199,961)
	–	205,988

Borrowing costs

No borrowing costs have been capitalised during the year. All instalment sale agreements were settled during the reporting period.

Non-current assets pledged as security

Leased assets are pledged as security for the related 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 commodity price and the effects of the Russian invasion of Ukraine, the floods in Kwa-Zulu Natal and COVID-19 on the markets, 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.

Commitments for plant construction

At 30 June 2022, commitments signed for continued improvements of the plants were $1,709,764 (2021: $7,794,976).

15. OTHER FINANCIAL ASSETS

	2022 $	2021 $
Loans and receivables:		
Loans receivable (a)	1,029,205	885,593
Rehabilitation debtor (b)	283,450	298,864
Balance at the end of the financial year	1,312,655	1,184,457
Non-current asset	283,450	298,864
Current asset	1,029,205	885,593
	1,312,655	1,184,457

(a) Loans receivable consist of:

- A loan amounting to $348,420 (2021: $885,593) was granted to TS Consortium by Sylvania South Africa (Pty) Ltd. The loan is unsecured, bears interest at 7% per annum and is repayable on demand. During the period $0,8 million of the loan was transferred to equity. The Group's interest in TS Consortium changed from 50% to 75%; and
- A loan amounting to $680,785 was granted to Forward Africa Mining (Pty) Ltd in September 2021. The loan is secured over the Grasvally Plant, bears interest at the Johannesburg inter-Bank Offer Rate (JIBOR) + 3%, compounded monthly in arrears.

(b) Contribution paid to the host mine for rehabilitation purposes. The debtor is ZAR denominated and was translated at a spot rate of ZAR16.38:$1 (2021: ZAR14.36:$1).

Other financial assets measured at amortised cost were included in the ECL calculation, refer note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

16. CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank and on hand	94,134,130	76,272,060
Short-term deposits	26,260,051	28,893,209
Short-term deposits – restricted cash	890,239	979,309
Assets held for sale	(1,995)	(9,143)
	121,282,425	106,135,435

Cash at banks earn 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 $121,282,425 (2021: $106,135,435).

At 30 June 2022, the Group had $1,709,764 (2021: $1,991,220) of undrawn borrowing facilities available. The Group only deposits cash surpluses with major banks of high-quality credit standing.

The Group has pledged part of its short-term deposits, excluding interest earned, with a carrying value of $798,772 (2021: $917,857) in order to fulfil collateral requirements for the guarantees held below.

The restricted cash balances relate to funds set aside to serve as collateral against guarantees made to the Department of Mineral Resources and Energy (DMRE) in South Africa for environmental and rehabilitation obligations as well as deposits to Eskom and Growthpoint, refer to the below table.

Bank guarantees are held as follows:

	2022 $	2021 $
Eskom	730,350	832,769
The Department of Mineral Resources	45,614	59,082
Growthpoint	22,808	26,006

17. TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Trade receivables (not subject to provisional pricing) - fair value	13,638,124	20,595,041
Trade receivables (subject to provisional pricing) - fair value	37,837,471	47,334,506
Trade receivables – amortised cost	138,668	158,114
Other receivables – amortised cost	1,386,097	578,277
Assets held for sale	(60,771)	(53,819)
	52,939,589	68,612,119

Trade receivables are due from major minerals mining and processing companies.

Trade receivables (not subject to provisional pricing) are non-interest bearing and are generally on terms not exceeding 30 days.

Trade receivables (subject to provisional pricing) are non-interest bearing but are exposed to future commodity price and exchange rate fluctuations over a period. It relates to revenue from contracts with customers and the Group has an unconditional right to the consideration due as the performance conditions have been met.

Other receivables are non-interest bearing and are generally on 30 – 90-day terms. Included in other receivables are pre-paid expenditure, VAT receivable, advances and other sundry debtors.

Trade receivables at amortised cost were considered in the ECL calculation, refer note 28.

18. INVENTORIES

	2022 $	2021 $
Stores and consumables	4,258,960	3,838,147

Inventories of $8,355,238 (2021: $3,759,449) were recognised as an expense during the current year and included in cost of sales.

Stores and consumables

Included in stores and consumables are critical spares and consumables are held in stock for engineering breakdowns.

19. ISSUED CAPITAL

AUTHORISED CAPITAL

	2022 No of shares	2022 $	2021 $
Ordinary shares with a par value of $0.01	1,000,000,000	10,000,000	10,000,000

ISSUED CAPITAL

	2022 No of shares	2021 No of shares	2022 $	2021 $
Share capital				
Ordinary shares				
Ordinary shares fully paid	280,155,657	286,155,657	2,801,557	2,861,557

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 holding company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

Date	Details	Number of shares	$
1 July 2021	Opening balance	286,155,657	2,861,557
	Cancellation of shares	(6,000,000)	(60,000)
30 June 2022	Closing balance	280,155,657	2,801,557
1 July 2020	Opening balance	286,845,657	2,868,457
	Cancellation of shares	(690,000)	(6,900)
30 June 2021	Closing balance	286,155,657	2,861,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

19. ISSUED CAPITAL (continued)

On 9 May 2022, the Company announced the intention to conduct a Share Buyback ("Share Buyback") on-market which had a closing date of 30 June 2022.

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.

	2022 No of shares	2021 No of shares
Balance at beginning of financial year	13,681,792	14,993,315
Shares purchased	8,728,077	1,582,825
Shares purchased through Share Buyback	–	375,652
Shares cancelled	(6,000,000)	(690,000)
Share options exercised and shares issued to directors	(2,385,000)	(2,580,000)
Balance at end of financial year	14,024,869	13,681,792

Of the 14,024,869 shares held in the treasury share account 7,500,000 shares are ring-fenced for the Employee Dividend Entitlement Plan ("EDEP").

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 the 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 does not result in a loss of control.

- Equity reserve

This reserve arises from the recyclable reserves in the former holding company (Sylvania Resources Proprietary Limited) as at the date that Sylvania Platinum Limited was introduced as the ultimate holding company.

21. BORROWINGS

	Future minimum lease payments $	Finance charges $	Present value of minimum lease payments due $
Balance at 30 June 2022			
Due within one year	68,411	(19,454)	48,957
Due between one and five years	50,915	(15,884)	35,031
	119,326	(35,338)	83,988
Balance as at 30 June 2021			
Due within one year	224,276	(11,625)	212,651
Due between one and five years	76,766	(5,810)	70,956
	301,042	(17,435)	283,607

Finance lease liabilities were secured over various motor vehicles and were settled during the reporting period. Prior to settlement, the finance lease liabilities were repayable in monthly instalments of $10,458 (2021: $11,925) at rates varying between 7.25% and 7.5% (2021: 7.0% and 7.5%) p.a. Refer to note 14 for further detail on non-current assets pledged as security.

22. PROVISIONS

	2022 $	2021 $
Rehabilitation provision		
Balance at the beginning of financial year	4,539,937	3,646,044
Foreign currency movements	(707,815)	732,932
Unwinding of discount factor	365,523	289,985
Change in estimate	1,739,159	(129,024)
Balance at end of financial year	5,936,804	4,539,937

A 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. The provision is 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 (refer note 4). 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. Refer note 16 for detail of the guarantees in place with regards to the rehabilitation provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

23. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	5,766,225	6,163,727
Accrued expenses	3,783,734	5,437,612
Other trade payables	1,566,099	2,051,139
Liabilities directly associated with assets held for sale	(5,862)	(461)
	11,110,196	13,652,017

Other trade payables are made up mainly of VAT payable to the local authorities. 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

		2022 $	2021 $
(a)	Reconciliation of profit before tax to net cash flow from operating activities		
	Profit before income tax expense	80,928,688	143,212,573
	Adjusted for:		
	Proceeds on sale of property, plant and equipment	(3,006)	–
	Interest and penalties	7,850	(36,947)
	Forgiveness of debt	2,306	–
	Foreign exchange (gain)/loss	982	(20,912)
	Finance income	(1,711,371)	(1,705,366)
	Finance cost	457,363	373,236
	Depreciation	3,092,481	2,979,793
	Rehabilitation provisions	1,526,312	(7,526)
	Share-based payments	901,269	854,540
	Net operating profit before working capital changes	85,202,874	145,649,391
	Changes in working capital:		
	Decrease/(Increase) in trade and other receivables	9,514,549	(33,972,688)
	Increase in inventories	(961,106)	(1,159,702)
	(Decrease)/Increase in trade and other payables	(1,825,529)	3,256,324
	Cash generated from operating activities	91,930,788	113,773,325
	Finance income received	1,604,100	1,607,930
	Finance cost paid	(91,841)	(34,574)
	Taxation paid	(23,831,718)	(47,111,379)
	Net cash inflow from operating activities	69,611,329	68,235,302
(b)	Taxation paid		
	Balance (owing)/receivable at the beginning of the year	4,329,860	(1,198,277)
	Income tax recognised in profit or loss	(22,850,836)	(40,085,224)
	Interest received/(paid)	–	(83)
	Dividend tax	(1,315,789)	(1,628,697)
	Foreign currency movements	(508,727)	130,762
	Balance payable/(receivable) at the end of the year	(3,486,226)	(4,329,860)
	Taxation paid	(23,831,718)	(47,111,379)

25. NET CASH OUTFLOW FROM FINANCING ACTIVITIES

	2022 $	2021 $
(a) Borrowings and leases		
Balance owing at the beginning of the year	(283,606)	(451,494)
Cash flow items		
Repayment of borrowings (instalment sale agreement)	117,635	160,577
Lease payments during the year	59,697	80,288
Non-cashflow		
Foreign currency movements	22,285	(72,977)
Closing balance	(83,989)	(283,606)
(b) Treasury shares		
Treasury shares opening balance	(8,840,725)	(7,616,128)
Cash flow items		
Purchase of treasury shares	(9,865,070)	(1,602,765)
Non-cash flow items		
Share options & bonus shares exercised	650,871	308,561
Shares issued	–	62,707
Shares cancelled	60,000	6,900
Closing balance	(17,994,924)	(8,840,725)
(c) Bonus shares		
Share Based payments opening balance	(4,420,761)	(3,937,489)
Non-cash flow items		
Share options & bonus shares exercised	650,871	308,561
Bonus shares expensed	(901,269)	(791,833)
Closing balance	(4,671,159)	(4,420,761)

26. ASSETS HELD FOR SALE

In 2019 the Board committed to a plan to sell 100% of the shares in, and shareholder claims against Grasvally Chrome Mine (Pty) Ltd (Grasvally), an insignificant part of the Exploration segment of the Group to Forward Africa Mining (Pty) Ltd ("FAM"). Post period end all of the conditions precedent for the sale of 100% of the shares in, and claims against Grasvally to FAM were fulfilled and the sale was completed on 8 July 2022.

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

	2022 $	2021 $
Exploration and evaluation assets	3,662,478	4,100,303
Property, plant and equipment	15,885	18,113
Cash and cash equivalents	1,995	9,143
Trade and other receivables	60,771	53,818
Other financial assets	30,532	34,813
Assets held for sale	3,771,661	4,216,190
Trade and other payables	(5,862)	(461)
Liabilities directly associated with assets held for sale	(5,862)	(461)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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26. ASSETS HELD FOR SALE (continued)

No impairments have been recognised on the above-mentioned asset held for sale namely Grasvally. There are no cumulative income or expenses included in the statement of profit or loss and other comprehensive income relating to the disposal group. The asset held for sale is included in the exploration projects segment under the segment reporting, refer note 8. The carrying value of the asset held for sale at the reporting date was $3.7 million and the sale proceeds of ZAR100 million (~$5,96 million as at 8 July 2022), will be paid in fifteen equal quarterly instalments.

27. SHARE-BASED PAYMENT PLAN

	2022 $	2021 $
Expense arising from equity-settled share-based payment transactions	(901,269)	(854,540)
Total expense	(901,269)	(854,540)

SHARE BONUS AWARD

On 22 August 2019, 1,780,000 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 have a vesting period of three years and will vest on 21 August 2022. Employees are required to achieve a minimum of a three rating on their performance appraisals.

On 24 August 2020, 1,435,000 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 have a vesting period of three years and will vest on 23 August 2023. Employees are required to achieve a minimum of a three rating on their performance appraisals.

On 20 August 2021, 520,349 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 have a vesting period of three years and will vest on 19 August 2024. Employees are required to achieve a minimum of a three rating on their performance appraisals.

BONUS SHARES

Issue date	Nominal value at issue date $	Balance at the start of the year Number	Issued during the year Number	Balance at the end of the year Number
2022				–
22 August 2019	0.10	1,780,000	–	1,780,000
24 August 2020	0.10	1,435,000	–	1,435,000
20 August 2021	0.10	–	520,349	520,349
Total		3,215,000	520,349	3,735,349
2021				
24 August 2018	0.10	2,710,000	–	2,710,000
22 August 2019	0.10	1,780,000	–	1,780,000
24 August 2020	0.10	–	1,435,000	1,435,000
Total		4,490,000	1,435,000	5,925,000

The fair values of the bonus shares granted take into account the terms and conditions upon which the bonus shares were granted (the exercise price, the term of the bonus shares), and the share price at grant date.

	2022	2021
Fair value at grant date (GBP)	1.20	0.60
Fair value at grant date (USD)	1.65	0.83
Share price at grant date (GBP)	1.20	0.60
Share price at grant date (USD)	1.65	0.83
Expected life (years)	3	3

28. FINANCIAL INSTRUMENTS

The impact of the Russian invasion of the Ukrainian, the floods in Kwa-Zulu Natal and COVID-19 is already priced into the inputs, which for the Group mostly relates to commodity price risk used in the level 2 fair valuation techniques as determined by the market.

The following table summarises the Group's classification of financial instruments:

	2022 $	2021 $
Financial assets – carrying amount		
Financial assets at amortised cost		
Trade and other receivables [1]	550,822	247,188
Cash and cash equivalents	121,282,425	106,135,435
Other financial assets	1,312,655	1,184,457
	123,145,902	107,567,080
Financial asset at fair value through profit and loss (FVPL)		
Trade and other receivables [2]	51,475,595	67,929,547
Financial liabilities – carrying amount		
Financial liabilities at amortised cost		
Borrowings	(83,988)	(283,607)
Trade and other payables [3]	(9,586,212)	(11,642,521)
	(9,670,200)	(11,926,128)

[1] *Prepayments and Value Added Tax amounting to $973,943 (2021: $489,203) are excluded from the trade and other receivables balance as this analysis is required only for financial instruments.*

[2] *The fair value was determined using the commodity prices and foreign exchange rates.*

[3] *Value Added Tax amounting to $1,523,984 are excluded from the trade and other payables balance as this analysis is required only for financial instruments. The prior year disclosure was corrected to remove the Value Added Tax previously included, amounting to $2,009,496.*

IFRS establishes a fair value hierarchy that categorises the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1** – Quoted prices in active markets for the same instrument
- **Level 2** – Valuation techniques for which significant inputs are based on observable market data
- **Level 3** – Valuation techniques for which any significant input is not based on observable market data

The following financial instruments are carried at fair value:

	2022 $	2021 $	Fair value hierarchy	Valuation technique & key inputs
Financial asset at fair value through profit or loss (FVPL)				
Trade and other receivables	51,475,595	67,929,547	Level 2	Quoted market metal price and exchange rate

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise trade and other payables 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

28. FINANCIAL INSTRUMENTS (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, commodity price risk and interest rate 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 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 Board prefer not to utilise funding from financing institutions.

The Group's overall strategy remains unchanged during the years ended 30 June 2022 and 30 June 2021.

The capital structure of the Group consists of equity attributable to equity holders of the holding company comprising issued capital, reserves and retained profits.

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 three types of risk: interest rate risk, commodity price risk and currency risk (pages 93-96). Financial instruments affected by market risk include receivables, loans, borrowings and deposits. Refer note 28 for more detail on the commodity price risk.

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 financing and operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The Group manages foreign currency risk through the strategic business model which has proved to be exceptionally successful.

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

	2022 $	2021 $
Financial assets		
Trade and other receivables	37,837,471	47,334,506
Cash and cash equivalents	32,762,424	36,922,808

A reasonably possible strengthening/(weakening) of the Rand (ZAR) against the US dollar (USD) at 30 June 2022 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. 15% was applied due to the movement in the spot exchange rate from 30 June 2021 ($/ZAR – 1:14.36) to 30 of June 2022 ($/ZAR – 1:16.38), reflecting a net movement in spot rate of 14.02%.

28. FINANCIAL INSTRUMENTS (continued)

MARKET RISK (continued)

Foreign currency risk (continued)

	2022		2021[1]	
	Profit/(loss) $	Equity increase/ (decrease) $	Profit/(loss) $	Equity increase/ (decrease) $
15% (2021:20%) appreciation	10,592,609	(10,592,609)	16,823,669	(16,823,669)
15% (2021:20%) depreciation	(10,600,868)	10,600,868	(16,877,496)	16,877,496

[1] *The prior year disclosure was corrected to remove an amount of $20,595,041 relating to trade receivables already invoiced, and therefore no longer exposed to fluctuations in foreign currency. To be more prudent, ZAR denominated Cash and cash equivalents were also included in the analysis. The resultant sensitivities were updated to reflect these changes.*

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 borrowings.

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:

	2022 $	2021 $
Financial assets		
Cash and cash equivalents	121,282,425	106,135,435
Loans receivable	680,785	–
	121,963,210	106,135,435
Financial liabilities		
Borrowings	(83,988)	(283,607)

CREDIT RISK

Credit risk is the risk that a contracting entity will not meet its obligation under a financial instrument or customer contract that will result in a financial loss to the Group. The Group is exposed to credit risk from its financing activities, including deposits with banks and financial institutions and its operating activities, primarily for trade receivables. The carrying amount of these financial assets represents the maximum credit exposure.

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group is exposed to concentration risk due to the exposure to two major customers. It is not considered significant as the customer adheres to the stipulated payment terms and has never defaulted on a payment since inception. The credit risk exposure is 100% in South-Africa and the Group only operates in the mining industry.

Trade and other receivables

For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires lifetime ECLs to be recognised from initial recognition of the trade receivables.

For other receivables ECLs are calculated based on the general model, which take into account the Probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). Rates are obtained from reputable ratings agencies.

Forward-looking macro-economic conditions and factors are considered when determining the ECLs for trade receivables, namely economic growth and inflationary outlook in the short term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

28. FINANCIAL INSTRUMENTS (continued)

CREDIT RISK (continued)

Trade and other receivables (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and other financial assets as at 30 June 2022.

	Weighted-average loss rate %	Gross carrying amount $	Loss allowance $	Credit impaired
Trade receivables – Current (not past due)	0.1332289	550,821	729	No
Other financial assets	0.1332289	1,364,338	1,805	No

[1] *Prepayments and Value Added Tax amounting to $973,943 are excluded from the trade and other receivables balance as this analysis is required only for financial instruments.*

[2] *The gross and net carrying values are the same amounts as the loss allowance and were not recognised. This is deemed immaterial for the Group.*

The following table provides information about the exposure to credit risk and ECLs for trade receivables and other financial assets as at 30 June 2021.

	Weighted-average loss rate %	Gross carrying amount $	Loss allowance $	Credit impaired
Trade receivables – Current (not past due)	0.1322890	247,188	327	No
Other financial assets	0.1322890	1,184,457	1,567	No

[1] *Prepayments and Value Added Tax amounting to $489,203 are excluded from the trade and other receivables balance as this analysis is required only for financial instruments.*

[2] *The gross and net carrying values are the same amounts as the loss allowance and was not recognised. This is deemed immaterial for the Group.*

Cash and cash equivalents

The Group held cash and cash equivalents of $121,268,557 at 30 June 2022. 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 $
2022					
Trade and other payables	9,642,409	9,642,409	9,642,409	–	9,642,409
Borrowings	83,988	83,988	48,956	35,032	83,988
	9,726,397	9,726,397	9,691,365	35,032	9,726,397
2021					
Trade and other payables [1]	11,692,615	11,692,615	11,692,615	–	11,692,615
Borrowings	283,607	283,607	212,651	70,956	283,607
	11,976,222	11,976,222	11,905,266	70,956	11,976,222

[1] *Value Added Tax amounting to $1,523,984 are excluded from the trade and other payables balance as this analysis is required only for financial instruments. The prior year disclosure was corrected to remove the Value Added Tax previously included, amounting to $2,009,496.*

28. FINANCIAL INSTRUMENTS (continued)

COMMODITY PRICE RISK

Commodity price risk refers to the risk of changes in fair value or cash flows of financial instruments as a result of changes in commodity prices. It is applicable to the largest debtor of the Group. In terms of the agreement between the Group and the debtor, the commodity prices used in the calculation of the payment are based on the prices over the period following delivery, leaving the Group exposed to the commodity price fluctuations until the price is fixed. The subsequent remeasurement of the receivable every month following the month of delivery until the price is fixed, is recognised in other sales, refer note 9.

Sensitivity analysis

Commodity price risk sensitivity analysis presents the effect of a 10% change in the year-end commodity price on financial instruments in the statement of financial position, statement of comprehensive income and therefore equity.

	Statement of Financial Position	
	2022	2021
	$	$
Financial Assets:		
Trade Receivables still subject to price fluctuation	37,837,471	47,334,506
Effect of 10% commodity price fluctuation	±3,783,747	±4,733,450

29. LEASES

A. THE GROUP AS A LESSEE

The Group has a commercial lease agreement whereby it leases its current office premises, in Johannesburg. This lease has an average life of five years with no renewal option. Lease payments are escalated at 9% per annum.

The Group has settled all instalment sale agreements during the reporting period, refer to notes 14 and 21.

The Group leases various office equipment. Office equipment with a value of $5,000 or less are regarded low value. The Group has elected not to recognise right-of-use assets and lease liabilities for low value assets. The cost relating to the leases are included in operating costs.

Containers are leased for office space on two of the operational plants. These leases are for a period of two to four years.

Information about leases where the Group is a lessee is presented below:

	2022	2021
	$	$
Right-of-use assets		
Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.		
Office premises		
Balance at 1 July	107,464	146,525
Additions	35,963	–
Depreciation charge for the year	(62,166)	(63,729)
Exchange rate difference	(11,356)	24,668
Balance at 30 June	69,905	107,464

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

29. LEASES (continued)

A. THE GROUP AS A LESSEE (continued)

	2022 $	2021 $
Office Equipment		
Balance at 1 July	16,621	22,237
Depreciation charge for the year	(3,869)	(9,380)
Exchange rate difference	(1,769)	3,764
Balance at 30 June	10,983	16,621
Plant		
Balance at 1 July	18,339	34,084
Additions	11,908	–
Depreciation charge for the year	(9,963)	(21,050)
Exchange rate difference	(2,397)	5,314
Balance at 30 June	17,887	18,348

B. GROUP AS LESSOR

The Group leases out certain portions of the property owned by Zoetveld Properties (Pty) Ltd to a third party exclusively for the grazing of livestock. This original lease expired on the 30th of April 2020 and is continuing for an indefinite period subject to termination by either party on a six months' notice to the other party. Lease payments escalate at 9% per annum. The Group has classified this lease as an operating lease, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the asset.

Rental income recognised by the Group during 2022 was, $54,348 (2021: $48,325).

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:

	Balance at the start of the year	Issued/ Purchased during the year	Balance at the end of the year
2022			
SA Murray	1,050,000	–	1,050,000
JJ Prinsloo	1,221,144	151,250	1,372,394
L Carminati	1,104,081	140,250	1,244,331
E Carr	50,000	20,000	70,000
AJ Reynolds – appointed 1 August 2021	–	20,000	20,000
S Scott – appointed 1 January 2022	–	20,000	20,000
2021			
SA Murray	1,025,000	25,000	1,050,000
JJ Prinsloo	959,894	261,250	1,221,144
L Carminati	862,081	242,000	1,104,081
RA Williams*	1,092,000	25,000	1,117,000
E Carr	25,000	25,000	50,000

**RA Williams resigned 31 December 2021.*

30. KEY MANAGEMENT DISCLOSURE (continued)

SHAREHOLDING OF KEY MANAGEMENT PERSONNEL (continued)

All equity transactions with key management personnel other than those arising under the 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.

	Short Term Benefits			Share-Based payment	
Director	Cash salary/ Consulting fees $	Bonus[1] $	Directors' fees	Equity shares/ bonus shares[2] $	Total $
2022					
SA Murray	–	–	125,000		125,000
JJ Prinsloo	318,999	61,253	75,000	79,725	534,977
L Carminati	289,886	56,193	75,000	69,810	490,889
RA Williams – resigned 31 December 2021	–	–	42,500	–	42,500
E Carr	26,500	–	80,000	–	106,500
AJ Reynolds – appointed 1 August 2021	–	–	71,250	–	71,250
S Scott – appointed 1 January 2022	–	–	37,500	–	37,500
Sub-total	635,385	117,446	506,250	149,535	1,408,616
Other key management	1,734,634	232,863	–	266,723	2,234,220
Total	2,370,019	350,309	506,250	416,258	3,642,836
2021					
SA Murray	–	–	125,000	19,938	144,938
JJ Prinsloo	270,310	37,263	75,000	73,504	456,077
L Carminati	247,826	34,044	75,000	67,721	424,591
RA Williams	–	–	85,000	19,938	104,938
E Carr	39,000	–	75,000	19,938	133,938
Sub-total	557,136	71,307	435,000	201,039	1,264,482
Other key management	883,414	94,916	–	123,277	1,101,607
Total	1,440,550	166,223	435,000	324,316	2,366,089

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

[2] *Share-based payments on bonus shares granted - refer to note 27.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(continued)

31. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Sylvania Platinum Limited, a Bermudan registered company and the controlled entities listed in the following table:

			Equity Holding	
			2022	2021
Name of Entity	Country of incorporation	Class of shares	**%**	%
Aralon Holdings Limited	Mauritius	Ordinary	100	100
Sylvania (Mauritius) Limited	Mauritius	Ordinary	100	100
Sylvania South Africa (Pty) Ltd	South Africa	Ordinary	100	100
Sylvania Metals (Pty) Ltd	South Africa	Ordinary	100	100
Sylvania Properties (Pty) Ltd	South Africa	Ordinary	100	100
Sylvania Mining (Pty) Ltd	South Africa	Ordinary	100	100
Sylvania Northern Platinum (Pty) Ltd	South Africa	Ordinary	74	74
Sylvania Northern Mining (Pty) Ltd	South Africa	Ordinary	74	0
Sylvania Resources (Pty) Ltd	South Africa	Ordinary	100	100
Sylvania Exploration (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 holding company 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.

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's interest in TS Consortium, which operates a pilot pelletiser plant in South Africa, increased from 50% in prior periods to 75% in the current reporting period. Although the group's interest has increased to 75%, both parties are still required to unanimously make decisions and Sylvania has no power nor control over TS Consortium.

In relation to its interest in TS Consortium, the financial statements of the Group include:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenue from the prospective sale of the output by the Joint Operation;
- Share of the prospective revenue from the sale of the output by the Joint Operation; and
- Expenses, including its share of any expenses incurred jointly.

31. RELATED PARTY TRANSACTIONS (continued)

TERMS AND CONDITIONS WITH LOAN TO JOINT OPERATION

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

LOANS TO RELATED PARTIES

	2022 $	2021 $
Balance outstanding at 30 June		
Loan to joint operation (TS Consortium)	348,420	885,593

32. EVENTS AFTER THE REPORTING DATE

On 8 July 2022 the sale of Grasvally Chrome Mine (Pty) Ltd, as described in note 26 of the financial statements, became effective.

The directors are not aware of any further matters or circumstances arising since the end of the reporting period, not otherwise dealt with in the financial statements, which significantly affects the financial position of the Group or the results of its operations.

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.

The Group identified the principal risks and uncertainties related to the Russian invasion of Ukraine, the floods in Kwa-Zulu Natal and the COVID-19 pandemic. Management has produced forecasts and budgets that have been sensitised to reflect plausible downside scenarios for the global volatile economy.
The invasion of the Ukraine by Russia that commenced in February 2022 had a widespread economic impact worldwide. Although the invasion and possible escalation thereof contributed to global uncertainty with resultant lower commodity prices and a weaker Rand, the Group operates in an essential industry with a low risk business model which supports business continuity. The Group is in a fortunate position of being cash strong which mitigates the impact and market risk, both short and long term.

The series of floods that occurred in South Africa during the second quarter of the reporting period, did not occur in the geographical areas where the Group's operations are located. The Group does not rely on importation and does not procure from affected areas, and hence was not impacted by the negative knock-on effects of the floods.

The impact of the COVID-19 pandemic has stabilised since the last reporting period. The directors are monitoring the pandemic and will take the necessary precautionary measures to ensure the safety of employees where a risk is identified.

The Group has sufficient cash reserves and resources to continue to meet its obligations even in the event if operations were to be placed under care and maintenance for 12 months.

After considering the aforementioned, 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 at least 12 months from date of signing the financial statements.

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

SHAREHOLDERS' PROFILE

AS AT 30 JUNE 2022

SHAREHOLDERS HOLDING 3% OR MORE FULLY PAID SHARES

	Shareholder	Number of shares	% Shareholding [1]
1	Hargreaves Lansdown, stockbrokers	41,480,726	15.45
2	Interactive Investor (EO)	36,921,914	13.75
3	Africa Asia Capital	27,250,000	10.15
4	Premier Miton Investors	23,262,810	8.66
5	AJ Bell, stockbrokers (EO)	15,701,420	5.85
6	Blackrock	11,530,000	4.29
7	Barclays Smart Investor	10,796,239	4.02
8	Acadian Asset Management	9,713,373	3.62
9	HSDL, stockbrokers	9,531,882	3.55
10	Banque Cantonale Vaudoise	8,304,194	3.09
		194,492,558	72.43

[1] *The percentage shareholdings are calculated on the total number of ordinary shares with voting rights being 266,130,788 shares. The total issued number of shares is 280,155,657 including 14,024,869 shares held in treasury.*

GLOSSARY OF TERMS FY2022

The following definitions apply throughout the period:

4E PGMs	4E PGM ounces include the precious metal elements Platinum, Palladium, Rhodium and Gold
6E PGMs	6E ounces include the 4E elements plus additional Iridium and Ruthenium
AGM	Annual General Meeting
AIM	Alternative Investment Market of the London Stock Exchange
All-in sustaining cost	Production costs plus all costs relating to sustaining current production and sustaining capital expenditure.
All-in cost	All-in sustaining cost plus non-sustaining and expansion capital expenditure
CLOs	Community Liaison Officers
Current risings	Fresh chrome tails from current operating host mines processing operations
DMRE	Department of Mineral Resources and Energy
EBITDA	Earnings before interest, tax, depreciation and amortisation
EA	Environmental Authorisation
EAP	Employee Assistance Program
EEFs	Employment Engagement Forums
EDEP	Employee Dividend Entitlement Programme
ESG	Environment, social and governance
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EMPR	Environmental Management Programme Report
ESG	Environment, Social and Governance
GBP	Pounds Sterling
GHG	Greenhouse gases
IASB	International Accounting Standards Board
ICE	Internal combustion engine
IFRIC	International Financial Reporting Interpretation Committee
IFRS	International Financial Reporting Standards
Lesedi	Phoenix Platinum Mining Proprietary Limited, renamed Sylvania Lesedi
LSE	London Stock Exchange
LTI	Lost-time injury
LTIFR	Lost-time injury frequency rate
MF2	Milling and flotation technology
MPRDA	Mineral and Petroleum Resources Development Act
MRA	Mining Right Application
NWA	National Water Act 36 of 1998
PGM	Platinum group metals comprising mainly platinum, palladium, rhodium and gold
PAR	Pan African Resources Plc
PDMR	Person displaying management responsibility
Pipeline ounces	6E ounces delivered but not invoiced
Pipeline revenue	Revenue recognised for ounces delivered, but not yet invoiced based on contractual timelines
Pipeline sales adjustment	Adjustments to pipeline revenues based on the basket price for the period between delivery and invoicing
Project Echo	Secondary PGM Milling and Flotation (MF2) program announced in FY2017 to design and install additional new fine grinding mills and flotation circuits at Millsell, Doornbosch, Tweefontein, Mooinooi and Lesedi.
Revenue (by products)	Revenue earned on Ruthenium, Iridium, Nickel and Copper
ROM	Run of mine
SDO	Sylvania dump operations
SLP	Social and Labour Plan
Sylvania	Sylvania Platinum Limited, a company incorporated in Bermuda
tCO_2e	Tons of carbon dioxide equivalent
TRIFR	Total recordable injury frequency rate
TSF	Tailings storage facility
UNSDGs	United Nations Sustainability Development Goals
USD	United States Dollar
WULA	Water Use Licence Application
UK	United Kingdom of Great Britain and Northern Ireland
ZAR	South African Rand

CORPORATE INFORMATION

Directors
SA Murray
RA Williams – resigned effective 31 December 2021
E Carr
AJ Reynolds – appointed effective 1 August 2021
S Scott – appointed effective 1 January 2022
JJ Prinsloo
L Carminati

Company secretary
Conyers Corporate Services (Bermuda) Limited
Principal registered office
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