Interim Report

Sylvania Platinum Limited

Interim Report
for the half year ended
31 December 2012

Contents

Corporate Information

Directors	T M McConnachie G M Button R A Williams
Assistant Company Secretaries	G M Button and L M Carroll
Registered office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Share Registry	Computershare Services Plc The Pavilions Bridgewater Road Bedminster Down Bristol BS99 7NH Computershare Jersey Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES
Auditors	Ernst & Young 11 Mounts Bay Road Perth, Western Australia 6000 Australia
Solicitors	Allen & Overy Level 27 Exchange Plaza 2 The Esplanade Perth, Western Australia 6000 Australia

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Sylvania Platinum Limited ("Sylvania" or the "Company") and the entities it controlled at the end of, or during, the half year ended 31 December 2012. Unless otherwise stated, the financial information contained in this report is presented in US dollars.

Directors
The names of directors who held office during or since the end of the half year and until the date of the report are noted below. Directors were in office for the full period unless otherwise stated.
Terence M McConnachie – *Chief Executive Officer*
Grant M Button – *Executive Director*
Roger A Williams – *Non-Executive Director*
Richard D Rossiter – *Non-Executive Director (resigned 12 December 2012)*
Louis M Carroll – *Executive Director (resigned 12 December 2012)*

The Company announced on 17 January 2013 that Mr Stuart Murray has been appointed as Chairman of Sylvania. His appointment will become effective on 1 April 2013. Mr Roger Williams is currently assuming the responsibility of Chairman.

Group overview
The mining industry in South Africa has faced many challenges during the six months to 31 December 2012. Sylvania was affected by host mine and neighbouring mine labour unrest and the result of this is evidenced in the lower than target ounce production. Despite this, the Sylvania dump operations ("SDO") reported an Earnings Before Interest Tax Depreciation and Amortisation ("EBITDA") of $3,830,200 for the six months to 31 December 2012. The Company's seventh SDO plant, Tweefontein produced first ounces in September 2012 and is expected to achieve full production capacity in the following half year.

The Group production target also included attributable ounces from Chrome Tailing Retreatment Plant (CTRP); a 25% owned joint venture managed by Aquarius Platinum (SA) (Pty) Ltd (AQPSA) which was placed on care and maintenance in August 2012, further impacting the Company's ability to achieve its production target.

The disposal of the Bushveld Iron Ore asset to Mercury Recycling Group plc (renamed Ironveld plc) and subsequent in specie distribution was completed in August 2012, resulting in profit on disposal of $9,999,314 after accounting for the transfer of the net liabilities to Ironveld plc and cost incurred by Sylvania.

As at 31 December 2012, the Company's cash reserves amounted to $9,515,793.

Review of operations
Health, safety and environment
The SDO has reported no significant health, safety or environmental incidents for the six months ended 31 December 2012. The Company remains committed to reducing the incident frequency rate to zero and maintaining this through continued education and training, improving safety procedures and working to the highest possible standards.

Sylvania dump operations
Net revenue for the period decreased by 18.88% in US dollar terms compared to the half year ended 31 December 2011. PGM ounce production for the half-year to 31 December 2012 also decreased by 14.69% to 21,479 ounces (2011: 25,179) and was due mainly to the labour unrest experienced throughout the industry in September and October 2012.

Directors' Report

Sylvania Dump Operations (100%): Statistical Information

Unaudited	Unit	6 months to Dec 2012	6 months to June 2012	6 months to Dec 2011	+/- % H1 2013 on H1 2012
Revenue					
Revenue	US$'000	19,181	16,649	23,646	-18.88%
Revenue	R'000	162,554	131,889	179,277	-9.33%
Gross Basket Price[1]	US$/oz	1,021	1,254	1,273	-19.80%
Net Basket Price[2]	US$/oz	880	842	908	-3.08%
Gross Cash Margin: SDO	%	20	14	40	-50.00%
Capital Expenditure	R'000	60,540	69,637	46,737	29.53%
Ave R/US$ rate	R/US$	8.47	7.92	8.14	4.05%
EBITDA	US$'000	3,830	1,924	8,419	-54.51%
EBITDA	R'000	32,459	15,235	68,532	-52.64%
SDO Cash Cost[3]					
Per PGM Feed tonne	US$/t	38	44	34	11.76%
Per PGM Feed tonne	R/t	319	345	273	16.85%
Per 3E & Au oz	US$/oz	711	675	494	43.93%
Per 3E & Au oz	R/oz	6,029	5,346	4,019	50.01%
Production					
Plant Feed	t	906,560	663,854	779,653	16.28%
Feed Head Grade	g/t	2.09	2.32	2.74	-23.72%
PGM Plant Feed tonnes	t	405,427	306,411	365,982	10.78%
PGM Plant Grade	g/t	3.91	4.35	4.96	-21.17%
PGM Plant Recovery	%	42	45	43	-2.33%
Total 3E and Au	Oz	21,479	19,331	25,179	-14.69%

[1] The US$ per ounce commodity price received from the sales of concentrate as contractually agreed;
[2] The gross basket price less smelter penalties, treatment costs and sampling costs as contractually agreed;
[3] All direct operating costs per plant (excluding depreciation) plus the direct overhead costs allocated to SDO.

Directors' Report

Millsell

The Millsell operation produced 3,114 ounces for the six months ended 31 December 2012. The plant was affected by the industrial unrest in September and October 2012 at the host mine resulting in lower ounce production and increased cash cost per ounce.

The Millsell plant treated a combination of current arisings from the host mines Millsell plant and dump material from the Waterkloof dump during the reporting period, as well as limited Elandsdrift ("ED") dump material in September 2012. The processing of the ED material was done on a trial basis to determine the recovery potential of this dump as part of the overall blending strategy for the operation. Blending of material from the various dumps assists to optimise the feed grade to the PGM plant and to reduce the chrome content in the final concentrate thus reducing chrome penalties from the smelters. Cash cost of production at the Millsell operation for the six months was $560/oz against $458/oz for the corresponding period in the prior year. The increase in cash costs were as a direct result of the labour unrest mentioned above.

Steelpoort

Steelpoort plant produced 3,403 ounces for the six months to 31 December 2012. The plant has produced lower ounces due to the lower PGM feed grade and recoveries associated with some second pass material of the Steelpoort Dam 1 that is being mined. Mining operations at the host mine have been suspended thus eliminating the feed of current arisings from the host mine. The second pass operation at Steelpoort as well as the processing of satellite sources is expected to continue for another four years. This drop in production was expected and the reason for the start-up of theTweefontein plant in September 2012. The cash cost per ounce was $684/oz for the six months ended 31 December 2012, compared to $289/oz in the corresponding six months to 31 December 2011.

Lannex

The Lannex operation produced 4,346 ounces for the six months to 31 December 2012. Unfortunately, the plant experienced some unplanned failures of key process equipment during the first two months of the reporting period. Significant improvements were made after a re-design of problematic equipment and the plant achieved record tonnes throughput in September 2012. A combination of the heavy rains during the reporting period, and the higher moisture content of the finer material being treated, resulted in feed chokes to the plant in the later part of the reporting period. Production in the period July to September 2012 was also negatively impacted by lower feed grades from the dump area being mined. Higher recovery potential from other areas is continuously being evaluated to ensure that feed grade to the plant is optimised.

The cash cost per ounce of $612/oz was higher than the $491/oz in the corresponding previous period, primarily due to maintenance costs associated with repairs and improvement of key process equipment.

Mooinooi

On 1 July 2012, the Mooinooi Operation was split into two operating units, namely the Mooinooi Dump and current arisings plant, and Mooinooi MG2 run of mine ("ROM") plant.

Mooinooi Dump Operation

The Mooinooi Dump operation produced 1,926 ounces for the six months to 31 December 2012. The low ounce production is primarily due to planned tonnes throughput not being achieved as a result of the host mine labour unrest in September and October 2012. The Mooinooi Dump plant treats material from the old Mooinooi dumps and current arisings from the host mines Mooinooi plant which is predominantly from the MG1 seam. There are various initiatives under way to establish the optimal reagent regime and processing parameters for the operation and significant improvements have been seen during the reporting period. The installation of new beadmills at the Mooinooi Dump plant will be completed in April 2013 and operated by the contractor for a two month trial period. A 5%-8% improvement in recoveries is expected and should this be proven, identical beadmills will be installed at the Mooinooi ROM plant. The cash cost for the six months was $1,120/oz. The high costs are mainly due to the lower operational running time and feed tonnes treated during the strike period as Mooinooi employees could not report to work due to widespread intimidation in the region.

Directors' Report

Mooinooi ROM Operation

The Mooinooi ROM operation produced 1,719 ounces for the six months to 31 December 2012. This plant was also negatively affected by the labour unrest. The Mooinooi ROM plant treats MG2 material from the Mooinooi and Buffelsfontein underground mines. As with the dump plant, there are various initiatives under way to establish the optimal reagent regime and processing parameters for the ROM operation and process stability and operating efficiencies have already improved during the last part of the reporting period. An in-plant stockpile arrangement is being planned to allow for more effective milling which has been seen to be the cause of the lower than planned MG2 ore recoveries increasing PGM production by an estimated 150 ounces. The earthworks and construction of the stockpile is scheduled to commence in April 2013 and expected to take approximately six months to complete. The cash cost for the reporting period was $1,556/oz. The high cash cost for this operation was also due to lower operational running times and feed volumes treated during the strike months when Sylvania Mooinooi employees could not report to work due to widespread intimidation in the region.

Doornbosch

The Doornbosch operation produced 5,678 ounces for the six months to 31 December 2012, and is by far the best performing Sylvania operation. The above target production was a result of a combination of higher tonnes treated, a higher PGM feed grade and improved recovery efficiencies. Doornbosch treated a combination of current arisings from the host mine and Montrose dump material. The Montrose dump is expected to be depleted during the latter part of the 2013 financial year and Doornbosch will then focus on current arisings from the host mine and second pass treatment of the Doornbosch tailings dumps. Cash cost for the reporting period was $421/oz.

Tweefontein

The Tweefontein plant produced its first ounces in September 2012 and the plant produced 1,221 ounces for the six months to 31 December 2012. The plant is still in the ramp-up and optimisation phase and is expected to reach full production capacity of 879 ounces per month during H2 FY2013. Tweefontein is treating a blend of MG1-MG4 ROM Fines and tailings material from the host mines Tweefontein operation. The cash cost per ounce was $939/oz for the reporting period.

Chrome Tailings Retreatment Project (CTRP)

The CTRP operation produced 161 attributable ounces in July and August 2012 before being placed on care and maintenance. In order for the plant to achieve optimum production levels additional capital investment will need to be made by all joint venture partners. The plant will therefore remain on care and maintenance until a decision has been made on how to proceed.

Northern limb operations

As detailed in the Company's quarterly announcements, all exploration on the Northern Limb has been scaled back. The Company's short to medium term strategy is to maximise profits from the low cost tailings retreatment business.

Iron Ore transaction

On 8 July 2011 Sylvania announced its decision to dispose of a significant portion of its magnetite iron ore assets, subject to shareholder and regulatory approvals. SA Metals Pty Ltd and Great Australian Resources Pty Ltd, both wholly owned subsidiaries of Sylvania held the prospecting rights to the magnetite iron ore which are located on the Northern Limb of the Igneous Bushveld Complex.

On 7 March 2012, Sylvania announced that it had entered into a conditional legally binding agreement with Mercury Recycling Group Plc ("Mercury") whereby Mercury would acquire the rights to the iron ore assets in exchange for 203,022,285 fully paid ordinary shares in Mercury ("Consideration Shares").

On 16 August 2012, the disposal of the Iron Ore Assets was completed and re-admission of the enlarged Mercury Group (now renamed Ironveld Plc) to the AIM took place. Distribution of the Consideration Shares to the Sylvania shareholders was also made on 16 August 2012 on the basis that for every Sylvania Ordinary Share held by Sylvania shareholders, 0.675 of an ordinary share in Mercury was received.

Sylvania also entered into a facility agreement with Ironveld Plc whereby Sylvania (through its South Africa subsidiary, Sylvania Metals (Pty) Ltd) has made available a loan facility of up to ZAR15 million (approximately $1.8 million)

Directors' Report

(at 31 December 2012 drawn to $192,726) to Ironveld, the company which holds the Iron Ore Assets ("Facility"). Ironveld Plc has guaranteed all obligations of Ironveld under the Facility. The funds made available under the Facility will be used to further fund the development of the Iron Ore Assets.

The Facility will mature on 30 June 2016, at which time the amount utilised under the Facility (and all accrued interest) will be repayable. As security for the amount due under the Facility, Ironveld Plc issued to Sylvania warrants to subscribe for up to £1.5 million ($2.3 million) of ordinary shares in Ironveld Plc at a price equal to the 90 day VWAP on the business day preceding the exercise of the warrants. The Warrants are exercisable only if the Facility is not fully repaid by 30 June 2016 and may be exercised post 30 June 2016 up until the date which is five years from admission (although the Warrants will lapse once repayment has been made). Any proceeds derived from the exercise of the Warrants will be used by Ironveld Plc to repay the Facility.

For so long as any amount remains owing under the Facility, Sylvania has the right to appoint a director to the board of Ironveld Plc. Pursuant to this right, Sylvania has appointed Terry McConnachie (CEO of Sylvania) as a non-executive director of Ironveld Plc. Peter Cox (former CEO of Iron Ore Assets) was appointed a director, and serves as CEO of Ironveld Plc. These appointments became effective on 15 August 2012.

The Company has recognised a profit on disposal of $9,999,314 on completion of the transaction calculated as the difference between the share price of Ironveld Plc multiplied by the number of shares received and the net liabilities transferred to Ironveld Plc plus costs incurred.

Appointment of Stuart Murray

On 17 January 2013, the Company announced that Mr Stuart Murray will be joining the Sylvania Board from 1 April 2013 as Chairman of Sylvania.

Mr Murray has over 25 years of executive experience in the Southern African platinum sector. After obtaining his Bachelor of Science (Engineering) degree in Chemical Engineering from Imperial College, University of London in 1984, he started his career at Impala Platinum's Refineries. He held various 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 is currently a Non-Executive Director of Talvivaara Mining Company Plc, the Finnish nickel miner.

Mr Roger Williams, a non-executive director of the Company, has assumed the responsibilities of Chairman until 1 April 2013.

Cancellation of Loan Shares

On 27 November 2012, Sylvania bought back and cancelled 2,533,000 shares ("Plan Shares") which were issued under the terms of the Company's Share Plan ("Share Plan"), ("Buy-back").

The Plan Shares were acquired by certain employees of the Company (and one director, as referred to below) with a loan provided by the Company to each employee for the purpose of the acquisition ("Loan"). The Plan Shares were not able to be sold or otherwise dealt with until *inter* alia, the relevant Loan was repaid to the Company in full.

However, in accordance with the terms of the Share Plan and the agreement pursuant to which each relevant employee acquired their Plan Shares, the Company is entitled to buy back the Plan Shares from each employee and apply the proceeds otherwise payable to the employee to fully satisfy the employee's Loan.

Accordingly, the Company bought back the Plan Shares at a price of 9.10 pence per Plan Share, being the closing price of the Company's shares on AIM on 26 November 2012. This was a cash neutral transaction as the consideration received by each employee under the Buy-back was applied in repayment of their Loan so that upon completion of the Buy-back the relevant Loans are fully satisfied. Note that for accounting purposes these shares were treated as in substance options.

It is noted that 1,000,000 of the Plan Shares were held by Richard Rossiter, the Company's previous Chairman. These Plan Shares were included in the Buy-back on the basis set out above.

Directors' Report

Summons received from Platmin South Africa (Pty) Ltd

On 12 September 2012, Sylvania announced that a summons was received by the Company regarding a claim being brought by Platmin South Africa (Pty) Ltd ("Platmin") (previously known as Boynton Investments (Pty) Ltd ("Boynton")), a subsidiary of Platmin Limited, declaring Platmin as the co-owner of the tailings, or, alternatively, the co-owner of the PGMs contained in the Lannex Tailings Dam situated on the Farm Grootboom in the District of Lydenburg, Mpumulanga, South Africa.

A similar case was brought to Sylvania by Boynton in 2009 and later withdrawn with Boynton paying all costs. The Board of Sylvania continues to refute these claims and the claims are being defended.

Acquisition of portions of the farms Zoetveld and Grasvally

Sylvania, through a wholly owned subsidiary, Zoetveld Properties (Pty) Limited ("Zoetveld") concluded the purchase of portions of the farms Zoetveld and Grasvally ("the Properties"), located adjacent to Sylvania's proposed Volspruit Mine in the Mokopane District of the Limpopo Province.

In May 2012, Zoetveld entered into a partnership deal with a locally empowered company who has submitted an application for the prospecting rights over the area such that should the prospecting rights be granted, 50% of these rights would be swapped for 50% of the surface rights.

In January 2013, the final conditions for this R22 million ($2.5 million) purchase of the Properties were concluded and the 2,817 hectare property was transferred to Zoetveld. As part of the purchase, Zoetveld has accepted the rehabilitation responsibility of the previous holder of the Mining Right at the old chrome mine to the extent of R12 million (~$1.4 million). Sylvania believes that the adjacent Volspruit mine will be able to place its future tailings dams on the existing chrome tailings dams thus transferring the rehabilitation liability. An additional benefit is that it will reduce the environmental impact of the planned Volspruit Mine. The Properties have always been planned to be the site for portions of the Volspruit infrastructure.

Dividend policy

On 21 January 2013, the Company announced its new dividend policy ("the policy"). After 5 years of intensive capital investment, the Company is now moving towards steady state operations. The dividend policy is in line with the change in strategy from capital investment and growth to a strategy of returning surplus cash back to shareholders.

The policy allows for a semi-annual dividend payment to shareholders of 25% of the previous half years earnings, provided the resultant Company cash balance following the payment of any dividend being greater than $8 million. The first dividend payment is targeted for December 2013 in relation to the financial year ended 30 June 2013.

T. McConnachie

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T M McConnachie
Chief Executive Officer
27 March 2013

Consolidated Statement of Comprehensive Income
for the half year ended 31 December 2012

	Note	**31 December 2012** $	31 December 2011 $
Revenue		**19,181,371**	23,646,602
Cost of sales		**(19,388,949)**	(16,329,793)
Gross (loss)/profit		**(207,578)**	7,316,809
Other income		**20,188**	46,925
Profit on disposal	8	**9,999,314**	-
Losses on sale of property, plant and equipment		**(1,788)**	(6,842)
Foreign exchange loss		**(6,898)**	(11,506)
Impairment of available-for-sale financial assets		**(18,031)**	(536,150)
Loss on revaluation of financial assets at fair value through profit and loss		**8,310**	(20,642)
Share of equity accounted jointly controlled entities net loss		**(123,909)**	(463,908)
General and administrative costs		**(2,900,803)**	(5,156,280)
Finance revenue		**205,320**	581,170
Finance costs		**(70,938)**	(37,896)
Profit before income tax expense	2	**6,903,187**	1,711,680
Income tax expense		**(34,581)**	(1,264,473)
Profit for the period		**6,868,606**	447,207
Other comprehensive (loss)/ income			
Items that may be reclassified subsequently to profit and loss:			
Unrealised gains reserve		**-**	195,114
Foreign currency translation		**(1,347,593)**	(19,135,231)
Other comprehensive (loss)/ income		**(1,347,593)**	(18,940,117)
Total comprehensive income/(loss) for the period		**5,521,013**	(18,492,910)
Profit attributable to:			
Owners of the parent		**6,868,606**	447,207
Non-controlling interest		**-**	-
		6,868,606	447,207
Total comprehensive profit/(loss) attributable to:			
Owners of the parent		**5,521,013**	(18,492,910)
Non-controlling interest		**-**	-
		5,21,013	(18,492,910)
Profit per share attributable to the ordinary equity holders of the Company:		**Cents**	Cents
Basic earnings per share		**2.29**	0.15
Diluted earnings per share		**2.19**	0.15

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2012

	Note	31 December 2012 $	31 December 2011 $	30 June 2012 $
ASSETS				
Non-Current Assets				
Equity accounted investments in joint ventures		**2,065,322**	2,087,667	2,048,635
Other financial assets		**1,635,670**	133,811	93,235
Exploration and evaluation assets	3	**76,698,479**	73,965,395	75,602,341
Property, plant and equipment		**69,041,891**	63,395,641	68,492,697
Total non-current assets		**149,441,362**	139,582,514	146,236,908
Current Assets				
Cash and cash equivalents		**9,515,793**	19,932,568	15,696,899
Trade and other receivables		**12,591,677**	16,032,086	12,942,343
Inventories		**565,298**	517,922	596,719
Current tax asset		**303,836**	2,243,234	403,527
Assets held for sale	8	**-**	-	1,343,889
Total current assets		**22,976,604**	38,725,810	30,983,377
Total assets		**172,417,966**	178,308,324	177,220,285
EQUITY AND LIABILITIES				
Shareholders' equity				
Issued capital	4	**29,542,290**	29,639,275	29,557,290
Reserves		**87,256,943**	95,661,960	98,204,246
Retained profits		**23,347,263**	20,897,667	16,478,657
Equity attributable to the owners of the parent		**140,146,496**	146,198,902	144,240,193
Non-controlling interest		**-**	-	-
Total equity		**140,146,496**	146,198,902	144,240,193
Non-current liabilities				
Interest bearing loans and borrowings		**268,064**	209,478	256,063
Provisions		**1,267,521**	832,501	1,257,235
Deferred tax liability		**22,814,069**	26,241,338	23,623,156
Total non-current liabilities		**24,349,654**	27,283,317	25,136,454
Current liabilities				
Trade and other payables		**7,729,952**	4,692,123	7,623,192
Interest bearing loans and borrowings		**182,846**	124,584	174,654
Current tax liability		**9,018**	9,398	9,317
Liabilities directly associated with the assets classified as held for sale	8	**-**	-	36,475
Total current liabilities		**7,921,816**	4,826,105	7,843,638
Total liabilities		**32,271,470**	32,109,422	32,980,092
Total liabilities and shareholders' equity		**172,417,966**	178,308,324	177,220,285

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the half year ended 31 December 2012

	Issued capital	Share premium reserve	Retained profits	Net unrealised gains reserve	Share based payment reserve	Foreign currency translation reserve	Non-controlling interest reserve	Equity reserve	Owners of the parent	Non-controlling interests	**Total equity**
	$	$	$	$	$	$	$	$	$	$	**$**
Balance at 1 July 2011	**29,639,275**	**160,044,225**	**20,450,460**	**(195,114)**	**669,633**	**23,603,839**	**(39,779,293)**	**(29,741,213)**	**164,691,812**	**-**	**164,691,812**
Profit for the period	-	-	447,207	-	-	-	-	-	447,207	-	447,207
Other comprehensive income	-	-	-	195,114	-	(19,135,231)	-	-	(18,940,117)	-	(18,940,117)
Total comprehensive income for the period	**-**	**-**	**447,207**	**195,114**	**-**	**(19,135,231)**	**-**	**-**	**(18,492,910)**	**-**	**(18,492,910)**
Balance at 31 December 2011	**29,639,275**	**160,044,225**	**20,897,667**	**-**	**669,633**	**4,468,608**	**(39,779,293)**	**(29,741,213)**	**146,198,902**	**-**	**146,198,902**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity (continued)
for the half year ended 31 December 2012

	Issued capital	Share premium reserve	Retained profits	Net unrealised gains reserve	Share based payment reserve	Foreign currency translation reserve	Non-controlling interest reserve	Equity reserve	Owners of the parent	Non-controlling interests	**Total equity**
	$	$	$	$	$	$	$	$	$	$	**$**
Balance at 1 July 2012	**29,557,290**	**159,938,383**	**16,478,657**	**-**	**1,394,114**	**6,392,255**	**(39,779,293)**	**(29,741,213)**	**144,240,193**	**-**	**144,240,193**
Profit / (loss) for the period	-	-	6,868,606	-	-	-	-	-	6,868,606	-	6,868,606
Other comprehensive loss	-	-	-	-	-	(1,347,593)	-	-	(1,347,593)	-	(1,347,593)
Total comprehensive loss for the period	**-**	**-**	**6,868,606**	**-**	**-**	**(1,347,593)**	**-**	**-**	**5,521,013**	**-**	**5,521,013**
Equity transactions											
- Shares buy back	(15,000)	(6,866)	-	-	-	-	-	-	(21,866)	-	(21,866)
- Share based payments	-	-	-	-	715,354	-	-	-	715,354	-	715,354
In specie distribution	-	(10,308,198)	-	-	-	-	-	-	(10,308,198)	-	(10,308,198)
Balance at 31 December 2012	**29,542,290**	**149,623,319**	**23,347,263**	**-**	**2,109,468**	**5,044,662**	**(39,779,293)**	**(29,741,213)**	**140,146,496**	**-**	**140,146,496**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
for the half year ended 31 December 2012

	31 December 2012	31 December 2011
	$	$
Cash flows from operating activities		
Receipts from customers	**18,466,878**	24,650,825
Payments to suppliers and employees	**(16,540,619)**	(17,591,180)
Finance income	**212,004**	581,845
Finance costs	**(20,207)**	(37,896)
Taxation received/(paid)	**52,494**	(176,825)
Net cash inflow from operating activities	**2,170,550**	7,426,616
Cash flows from investing activities		
Purchase of plant and equipment	**(6,823,282)**	(6,196,747)
Proceeds from sale of property, plant and equipment	**-**	13,816
Payments for exploration and evaluation	**(608,128)**	(2,012,549)
Payments to equity accounted associate	**(206,500)**	(182,613)
Net cash outflow from investing activities	**(7,637,910)**	(8,378,093)
Cash flows from financing activities		
Repayment of borrowings	**(21,217)**	(60,725)
(Payments)/Proceeds from loans from related parties	**(398,578)**	2,157
Net cash outflow from financing activities	**(419,795)**	(58,568)
Net decrease in cash and cash equivalents	**(5,887,155)**	(1,010,045)
Cash and cash equivalents at the beginning of reporting period	**15,716,680**	23,497,092
Effect of exchange fluctuations on cash held	**(313,732)**	(2,554,479)
Cash and cash equivalents at the end of the reporting period	**9,515,793**	19,932,568

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2012

1. Basis of preparation and accounting policies

Basis of preparation
This interim financial report for the half-year ended 31 December 2012 has been prepared in accordance with International Accounting Standard 34 (IAS 34).

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Sylvania Platinum Limited as at 30 June 2012. It is also recommended that the half-year financial report be considered together with any public announcements made by the company and its controlled entities during the half-year ended 31 December 2012 in accordance with the group's continuous disclosure obligations.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared under the historical cost accounting convention except for available for sale investments that have been measured at fair value.

The half-year financial report is presented in US dollars unless otherwise stated.

Changes in accounting policies
The accounting policies applied by the Group in this consolidated half-year financial report are the same as those applied by the Group in its consolidated financial report for the year ended 30 June 2012.

In the current period, the Group has adopted all new and revised Standards and Interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for reporting periods beginning on or after 1 July 2012. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies.

Notes to the Consolidated Financial Statements for the half year ended 31 December 2012

2. Profit before interest and income tax

	Half year ended 31 December 2012 $	Half year ended 31 December 2011 $
The following revenue and expense items are relevant in explaining the financial performance for the half year:		
Consulting fees	**501,535**	1,217,000
Share based payment expense	**715,354**	-
Depreciation – plant and equipment	**4,112,407**	3,828,554
Depreciation – other assets	**37,265**	39,792

3. Exploration and evaluation assets

	Half year ended 31 December 2012 $	Half year ended 31 December 2011 $	Year ended 30 June 2012 $
Costs carried forward in respect of areas of interest in the following phase:			
Exploration and evaluation phase – at cost			
Balance at the beginning of period/ year	**75,602,341**	76,123,444	76,123,444
Foreign currency movements	**488,011**	(4,170,598)	(4,088,375)
Direct expenditure for the period/ year	**608,127**	2,012,549	4,871,128
Asset held for sale	**-**	-	(1,303,856)
Total deferred exploration and evaluation expenditure	**76,698,479**	73,965,395	75,602,341

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

4. Issued capital

	Half year ended 31 December 2012 $	Half year ended 31 December 2011 $	Year ended 30 June 2012 $
Ordinary shares with a par value of $0.10	**29,542,290**	29,639,275	29,557,290

	Half year ended 31 December 2012 Number	Half year ended 31 December 2011 Number	Year ended 30 June 2012 Number	**Half year ended 31 December 2012 $**	Half year ended 31 December 2011 $	Year ended 30 June 2012 $
Movements in ordinary shares on issue						
At start of period/ year	**298,381,896**	298,868,805	298,868,805	**29,557,290**	29,639,275	29,639,275
Share buy back	**(150,000)**	-	(486,909)	**(15,000)**	-	(48,690)
Transaction costs	**-**	-	-	**-**	-	(33,295)
At end of the period/year	**298,231,896**	298,868,805	298,381,896	**29,542,290**	29,639,275	29,557,290

Notes to the Consolidated Financial Statements
for the half year ended 31 December 2012

5. Share option plan

On 29 December 2011, an employee incentive option plan (the Sylvania Platinum Option Plan) was approved by shareholders at the Annual General Meeting.

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

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

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

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

- as regards 20% of those options granted, the date which is 2 years after the grant date
- as regards 40% of those options granted, the date which is 3 years after the grant date, and
- as regards the remaining 40% of those options granted, the date which is 4 years after the grant date.

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

On 29 December 2011, 13,000,000 share options were granted to directors, employees and consultants under the Sylvania Platinum Option Plan with a nil exercise price and an expiry of 30 December 2021. Exercise of the options is subject to time-based vesting with 20% of the options vesting on 30 December 2013, a further 40% of the options vesting on 30 December 2014 and the remaining 40% vesting on 30 December 2015, subject to the participant’s continued employment.

The fair values of the options granted are independently determined at the grant date using a Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted (the exercise price, the term of the option), the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Notes to the Consolidated Financial Statements
for the half year ended 31 December 2012

6. Segment information

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

- seven operational retreatment processing plants:
  - Millsell
  - Steelpoort
  - Lannex
  - Mooinooi (two plants reported as a single unit)
  - Doornbosch
  - Tweefontein
- an open cast mining exploration project and a northern limb exploration project.

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

The following tables present revenue and profit information regarding business segments.

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

- interest revenue
- interest expense
- unallocated expenses

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

Notes to the Consolidated Financial Statements
for the half year ended 31 December 2012

6. Segment information (continued)

	Millsell $	Steelpoort $	Lannex $	Mooinooi $	Doornbosch $	Tweefontein $	Northern limb $	Other $	Consolidated $
31 December 2012									
Segment revenue	2,811,918	2,920,907	3,911,314	3,391,357	5,173,925	971,950	-	-	19,181,371
Segment result	638,938	161,609	242,329	(2,836,908)	2,166,549	(512,345)	-	7,008,434	6,868,606
Included within segment result:									
Depreciation	388,940	418,493	1,025,991	1,391,918	578,679	240,635	-	105,016	4,149,672
Direct operating costs	1,784,040	2,340,805	2,642,994	4,836,346	2,428,697	1,243,660	-	-	15,276,542
Interest revenue	-	-	-	-	-	-	-	205,320	205,320
Income tax expense	-	-	-	-	-	-	-	194,943	194,943
Profit on sale	-	-	-	-	-	-	-	9,999,314	9,999,314

Notes to the Consolidated Financial Statements
for the half year ended 31 December 2012

6. Segment information (continued)

	Millsell	Steelpoort	Lannex	Mooinooi	Doornbosch	Tweefontein	Northern limb	Other	Consolidated
	$	$	$	$	$	$	$	$	$
31 December 2011									
Segment revenue	4,465,933	6,477,978	3,998,649	2,519,533	6,184,509	-	-	-	23,646,602
Segment result	2,047,180	3,938,185	541,906	(2,797,953)	3,647,561	-	-	(6,929,672)	447,207
Included within segment result:									
Depreciation	429,120	462,435	1,097,612	1,170,598	616,983	-	-	51,806	3,828,554
Direct operating costs	1,989,633	2,077,357	2,359,131	4,146,888	1,919,966	-	-	8,264	12,501,239
Interest revenue	-	-	-	-	-	-	-	581,170	581,170
Income tax expense	-	-	-	-	-	-	-	1,264,473	1,264,473

The following table presents segment assets and liabilities of the Group's operating segments as at 31 December 2012, 31 December 2011 and 30 June 2012:

	Millsell	Steelpoort	Lannex	Mooinooi	Doornbosch	Tweefontein	Northern limb	Other	Consolidated
31 December 2012									
Segment assets	5,167,254	5,996,150	16,346,997	24,657,135	11,959,784	14,266,128	77,075,019	16,950,021	172,418,488
Segment liabilities	410,982	842,904	1,039,401	1,394,600	1,038,509	1,167,597	284,679	26,092,798	32,271,470
31 December 2011									
Segment assets	7,517,587	9,668,867	19,211,451	24,790,699	13,685,304	-	72,277,220	31,157,196	178,308,324
Segment liabilities	412,095	680,718	649,463	920,432	466,898	-	128,136	28,851,680	32,109,422
30 June 2012									
Segment assets	5,967,236	7,935,641	18,530,429	25,654,137	11,271,223	-	75,623,776	32,237,843	177,220,285
Segment liabilities	895,258	916,272	1,104,732	1,897,137	913,309	-	294,126	26,959,258	32,980,092

Notes to the Consolidated Financial Statements for the half year ended 31 December 2012

7. Commitments and contingencies

At 30 June 2012, the Group had capital commitments of $7,988,659 for plant construction and continued plant improvements. Construction of the Tweefontein plant was completed during the reporting period and SDO capital commitments have reduced to $491,221 at 31 December 2012.

All other capital commitments and contingencies remained unchanged at 31 December 2012 since the last annual reporting date.

8. Iron ore assets

On 8 July 2011 Sylvania announced its decision to dispose of a significant portion of its magnetite iron ore assets, subject to shareholder and regulatory approvals. SA Metals and GAU, both wholly owned subsidiaries of Sylvania held the prospecting rights to the magnetite iron ore which are located on the Northern Limb of the Igneous Bushveld Complex.

On 7 March 2012, Sylvania announced that it had entered into a conditional legally binding agreement with Mercury Recycling Group Plc (Mercury) whereby Mercury would acquire the rights to the iron ore assets in exchange for 203,022,285 fully paid ordinary shares in Mercury (Consideration Shares).

On 16 August 2012, the disposal of the Iron Ore Assets was completed and readmission of the enlarged Mercury Group (now renamed Ironveld Plc) to the AIM took place. Distribution of the Consideration Shares to the Sylvania shareholders was also made on 16 August 2012 on the basis that for every Sylvania Ordinary Share held by Sylvania shareholders, 0.675 of an ordinary share in Mercury was received.

	$
Ironveld shares transferred to Sylvania shareholders	
203,022,285 shares at 3.25 pence	10,308,198
Plus/(minus) net liabilities of subsidiaries transferred to Ironveld(i)	73,269
Disposal costs incurred by Sylvania	(388,357)
Profit on disposal	9,993,110
(i) Net liabilities of subsidiaries transferred are reconciled as:	
Assets held for disposal at 30 June 2012	1,343,889
Liabilities held for disposal at 30 June 2012	(36,475)
Intercompany loans/liabilities at 30 June 2012 maintained in the companies on transfer to Ironveld	(1,234,921)
Movement in net liabilities from 1 July 2012 to 16 August 2012	776
Net liabilities at date of transfer	(73,269)

Sylvania also entered into a facility agreement with Ironveld Plc whereby Sylvania (through its South Africa subsidiary, Sylvania Metals (Pty) Ltd) is has made available a loan facility of up to ZAR15 million (approximately $1.8 million) (at 31 December 2012 drawn to $192,726) to Ironveld, the company which holds the Iron Ore Assets (Facility). Ironveld Plc has guaranteed all obligations of Ironveld under the Facility. The funds made available under the Facility will be used to further fund the development of the Iron Ore Assets.

The Facility will mature on 30 June 2016, at which time the amount utilised under the Facility (and all accrued interest) will be repayable. As security for the amount due under the Facility, Ironveld Plc issued to Sylvania warrants to subscribe for

Notes to the Consolidated Financial Statements
for the half year ended 31 December 2012

8. Iron ore assets (continued)

up to £1.5 million ($2.3 million) of ordinary shares in Ironveld Plc at a price equal to the 90 day VWAP on the business day preceding the exercise of the warrants. The Warrants are exercisable only if the Facility is not fully repaid by 30 June 2016 and may be exercised post 30 June 2016 up until the date which is five years from admission (although the Warrants will lapse once repayment has been made). Any proceeds derived from the exercise of the Warrants will be used by Ironveld Plc to repay the Facility.

For so long as any amount remains owing under the Facility, Sylvania has the right to appoint a director to the board of Ironveld Plc. Pursuant to this right, Sylvania has appointed Terry McConnachie (CEO of Sylvania) as a non-executive director of Ironveld Plc. Peter Cox (former CEO of Iron Ore Assets) was appointed a director, and serves as CEO of Ironveld Plc. These appointments became effective on 15 August 2012.

The Company has recognised a profit on disposal of $9,999,314 on completion of the transaction which was calculated based on the difference between the share price of Ironveld Plc multiplied by the number of shares received and the net liabilities transferred to Ironveld Plc plus cost incurred.

9. Summons received from Platmin South Africa (Pty) Ltd

On 13 September 2012 Sylvania announced that a summons was received by the Company regarding a claim being brought by Platmin South Africa (Pty) Ltd (Platmin) (previously known as Boynton Investments (Pty) Ltd (Boynton)), a subsidiary of Platmin Limited, declaring that Platmin as the co-owner of the tailings, or, alternatively, the co-owner of the PGM's contained in the Lannex Tailings Dam situated on the Farm Grootboom in the District of Lydenburg, Mpumalanga, South Africa.

This claim is the same in nature as a motion put before the North Gauteng High Court, Pretoria by Boynton against Sylvania in 2009. On 14 April 2009, Boynton withdrew that application and was ordered by the North Gauteng High Court, Pretoria to pay Sylvania's legal costs including the costs of two legal counsels appointed by Sylvania to oppose the matter.

The Board of Sylvania continues to refute these claims and intends to defend them again vigorously.

10. Events after reporting date

Acquisition of portions of the farms Zoetveld and Grasvally

Sylvania, through a wholly owned subsidiary, Zoetveld Properties (Pty) Limited ("Zoetveld") concluded the purchase of portions of the farms Zoetveld and Grasvally ("the Properties"), located adjacent to Sylvania's proposed Volspruit Mine in the Mokopane District of the Limpopo Province.

In May 2012, Zoetveld Properties (Pty) Limited ("Zoetveld"), a wholly owned subsidiary of Sylvania entered into a partnership deal with a locally empowered company who has submitted an application for the prospecting rights over the area such that should the prospecting rights be granted, 50% of these rights would be swapped for 50% of the surface rights.

In January 2013, the final conditions for this R22 million ($2.5 million) purchase of the portions of the farms Zoetveld and Grasvally ("the Properties"), located adjacent to Sylvania's proposed Volspruit Mine in the Mokopane District of the Limpopo Province were concluded and the 2,817 hectare property was transferred to Zoetveld. As part of the purchase, Zoetveld has accepted the rehabilitation responsibility of the previous holder of the Mining Right at the old chrome mine to the extent of R12 million (~$1.4 million). Sylvania believes that the adjacent Volspruit mine will be able to place its future tailings dams on the existing chrome tailings dams thus transferring the rehabilitation liability. An additional benefit is that it will reduce the environmental impact of the planned Volspruit Mine. The Properties have always been planned to be the site for portions of the Volspruit infrastructure.

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To the members of Sylvania Platinum Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Sylvania Platinum Limited, which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities is controlled at half-year end or from time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the International Auditing Standard on Review Engagements ISRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the accompanying financial report is not presented fairly, in all material respects, in accordance with IAS 34 Interim Financial Reporting. As the auditor of Sylvania Platinum Limited, ISRE 2410 also requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Sylvania Platinum Limited does not present fairly, in all material respects, the consolidated entity's financial position as at 31 December 2012 and its financial performance and its cash flows for the half-year ended on that date, in accordance with IAS 34 Interim Financial Reporting.

Ernst & Young

Ernst & Young
Perth
27 March 2013