

14 August 2009

**Sylvania Resources Limited ('Sylvania' or the 'Company')
(ASX/AIM: SLV)**

Press Release

Sylvania Resources hereby clarifies its position and rights with regard to the Everest North PGM project in the Bushveld complex of South Africa.

Aquarius Platinum ("AQPSA") stated publicly on 11 August 2009 that in its view Sylvania SA had acted unlawfully within the context of an agreement between AQPSA and Sylvania SA signed in May 2005, relating to the Everest North Project ("Agreement") in lodging an application for a mining right in respect of the Everest North project and that Sylvania did so without the authority or knowledge of AQPSA. AQPSA claims that the Department of Minerals and Energy ("DME") has accordingly withdrawn the application.

Sylvania SA is of the opinion that these statements are incorrect and misleading as Sylvania SA had at all times acted strictly in accordance with the Agreement concluded between Sylvania SA and AQPSA. The Agreement expressly authorises Sylvania to apply for a mining right over the Vygenhoek property (Everest North PGM project) as agent for AQPSA. Sylvania has been advised by the DME that the application was withdrawn at the request of AQPSA.

Sylvania SA will not accept any assertions by AQPSA that a breach of contract has occurred under South African law and will insist that all obligations are complied with as laid out in the May 2005 *agreement*.

Sylvania SA has obtained legal advice on the dispute and has initiated urgent arbitration proceedings to attempt to resolve the matter with AQPSA.

Based on this advice, Sylvania SA is confident that the disputes will be resolved in its favour.

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