



A.C.N 091 415 968

SYLVANIA RESOURCES LIMITED
(“Sylvania” or the “Company”) (ASX/AIM: SLV)

HIGHLIGHTS

- **Assessment of a potential JV with Aquarius Platinum.**
- **Harriet’s Wish exploration project acquired – targeting a potential of some 900 000 3E PGM ounces.**
- **Minor impact expected from current power outages.**

Sylvania Presentation Update: The latest presentation regarding the current and future operations of the Company will be available to be viewed and download on the Company's website, at www.sylvaniaresources.com shortly

Sylvania’s management continues to actively assess and review corporate opportunities with the aim of significantly growing the company and shareholder value. While Sylvania’s main area of focus remains tailings re-treatment, Sylvania’s is also acquiring strategic holdings in properties with good potential opencast and near surface platinum resources.

Everest North

Following discussions between Aquarius Platinum (South Africa) “AQPSA” and Sylvania, it has been agreed that the companies will jointly investigate an equitable JV arrangement whereby Sylvania proposes, where permissible, to recover chrome and PGMs from the tailings streams of AQPSA’s operations. If an equitable solution can be agreed Sylvania will elect not to exercise its option to purchase the Everest North project and will return the deposit to AQPSA.



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Negotiations between Sylvania and AQPSA are at an early stage and a further announcement with regard to the timing and operation of the proposed Joint Venture will be made in due course.

An update on Everest North and an estimation of the measured resource is included in the quarterly report of Sylvania to be announced shortly.

Acquisition of Harriet's Wish, Cracow and Aurora from Rustenburg Platinum Mines Ltd

Sylvania and Rustenburg Platinum Mines Ltd ("RPM"), a subsidiary of Anglo Platinum Ltd, have reached agreement on the sale from RPM to Sylvania of a new order prospecting right on the farm Aurora 397LR, and a half share in the new order prospecting right on the farms Harriet's Wish 393 LR and Cracow 391 LR at a price of R2 million, exclusive of VAT. The conclusion of the sale agreement is subject to the approval of the Minister of Minerals and Energy, in terms of Section 11 of the Mineral and Petroleum Resources Development Act 28 of 2002.

The other half share of the new order prospecting right, on the farms Harriet's Wish 393 LR and Cracow 391 LR, is held by a BEE company, Sika Bopha Trading (Pty) Ltd.

Sylvania has paid the full purchase price into an Attorneys Trust Account, which shall be payable to RPM upon Ministerial approval.

The agreement between Sylvania and RPM specifies that RPM has the right of first refusal to any concentrate or further refined product, produced from the properties.

RPM has made all of its geological information on the properties available to Sylvania and Sylvania's technical staff is conducting a review of this information.

Sylvania has assumed, as a contractor to RPM, the responsibility of fulfilling RPM's exploration obligations on the properties until such time as the Section 11 approval is obtained, following which Sylvania will continue with its own exploration program.

The properties occur at the northern end of the so-called Northern Limb of the Bushveld Complex. The Plat Reef, which is mined for PGMs and base metals, occurs on this Northern Limb and satellite imaging has shown that the Plat Reef



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occurs on Harriet's Wish 393 LR. Sylvania believes there is a potential target of some 900 000 3E PGM ounces, with associated base metals.

Eskom Power outages

At this stage all of Sylvania's operations are dump retreatment operations, therefore the affect of Eskom power outages are not as severe as for companies which are involved in mining ore. However, in order to minimize the affect of "rolling blackouts" on the operations, Sylvania has planned to forego the regular weekly maintenance shut down and to schedule maintenance so that it occurs when Eskom power is disrupted by the rolling blackouts. This strategy is helping to minimize the affects of the power outages on production. The power outages however remain a cause for concern and Sylvania are investigating the practicality of installing generators that will prevent pipelines from choking when the power is interrupted without warning.

A handwritten signature in black ink, appearing to read "T. McConnachie".

TERRY MCCONNACHIE
Chief Executive Officer

The technical exploration and mining information contained in this report was compiled by Mr Ed Nealon, a former Sylvania Resources Ltd director. Mr Nealon provides consulting services via his company Athlone International Pty Ltd. Mr Nealon is a member of the Australasian Institute of Mining and Metallurgy and is considered to be a Competent Person in his respective area of expertise pursuant to the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Nealon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Further information please contact:

In South Africa
Terence McConnachie
CEO
Sylvania Resources Limited
(+27 11) 803 7214

James Duncan
Russell and Associates
(+27 11) 880 3924



A.C.N 091 415 968

In Australia
Richard Rossiter
Chairman
Sylvania Resources Limited
(+618) 9324 2955

Mike Langoulant
Company Secretary
Sylvania Resources Limited
(+618) 9481 8711

In United Kingdom
Richard Brown
Ambrian Partners Limited
(+44) 20 7776 6417

or visit our website at www.sylvaniaresources.com