



For immediate release

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Sylvania Platinum Limited
(“Sylvania Platinum”, “Sylvania” or the “Company”
(ASX: SLP, AIM: SLP)

Conclusion of Strategic Review- Bushveld Magnetite Iron Ore Assets

Sylvania Platinum Limited (**Sylvania Platinum** or the **Company**), the low cost Platinum Group Metal (**PGM**) producer and developer, today announces the conclusion of a strategic review regarding its iron assets, which are located on the Northern limb of the Bushveld Complex in South Africa.

The iron assets are currently held by the Company's wholly owned subsidiary, SA Metals Ltd (formerly Pan Palladium Limited) (**SA Metals**), which was acquired by the Company in September 2009. Subject to the receipt of any necessary shareholder or regulatory approvals, the Board proposes to dispose of these assets, in a way that would be beneficial to its shareholders.

The magnetite layers, and in particular the main magnetite layer, of the Bushveld Complex are mined for iron ore and vanadium. The layers occur in the hanging wall of and generally parallel to the platinum and chrome layers across the Bushveld complex.

In 2007, SA Metals identified the occurrence of the main magnetite layer on the farm Nonnenwerth 421 LR which formed part of SA Metals' Aurora Project. Assays of 13 grab samples of the various surface exposures was reported by SA Metals in 2008 as being Fe₂O₃ ranging from 74.1% to 77.8%; V₂O₅ ranging from 0.72% to 1.03% and TiO₂ from 16.3% to 19.2%. (P₂O₅ was <0.01% and SiO₂ averaged 1.4%.

In early 2008, SA Metals excavated 4 trenches on the magnetite layers and assay results of 8 samples were reported in 2008 as 72.6% Fe₂O₃, 1.34% V₂O₅ and 18.6% TiO₂. In 2009, SA Metals completed a 22 hole probe drilling program using percussion drilling to test the grades and presence of the magnetite layers and it was found that 5 intersections of the assumed main magnetite layer on the farm Nonnenwerth returned an average grade of 72.2% Fe₂O₃, 1.16% V₂O₅ and 15.43% TiO₂. The deleterious elements were within acceptable levels for all samples.

The grades stated above are conceptual in nature and to date there has been insufficient exploration to define a mineral resource. It is uncertain if further exploration will result in the determination of a mineral resource.

A review of this work by Sylvania Platinum over the last 12 months has shown that the magnetite layers are present across the entire northern limb properties held by Sylvania Platinum. In those areas where Sylvania Platinum did not hold prospecting rights for the iron ore, it has submitted applications which have since been accepted. This gives Sylvania Platinum a potential 30 kilometer strike of the magnetite layers as indicated by an airborne magnetic survey undertaken by SA Metals.

The Board of Sylvania Platinum has decided to divest its iron assets in order to realise value for them independently and to allow the Company to concentrate purely on the production expansion from its PGM tailings dumps and the development of the Northern Limb PGM and base metal surface mining operations. Sylvania currently has five PGM tailings dumps in operation.



During the course of the previous 18 months, Sylvania Platinum has undertaken a major strategic review to position the Company for the next stage of its production growth. The Directors believe that the decision to divest its iron assets will allow the Company to fully focus on reaching its 2012 financial year production targets which will include successful optimisation of two existing plants, Lannex and Mooinooi, and the development of the Company's sixth plant, Tweefontein. Sylvania Platinum also expects to make significant progress at its Northern Limb near surface PGM and base metal operations. The Company intends to expand its low cost production portfolio by developing shallow, open pit mines on the Northern Limb and treat low grade material using existing technologies to create a PGM product that can be sold to existing refineries with a base metals credit.

Commenting today, Sylvania Platinum's CEO, Terry McConnachie, said, "Sylvania Platinum has had a number of quarters of record production growth from our PGM operations. However, the next stage of our growth is of key importance as we significantly expand our PGM dump operations and begin progress of our surface mining operation towards development. The Company's iron assets are located in a region with established infrastructure and a domestic steel industry in need for feedstock. At present, the Board does not believe any value is being ascribed to the Company's iron assets and considers that it is in the best interests of shareholders for a separate company, run by professionals with experience in magnetite iron, to progress these assets."

Exploration Results

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Eric Roodt, who is a registered professional natural scientist of the South African Council for Natural Scientific Professions. Mr Roodt is employed by Integrated Geological Solutions (Pty) Ltd. Mr Roodt has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Roodt consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Ends

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