

Sylvania Platinum Limited  
AIM (SLP)  
ARBN 147 331 726  
Issued shares: 300,764,896

**27 July 2012**

**Sylvania Platinum Limited**  
**("Sylvania Platinum", "Sylvania" or the "Company")**  
**(AIM: SLP)**

**Update on disposal of Bushveld Magnetite Iron Ore Assets**  
**and**  
**Dividend in Specie**

Further to Sylvania Platinum Limited's (**Sylvania Platinum** or the **Company**) announcements dated 7 March and 23 May 2012, Sylvania Platinum is pleased to announce final details of the distribution to its shareholders of the shares in Mercury Recycling Group Plc ("**Mercury**"), to be received in respect of the sale of the Company's iron ore assets, located on the Bushveld complex, South Africa ("**Iron Ore Assets**").

**Update on disposal of Iron Ore Assets**

As previously announced, Sylvania Platinum entered into a legally binding conditional agreement with Mercury pursuant to which Mercury will acquire the Iron Ore Assets for approximately £13.7 million by issuing 203,022,285 fully paid ordinary shares in Mercury ("**Consideration Shares**"). Mercury has today published the Admission Document containing *inter alia* notice of a General Meeting of Mercury to be held on 15 August 2012.

Subject to the approval of the shareholders of Mercury, completion of the sale of the Iron Ore Assets and re-admission of the enlarged Mercury Group to trading on AIM is expected to occur on 16 August 2012 ("**Admission**").

**Dividend in specie**

As previously announced, conditional on Admission there will be a distribution by the Company to its existing shareholders of the Consideration Shares (the "**Dividend in Specie**").

The Dividend in Specie will be made on the basis that for every Sylvania Platinum ordinary share ("**Ordinary Share**") held, a Sylvania Platinum shareholder shall be entitled to 0.675 of an ordinary share in Mercury.

**Shareholders with Minimum Holdings or in Restricted Territories**

Shareholders on the Sylvania Platinum share register who hold less than 2,000 Ordinary Shares ("**Minimum Holding**"), and any Sylvania Platinum holders who have registered addresses in the United States, Canada and Japan ("**Restricted Territories**") (together, "**Ineligible Holders**") shall not receive Consideration Shares, but will instead receive a cash dividend based on the equivalent value of the Dividend in Specie ("**Cash Dividend**").

Sylvania Platinum will, following Admission, sell the Consideration Shares due to Ineligible Holders, being approximately 64,872 Consideration Shares in aggregate based on the Company's share register on the trading day before the date of this announcement, so as to satisfy the Cash Dividend payable to those shareholders. The proceeds of such sale, net of expenses, will be paid to Ineligible Holders in Sterling, other than in the case of Australian resident holders who will be paid in A\$.



Fractional entitlements of Consideration Shares which otherwise would have arisen will be sold for the benefit of Sylvania Platinum.

### **Timing of Payment**

The Dividend in Specie (and the Cash Dividend in respect of Ineligible Holders) shall be payable to those shareholders of the Company who are on its register as at 15 August 2012. Sylvania Platinum shares will be marked ex-dividend on 16 August 2012.

Payment of the Dividend in Specie will be on 16 August 2012. CREST accounts will be credited on 16 August 2012 and, where applicable, definitive Mercury share certificates will be dispatched by no later than 30 August 2012.

Ineligible Holders will receive a Cash Dividend as soon as their entitlement can be sold on-market and the cheques distributed to those holders.

### **Placement**

As noted in the Company's previous announcements of 7 March and 23 May 2012, Mercury has completed a placement of shares, the proceeds of which will be used to fund the development of the Iron Ore Assets and for general working capital requirements ("**Placement**"). Mercury has advised that the Placement of 44,444,444 fully paid ordinary shares at 6.75 pence for each share has now been completed conditional on, inter alia, Admission, and will result in gross proceeds of approximately £3 million being raised.

### **Loan Facility and Warrants**

In addition to the funds raised by the Placement, Mercury and Sylvania Platinum have entered into a facility agreement whereby Sylvania Platinum (through its South African subsidiary, Sylvania Metals Pty Ltd) will provide a loan facility of up to ZAR 15 million (approximately £1.2 million) to Ironveld Holdings Pty Ltd, the company which holds the Iron Ore Assets ("**Facility**"). Mercury has guaranteed all obligations of Ironveld under the Facility. The funds to be 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 need to be repaid. As security for the amount due under the Facility, Mercury has agreed on Admission to issue to Sylvania Platinum, warrants to subscribe for up to £1.5 million of ordinary shares in Mercury at a price equal to the 90 day VWAP on the business day preceding exercise, ("**Warrants**"). The Warrants are exercisable only if the Facility is not fully repaid by 30 June 2016 and may be exercised up until the date which is 5 years from Admission (although the Warrants will lapse once repayment has been made). Any proceeds derived from exercise of the Warrants will be used by Mercury to repay the Facility.

For so long as any amount remains owing under the Facility, Sylvania Platinum has the right to appoint a director to the board of Mercury. Pursuant to this right, Sylvania Platinum will appoint Terry McConnachie (CEO of Sylvania) as a non-executive director of Mercury. Peter Cox (currently CEO of Iron Ore Assets) will also be appointed a director, and will serve as CEO of Mercury. These appointments will take effect upon Admission.

**Ends**

### **CORPORATE INFORMATION**

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