



High-margin, low-risk PGE Producer

TM McConnachie, MD
Royal Bank of Canada
Presentation

October 2009

www.sylvaniareources.com

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- Key drivers:
 - **Business model**
 - High-margin, low risk surface dump processing operations and shallow opencast mines
 - **Future**
 - Growth facilitated by access to down stream smelting and funded by strong cash flows and balance sheet
 - **People**
 - Relevant experience with track record in value creation
 - **Sector**
 - PGM market fundamentals remain positive

Sylvania Corporate Profile

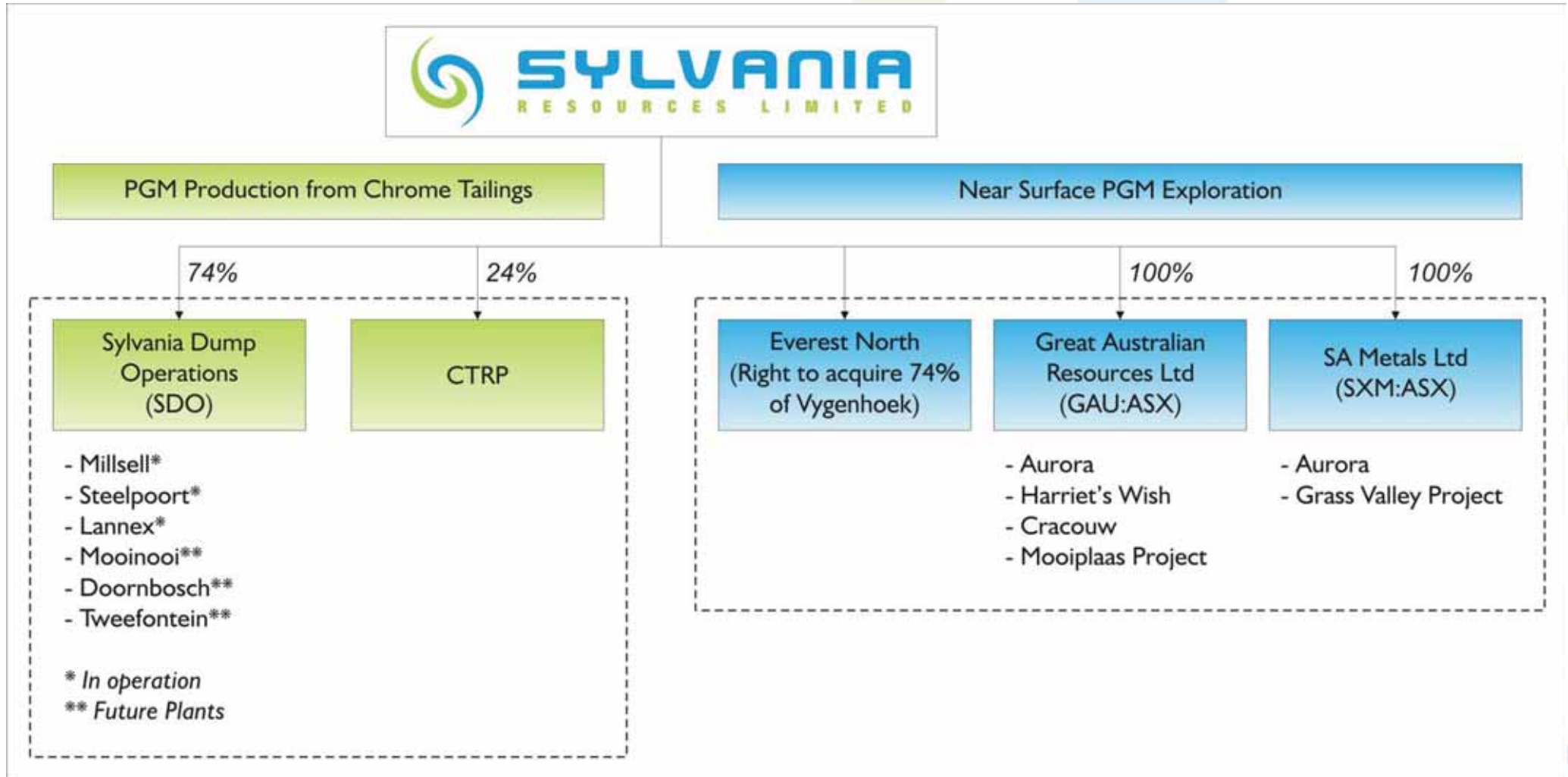


- South African tailings dump and opencast platinum group metals producer
- Shares in issue: 217m
- Market Capitalization: A\$277m
- Largest Shareholders *
 - Audley Capital Advisors – 16.69%
 - Henderson Global Investors – 8.70%
 - JP Morgan Asset Management – 6.49%
 - Credit Suisse – 4.18%
 - UBS AG Market Maker / Principal Trading – 4.17%
 - Jo Hambro Capital Management – 3.52%
 - UBS Ag – 3.14%
 - Citibank Hong Kong – 2.98%
 - European Clearing – 2.70
 - New Star Asset Management – 2.49
- Cash A\$23m, no debt*
- Acquisition of more surface and near surface resources underway

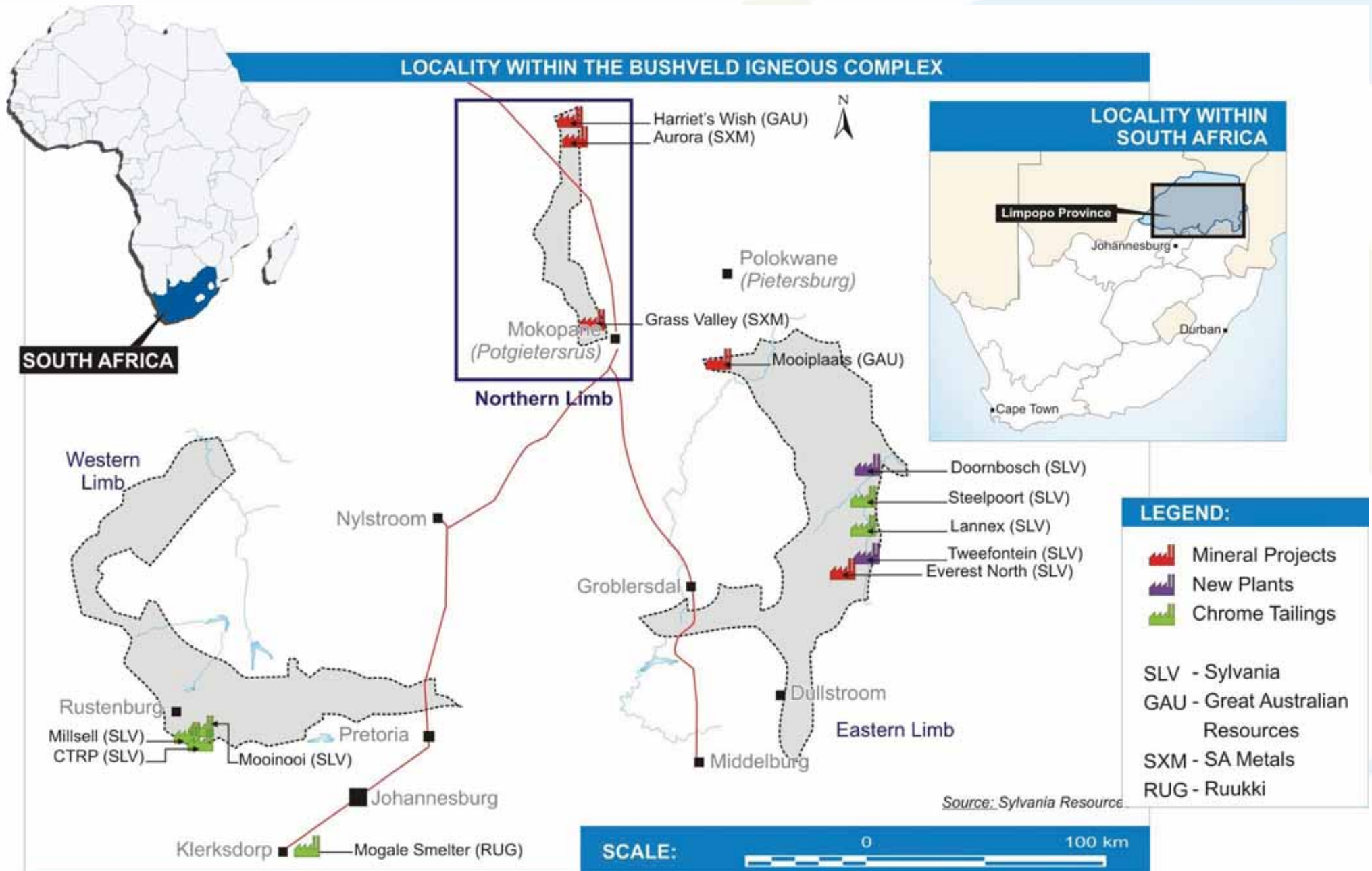


*31st August 2009

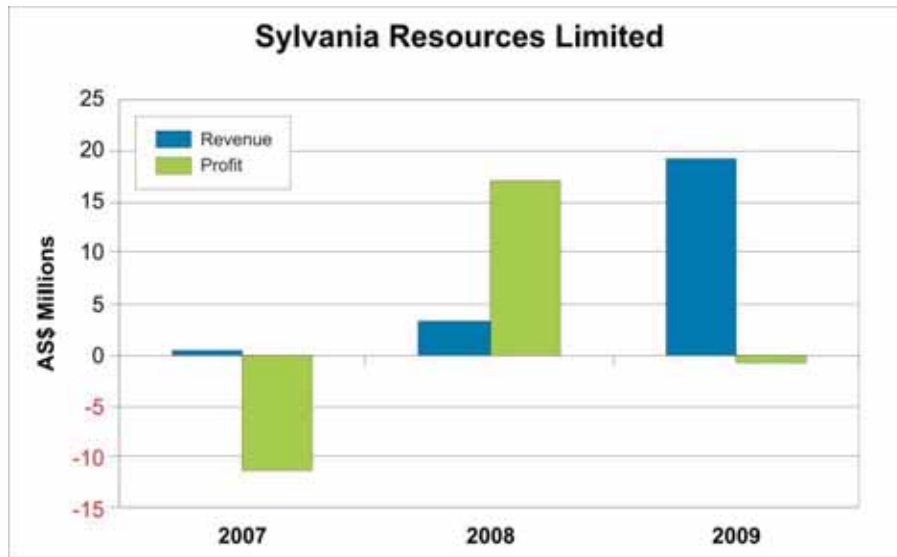
Sylvania Corporate Structure



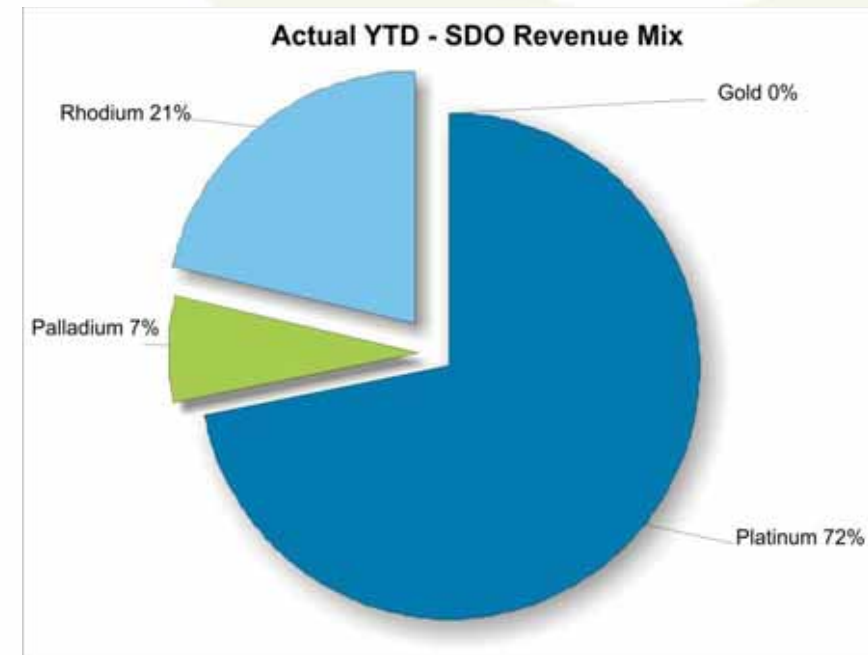
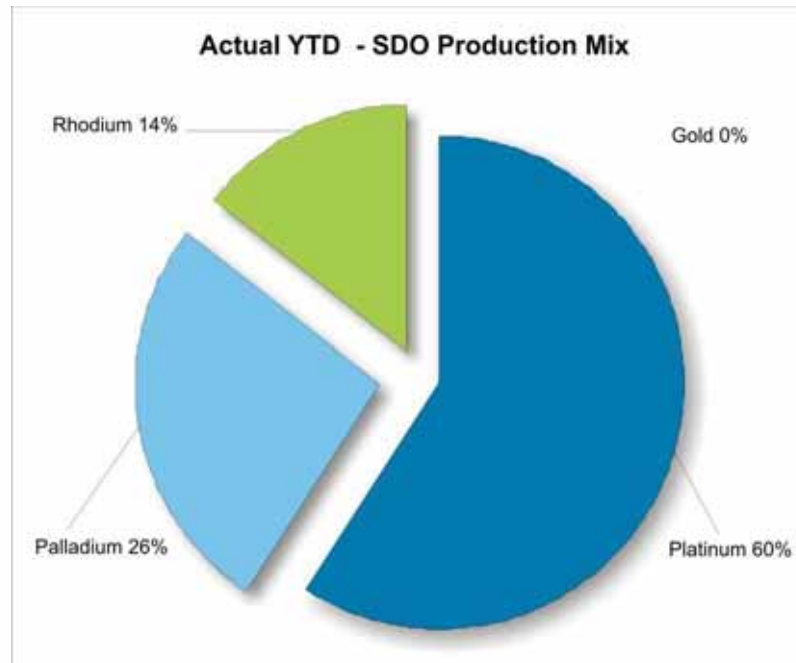
Locality



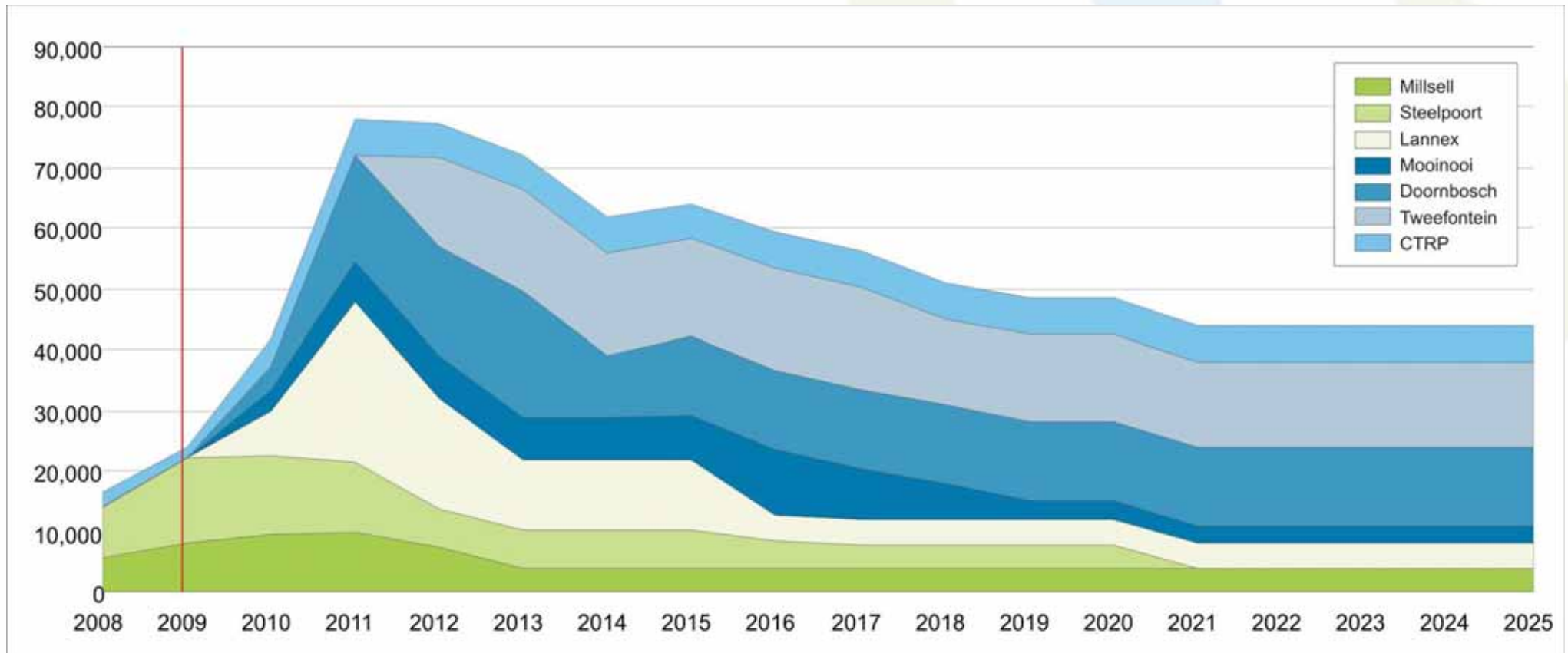
Performance to profit by year



FUNDAMENTALS		
	2008	2009
Basket Price US\$/oz	2626	881
Our cost/oz	408	440

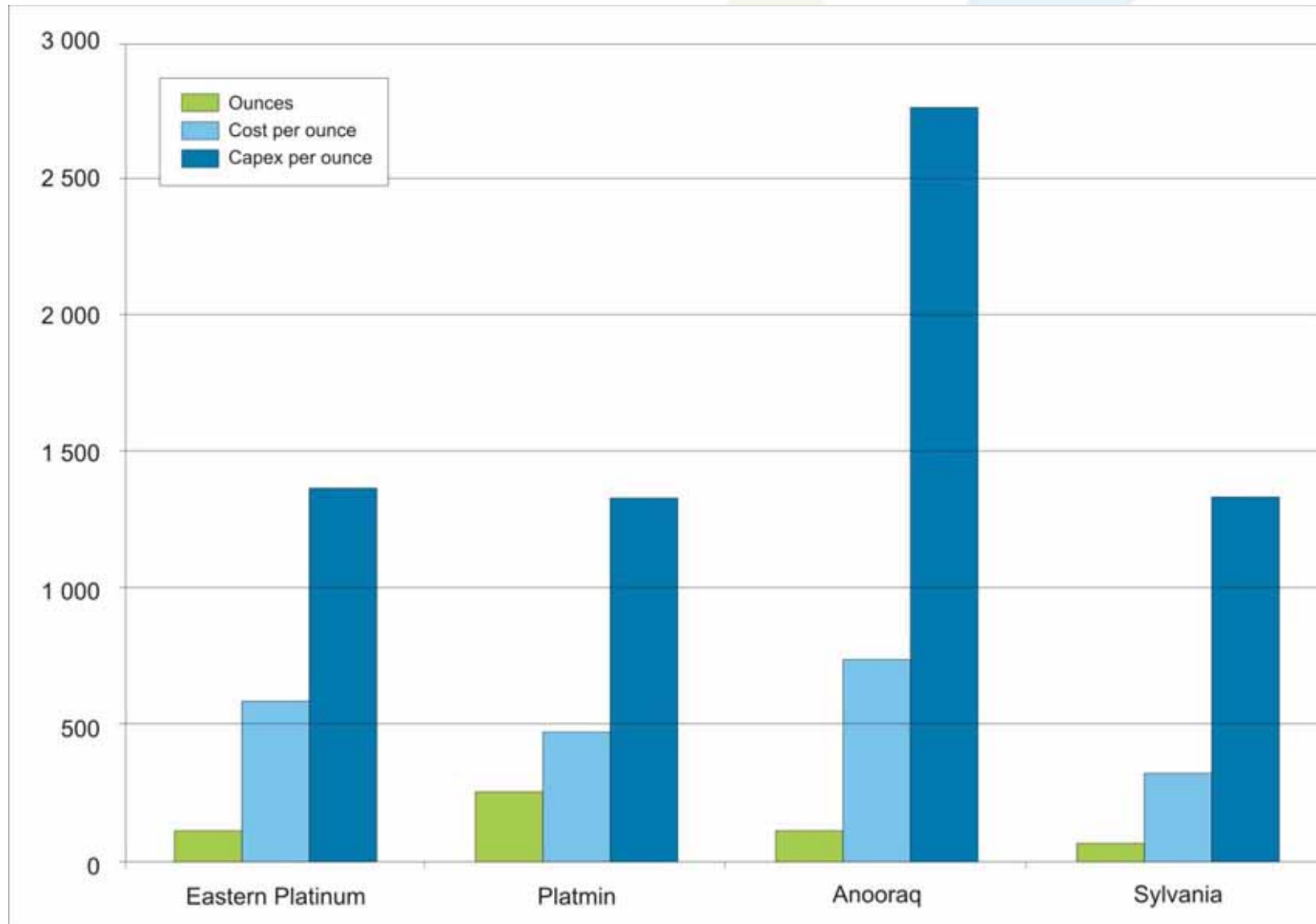


Sylvania Resources Project Ounce Profile



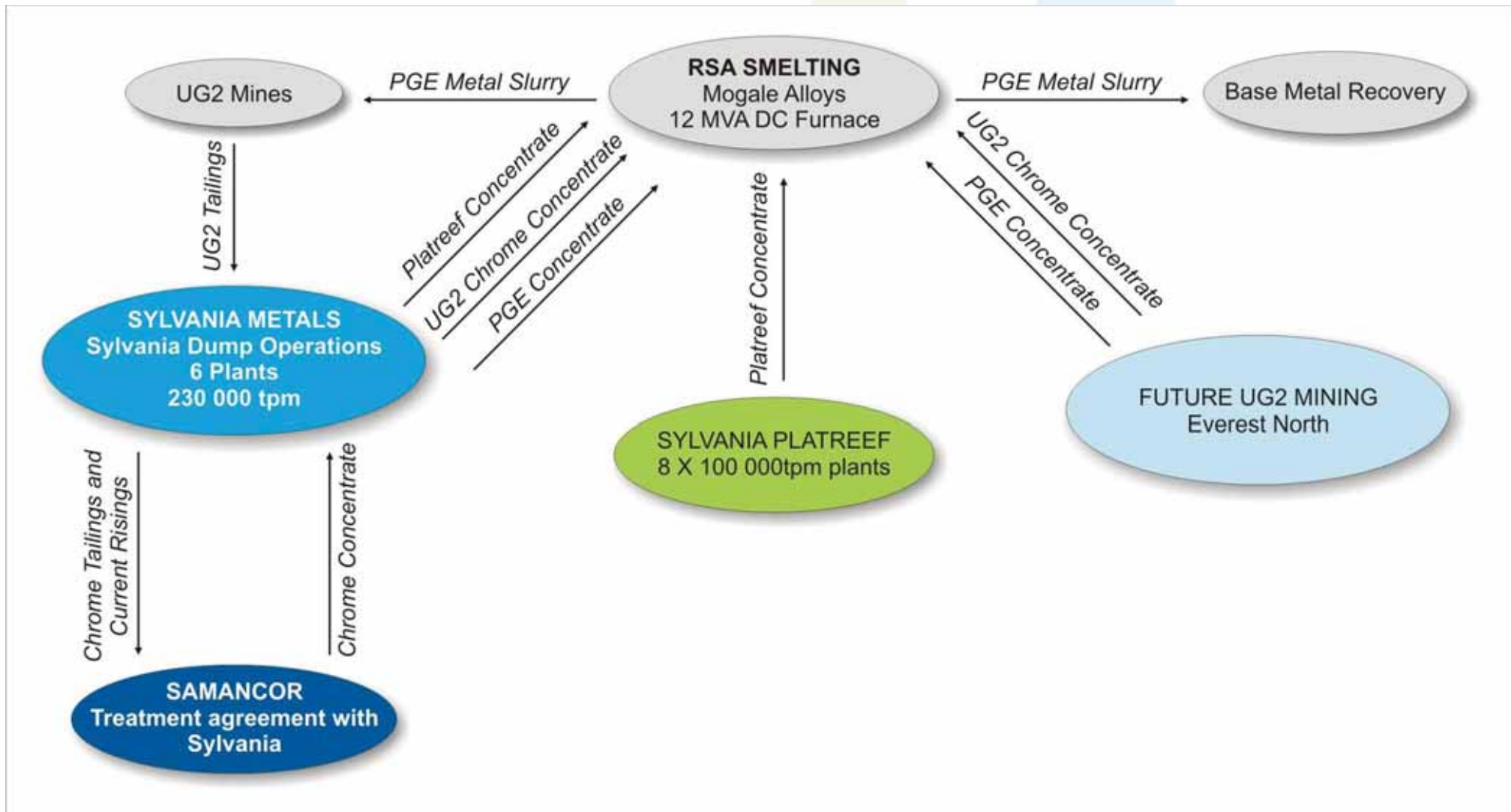
Cost Comparison to other start-ups planned position by 2011

Total Capex 2009 – 2011 against ounces in 2011



Source: Based on RBC-Report

Create an Integrated PGE Metals Company



- Values produced by floatation of low-grade PGE material cannot be processed by current conventional smelters
- Sylvania believes using DC-smelting technology can unlock values to low PGE-grade mineral resource projects and concentrates
- Apply direct DC-furnace technology from existing Mogale 12MVA Furnace

- Processing of PGE Concentrate Sources
 - Phase 1 - PGE ore sources from dams and UG2 feed
 - DC smelting of metal alloy and leach process
No roasting required due to low sulphur and low base metals (normal wet scrubber and air cleaning)
 - Phase 2 – PGE majority sourced from Platreef (High Sulphur)
 - DC smelting to produce a metal matte followed by a base metal recovery
 - No roast required but will require acid production

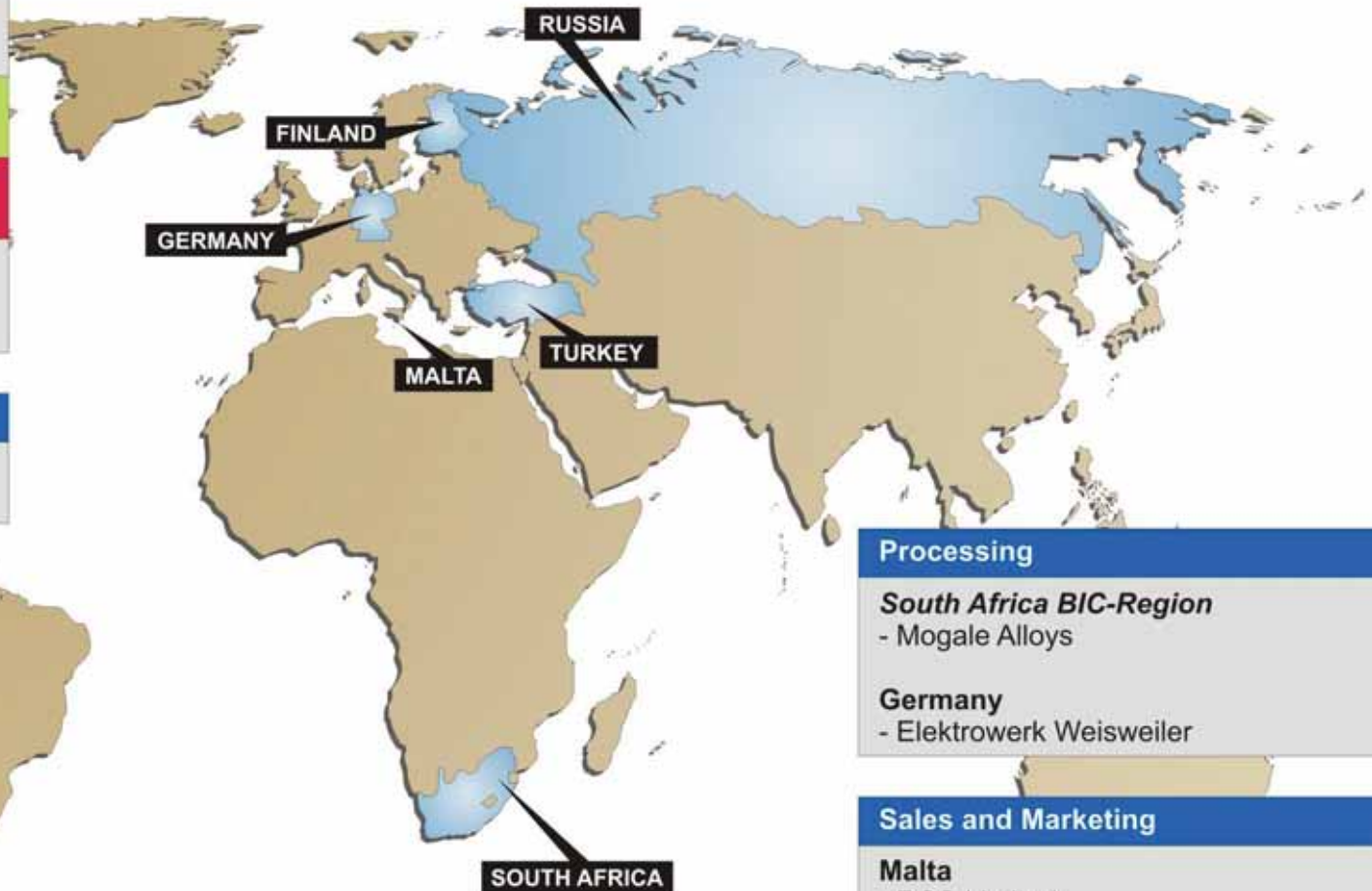
The Proposed Ruukki Transaction

- Announcement for Ruukki to acquire 100% of Sylvania
 - 1.81 Sylvania shares for 1.0 Ruukki share
- Unanimous recommendation by the independent directors of Sylvania
 - In the absence of a superior proposal and subject to confirmation from an independent expert that the scheme is in the best interests of shareholders
- Transaction to be implemented by way of an Australian law governed scheme of arrangement
- Latest time for completion of the scheme of arrangement is April 2010

Proposed Merged Group Structure

PGM Resources	
South Africa BIC-Region	
Hard Rock	
- Everest North	
- Grass Valley	
- Aurora	
- Mooiplaas	
- Hacra	
Tailings Dumps & Risings	
- Sylvania Dump Operations	
- Chrome Tailings Retreatment Project	
FeCr Resources	
Turkey	
- Turk Maadin Sirketi	

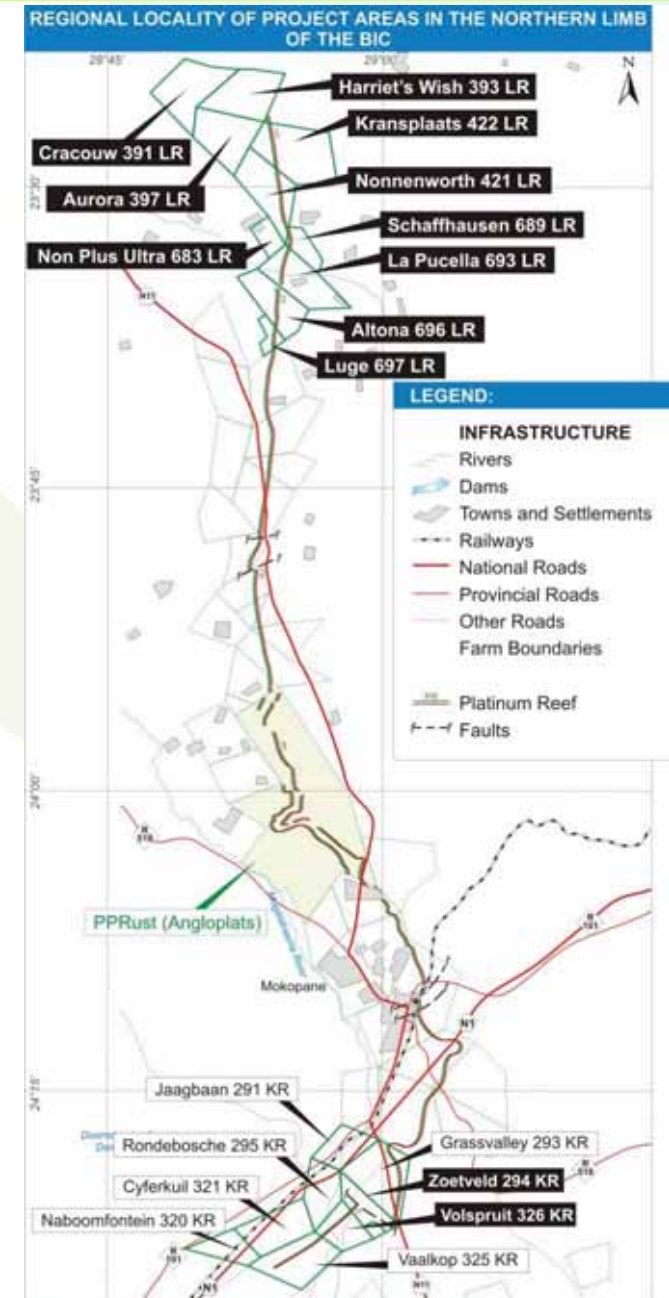
LEGEND:	
	Ruukki
	Sylvania
	SA Metals
	Great Australian Resources



Processing	
South Africa BIC-Region	
- Mogale Alloys	
Germany	
- Elektrowerk Weisweiler	
Sales and Marketing	
Malta	
- RCS Limited	
Head Office:	
Finland	
- Ruukki Group Plc	

Sylvania Platreef Resource Target (incl Resources)

- Wide Mineralised Ore Zone (presently exploited by PPRust Angloplats)
- Low cost open pit mining
- Modular plants 100 000t/pm
- Phased roll-out of plants ensures



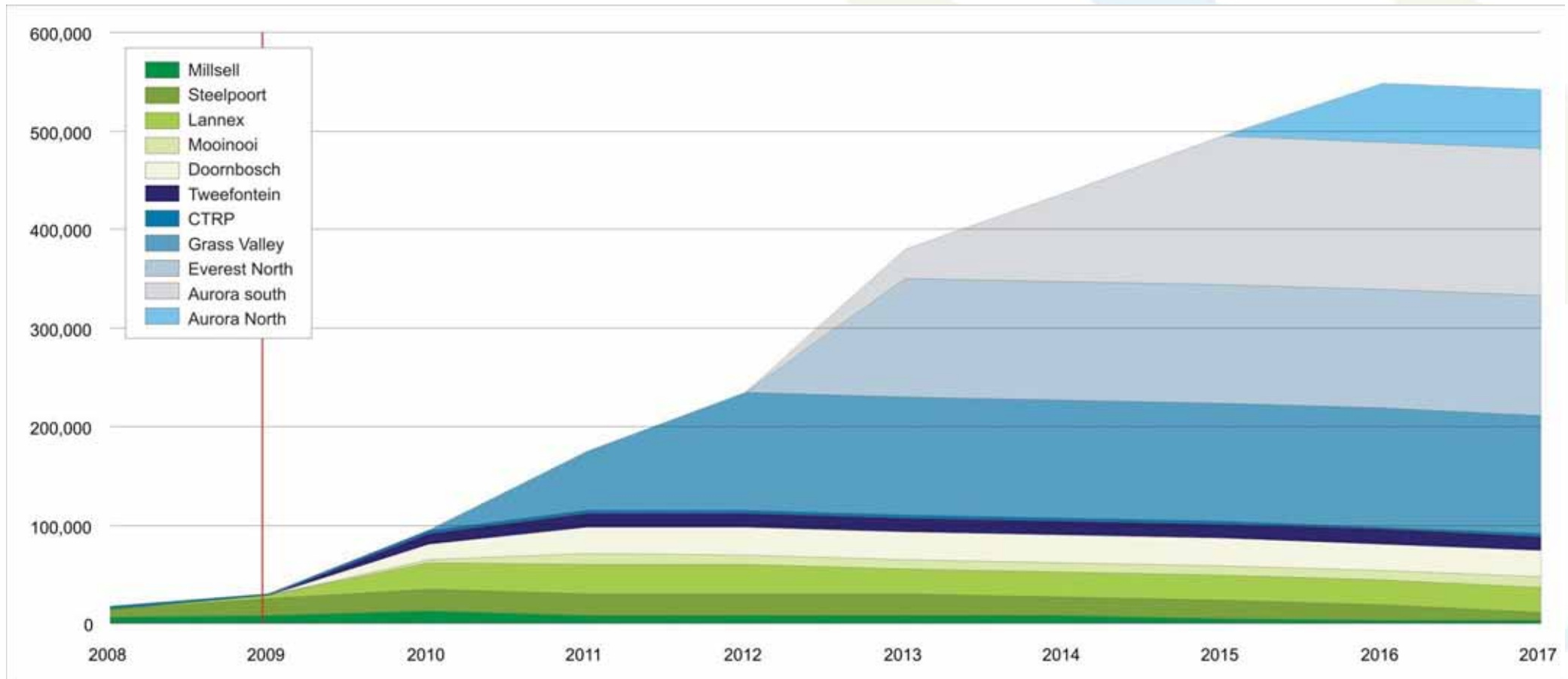
Mineral Resource	Grasvalley*	Aurora*	Harriet's Wish**	Ave
tons (millions)	71	133	20	224
PGE (g/t)	1.23	1.34	1.08	1.28
Ni	0.11%	0.05%	0.05%	0.07%
Cu	0.03%	0.08%	0.08%	0.06%

*All figures quoted are estimates based on data published by Pan Palladium

** All figures quoted are internal estimates of exploration target

Sylvania – Growing into the Future

Conceptual Production



- Experienced board focused on value creation
- Committed and talented employees and contractors
- SHE-driven culture
- Empowered
 - Ehlobo Metals (Pty) Ltd

Leading SA mid-tier PGM producer

Low-risk tailings and shallow mining assets

Terry McConnachie



- Managing Director
- Mining
- Entrepreneur

Louis Carroll



- Finance Director
- Finance

Richard Rossitier



- Non-executive Chairman
- Geology
- Banking

Alastair Ruiters



- Non-executive Director
- Public / Private Sector

Grant Button



- Director
- Corporate

- Vehicle Sector remains key demand driver
 - New ventures for growth – auto sector in BRIC countries
 - Euro IV legislation imposed in Shanghai, Beijing, Guangzhou
 - Euro V by end 2009 in Europe – new vehicles will need to be compliant
- Supply constraints expected to restore balance
 - With potential for future deficits as demand revives and inventories are depleted

Attractive Valuation

- Recent Research Reports
 - Ambrian (Nomad);
 - RBC Capital Markets;
 - Investec Securities;
 - Mirabaud;
 - Edison Investment Research;
 - Evolution Securities;
 - Fat Prophets;
 - Hogan & Partners; and
 - Veritas Securities.
- Lowest Cost Producer
- Buy Recommendations
 - Ambrian
 - Investec Securities;
 - Mirabaud;
 - Hogan & Partners; and
 - Veritas Securities.



- Dump Operations
 - Dump operations are profitable
 - From 5 x 37 000 ton plants and 1 x 70 000 ton plant
 - At a steady state of 80 000oz/yr
- Develop the Platreef Resources to produce 376 000oz/yr
 - From 8 x 100 000 modular plants
 - From opencast, low-stripping ratio operations
- Develop Everest North to produce 51 000oz/yr
- Gain access to smelting technology
 - 12 MVA DC Furnace at Mogale
- Track Record

- Business Model
 - High margin, low costs and low risks
- Future
 - Growth funded by robust cash flows
- People
 - Growth orientated and experienced team
- Sector
 - Positive PGM Fundamentals
- Attractive Valuation



High-margin, low-risk PGE Producer

Annexures Only

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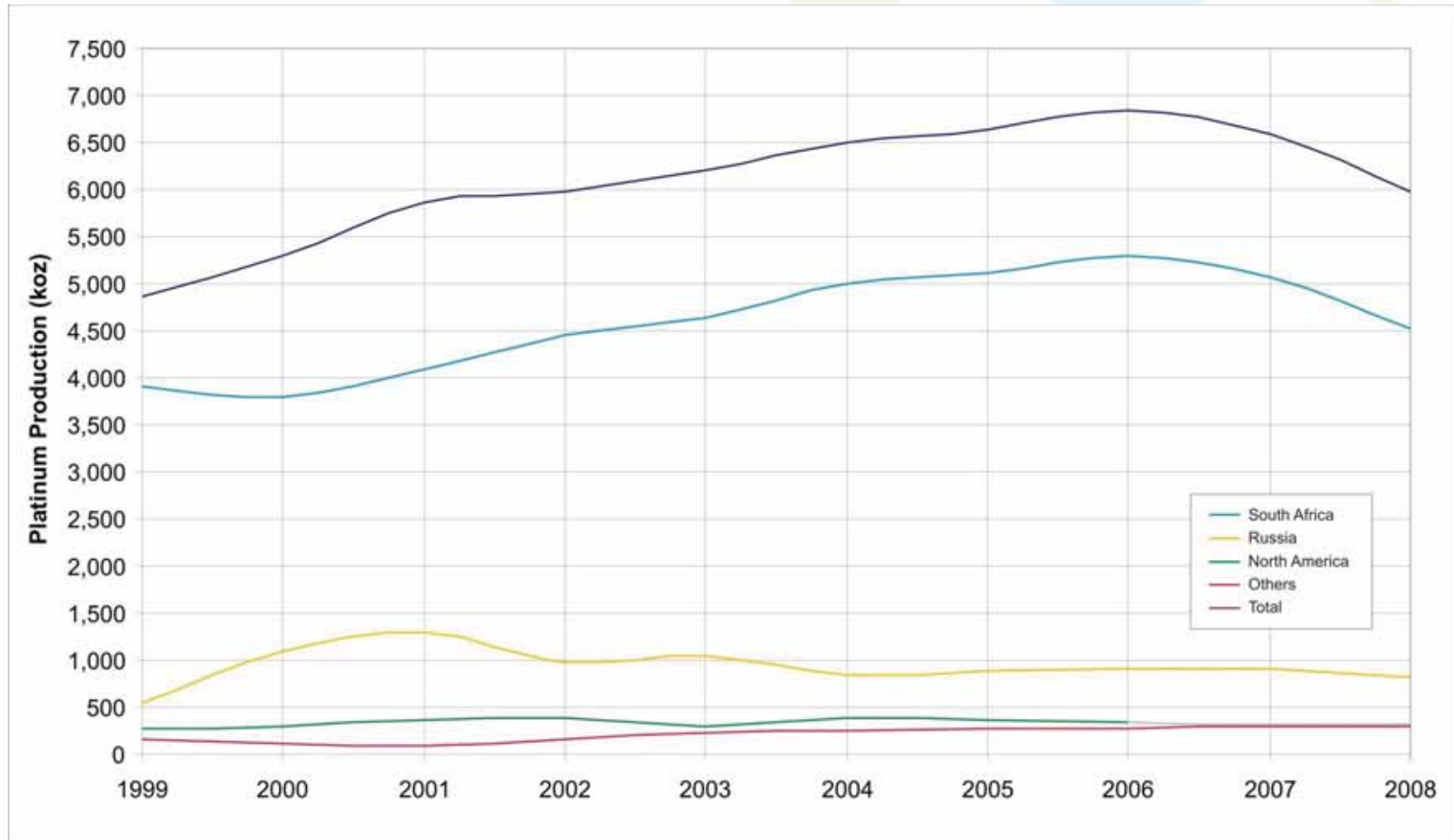
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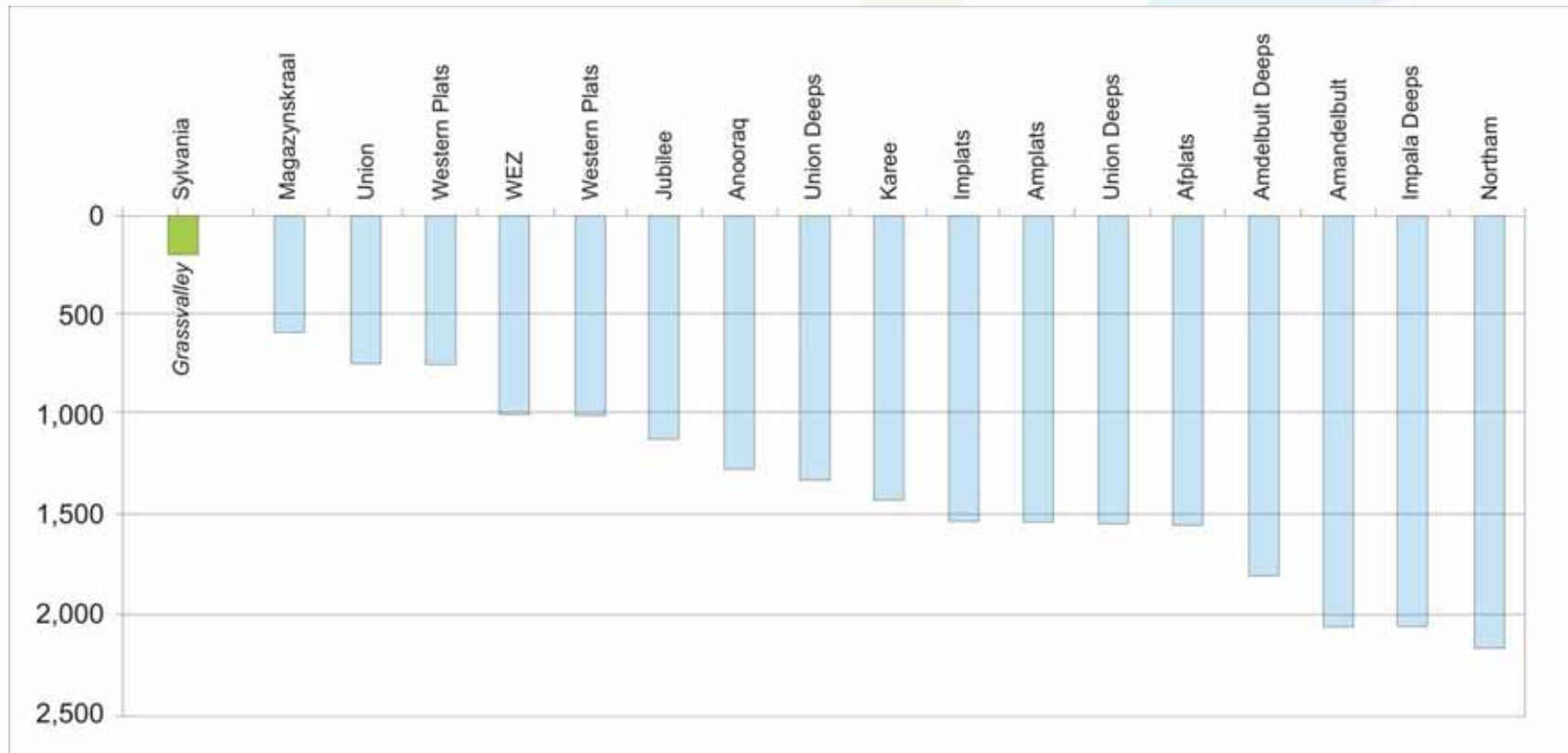
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Platinum Production Trends from 1999 - 2008



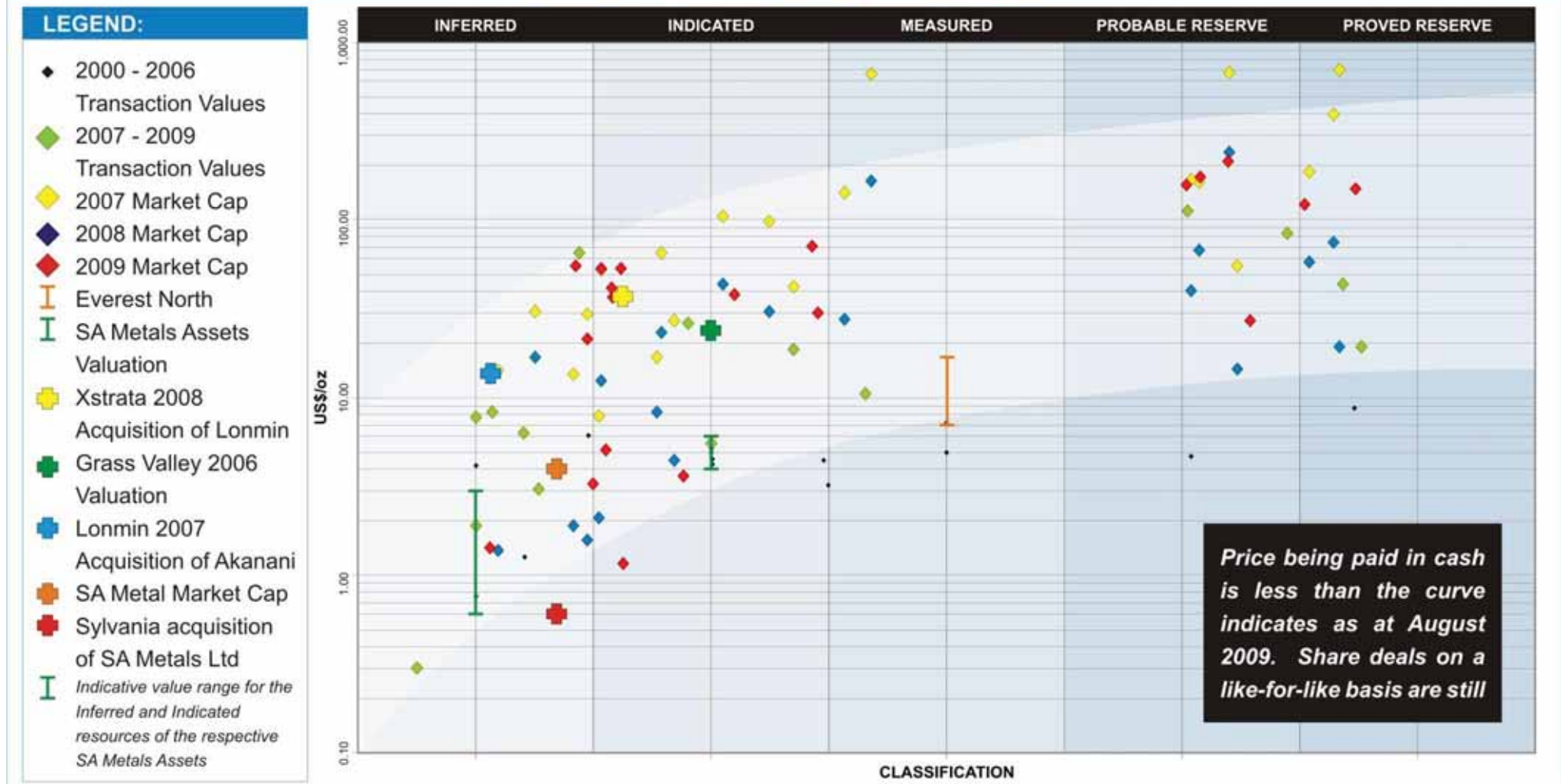
Annexure II – Mining Depths



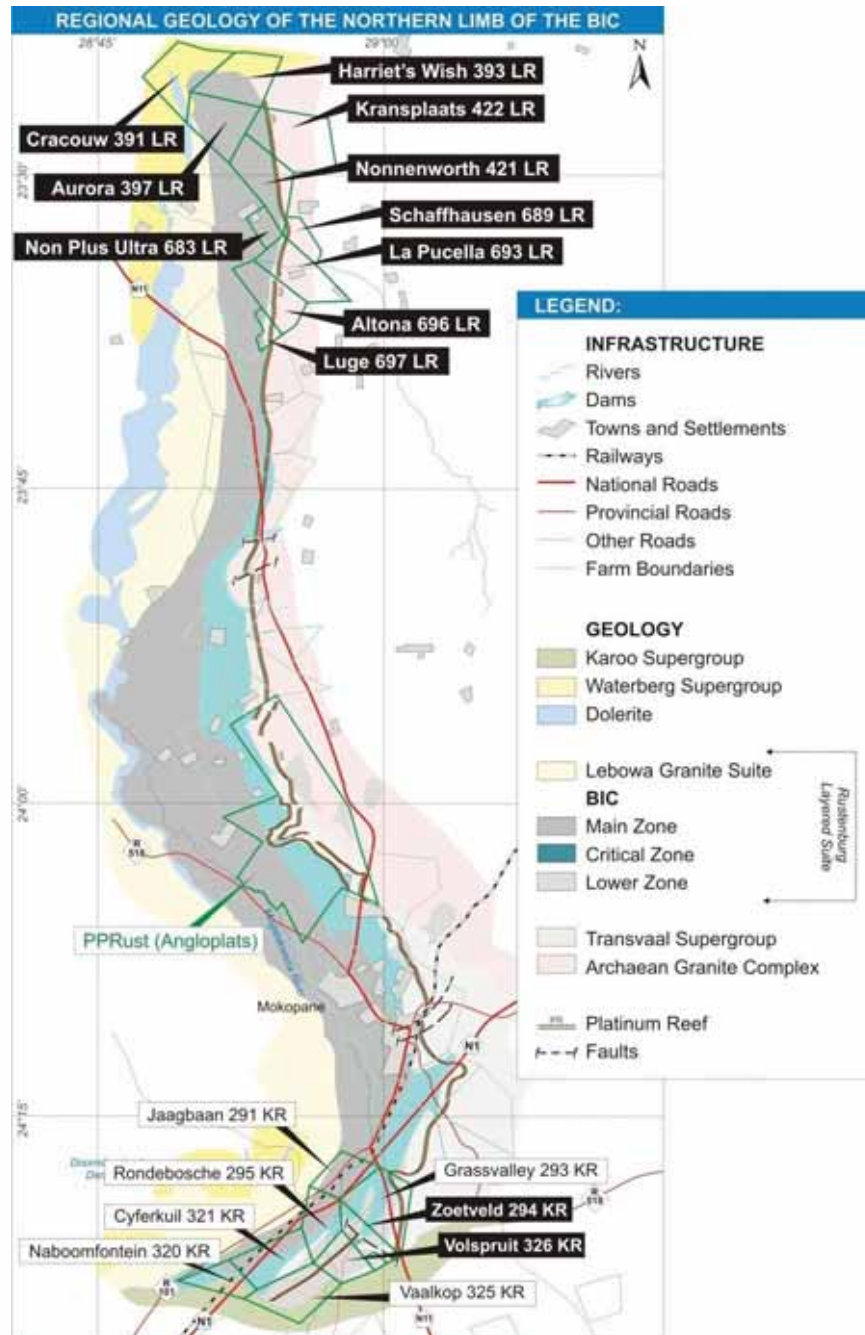
- The opencast operations compares favorably with mainstream operations which currently average depths of around 1,400m
- Majors' new shafts averaging 1,800 – 2,200m depth

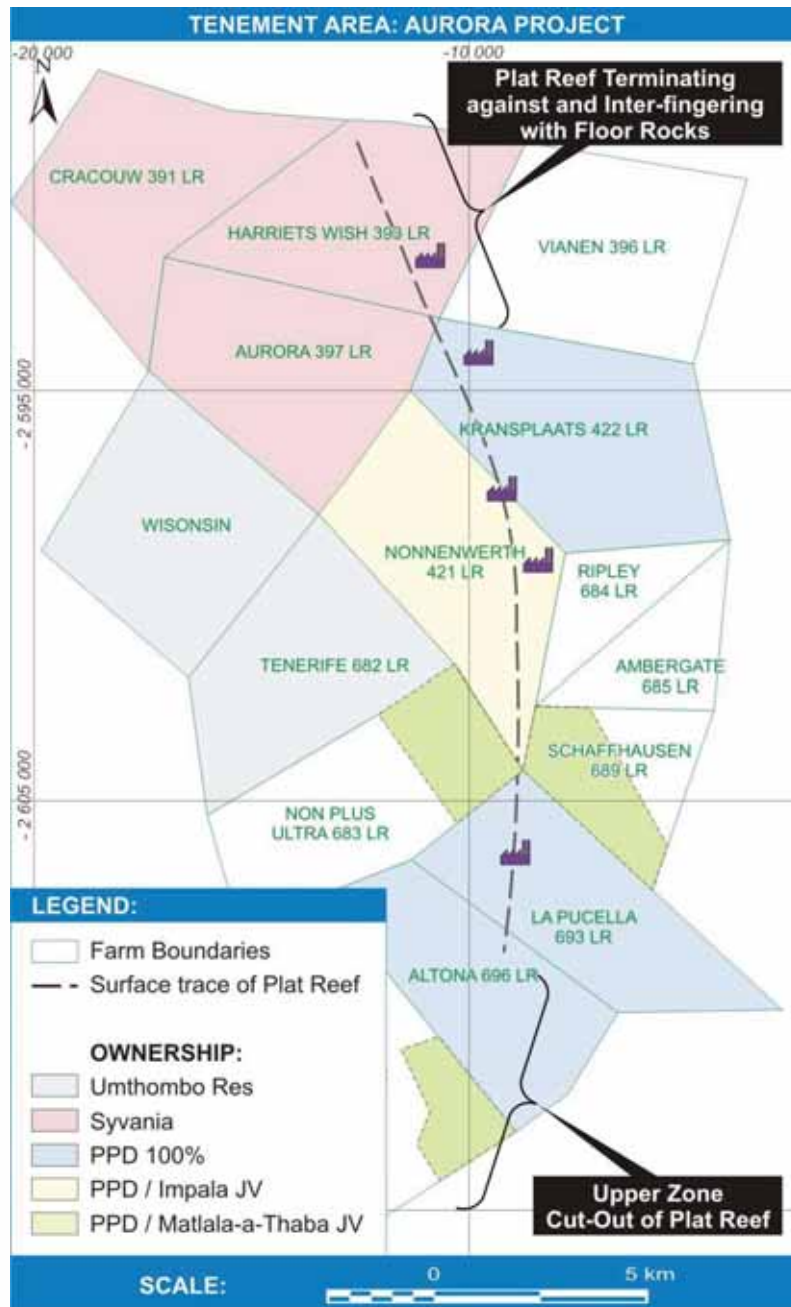
Annexure III – Transaction Values of Sylvania's New Acquisition

PLATINUM VALUATION CURVE FOR AUGUST 2009



Annexure IV – Platreef Properties





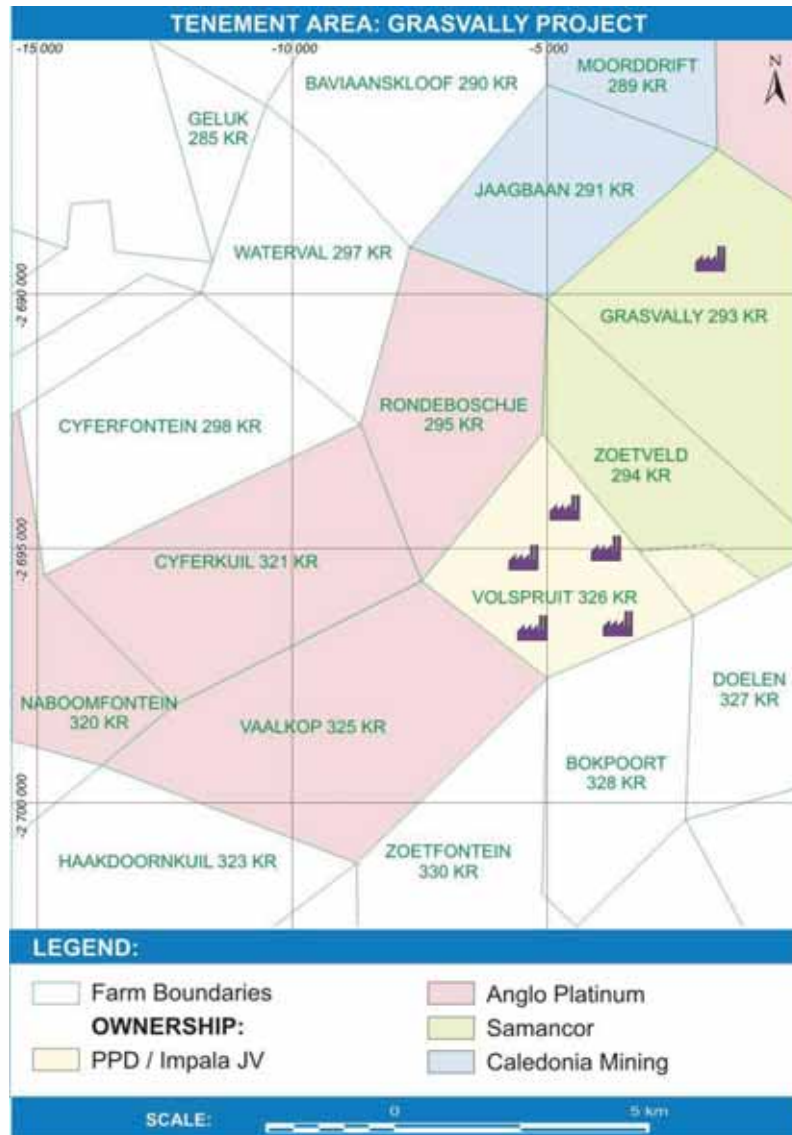
Aurora / Harriet's Wish

- Platreef (*Estimated grades only*)
 - 168 million tons
 - 1.34g/t – 6.7 million ounces
 - 0.05% Ni – 78 000 tons Ni
 - 0.08% Cu – 139 000 tons Cu
- Potential for significant iron ore and vanadium resources as secondary project (*Estimated grades only*)
 - Fe_2O_3 – 72.6%
 - V_2O_5 – 1.34%
 - TiO_2 – 18.6%

Annexure VI – Southern Platreef Project

Grassvalley

- 71 Million tons (*Inferred & Indicated Resources*)
- 1.23 g/t (2e+Au) – 3.4 million oz
- 0.11% Ni – 100 000 tons Ni
- 0.03% Cu – 28 000 tons Cu

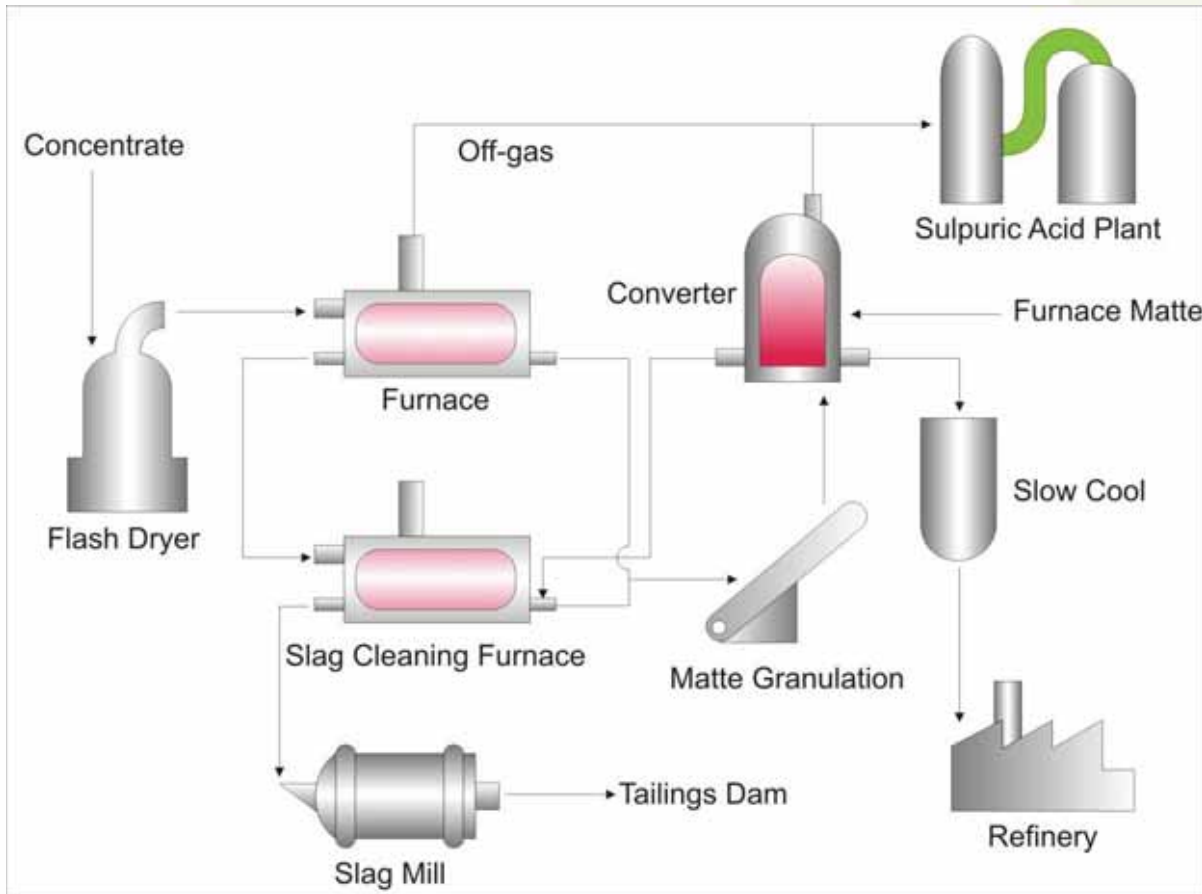


Requirements for Smelting Projects

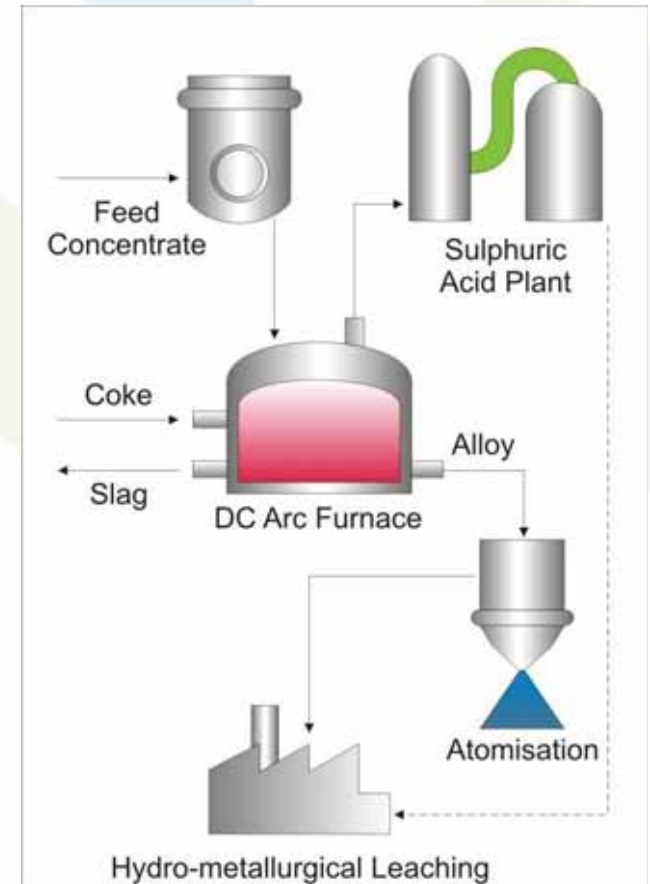
- Convert 12 MVA DC Furnace to smelt PGE's
 - Estimated cost of conversion R300m
- Base Metal Removal Plant
 - Metal Atomiser or granulator estimated to cost R50m
 - Converter or Hydro-metallurgical removal of iron and base metals
 - Plant will cost an estimated R250m

Annexure VIII – Platinum Smelting

Conventional Smelting



DC Smelting



Annexure IX – Platinum Smelting

- Sylvania believes that DC arc smelting is applicable for low grade concentrates derived from Platreef type ore bodies.
- Sylvania has access to DC arc smelting technology at Mogale.
- Sylvania is investigating downstream processing opportunities for the metal alloy or metal matte produced by DC arc smelting.
- The properties held in Great Australian and SA Metals have a 25 year life if mined at a rate of 12 million t/pa giving potential annual production of:
 - Conservative PGE production potential 376 000 oz/pa (Current dump operation steady state 90 000 t/pa)
 - Ni = 5 880 tons
 - Cu = 5 040 tons
- This would require 3 x 12 MVA DC furnaces.

Platreef Project Plan

- Complete Bankable Feasibility 12 months
- Mining licence application 1 year
- Construction 9 months
- 15 year life will give the following annual production
 - Tons mined 12 million
 - PGE 376 000 oz/yr (Position company above AQPISA 196 000 ounces and between Northam 362 000 ounces and Lonmin 1 489 000 ounces)
 - Ni 5 880 tons
 - Cu 5 040 tons
- This production would require 3 X 14 MVA DC furnace's
- Smelting concentrate increase revenue from 80% of LME to 95% of LME
- Smelting cost approximately 6% of LME

Based on internal estimates

Capex and time scale for Platreef Project

- First 100 000t feed plant planned for 2011 on Southern Project
 - Produce 37 600 ounces of platinum per annum (3 100 oz/m)
 - Ni = 588 t/pa
 - Cu = 504 t/pa (from 100 000 t/m)
- Business Plan
 - Continue building a new 100 000t plant every 9 months
 - Opencast mining only, reef widths (50m in South & 20m in North) allow for deep open pits at low stripping ratios
 - Outsourced opencast contractor
 - Mobile crusher and screens
 - **ONE PLANT DESIGN TO BE USED** (Cookie cutter-model)
- Capex forecast at ZAR185m per 100 000t production unit
- Opex estimated a A\$301ounces (excluding base metal credits)

Based on internal estimates

Platinum Summary

- Based on:
 - 75% Recovery of PGE's and 80% of LME (US\$1,200/oz) and 70% recovery of Base Metals and 70% of LME and an exchange rate of 9 ZAR/US\$
- This project will yield the following returns per plant
 - Production
 - 37 600 ounces per plant per annum
 - 588 tons of Nickel per plant per annum
 - 504 tons of Copper per plant per annum
 - Financial
 - US\$ 41.5 million turnover per plant per annum
 - US\$ 28.7 million profit per plant per annum
- Total Project will take 10 years to full production and at full production would yield
 - 376 000 ounces per annum
 - US\$ 287 million profit per annum

Based on internal estimates