



March 2008

Turning vision into reality



Profile

Sylvania Resources Limited (Sylvania) is a fast-growing platinum group metals (PGM) producer with tailings retreatment operations and shallow mining exploration interests located on South Africa's PGM-rich Bushveld Igneous Complex (BIC).

Well resourced in respect of both metallurgical and engineering expertise, the company's medium-term focus on surface tailings retreatment, and shallow mining in the longer term, positions it strongly as a low-risk, low-cost and high-margin PGM producer compared to its underground peers.

The nature of Sylvania's business makes it less dependent on and demanding of scarce national resources such as power and water. In addition, its deposition of retreated tailings is to the highest and most modern standards, with consequent long-term benefits for the environment.



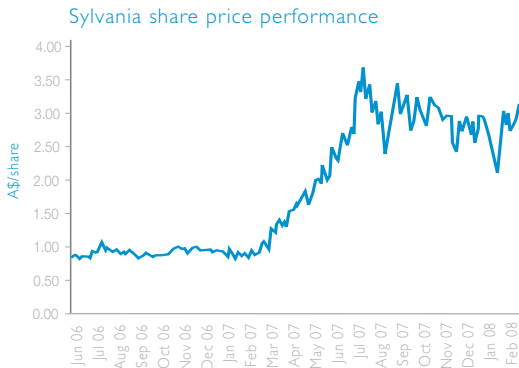
The company is committed to the spirit and intent of South Africa's Mining Charter. Its chosen Black Economic Empowerment (BEE) partner, Ehlobo Metals (Pty) Limited (Ehlobo), headed by former South African director-general of trade and industry Alistair Ruiters, owns 26% of Sylvania's tailings retreatment business.

Sylvania is listed on the Australian Securities Exchange Limited (ASX: SLV) and was recently admitted to the S&P/ASX300 Index. It is also listed on the Alternative Investment Market of the London Stock Exchange (AIM: SLV).

The company has some 176 379 273 shares in issue and numbers amongst its top shareholders Audley Capital, Fidelity, JP Morgan, Odey Asset Management and Aegon. The share price enjoyed spectacular performance during calendar 2007 and subsequent consolidation in early calendar 2008.

At 22 February 2008 the company's market capitalisation on the ASX was A\$531 million and on AIM, £245 million.

Sylvania reported a 74% quarter on quarter increase in production to 3 567 PGM oz for the quarter ended 31 December 2007, and a 36% increase in profit to R21.7 million.



Steelpoort site



Vision

Sylvania's vision is to become the pre-eminent, South African mid-tier PGM producer as measured by its stakeholders, using its metallurgical and engineering expertise to acquire and develop low-risk tailings and shallow mining assets.

Board of directors

Richard Rossiter, non-executive chairman

Richard began his career as a geologist with General Mining Union Corporation, later Gengold, in South Africa, subsequently qualified in mine management and held various production management and business development roles. He joined the financial sector as a mining analyst with Fleming Martin and then moved to Australia as head of resource sector research at Macquarie Bank and JP Morgan. More recently, he was responsible for corporate advisory, mergers and acquisitions and divestments at Pacific Road Corporate Finance and Standard Bank (Australia).

Alistair Ruiters, non-executive director

Alistair is a founder of Ehlobo Holdings Limited, Sylvania's BEE partner in its South African tailings retreatment business. He joined South Africa's public service in 1994 after completing a doctorate at Oxford and has subsequently held a number of positions in the public sector, notably as special adviser to the minister of finance, South Africa's first competition commissioner and director-general in the Department of Trade and Industry.

Evan Kirby, chief operating officer, executive director

Evan is a metallurgist with broad experience in the development of mining and minerals processing projects in Africa, Australia and other parts of the world. After a 17-year career in South Africa, he moved to Australia in to work for Minproc and later Bechtel. He subsequently formed his own consulting business.

Terry McConnachie, executive director and chief executive officer

Terry has 25 years' experience in mining and beneficiation of ferroalloys and precious metals. He has served as CEO of Welprop Mining Services and more recently of JSE-listed South African Chrome & Alloys Limited, a black-empowered chrome mining company which he

was instrumental in building into a multi-million Rand operation. He has implemented a number of greenfields operations in gold, manganese, aluminium, graphite and tantalite.

Louis Carroll, executive director and chief financial officer

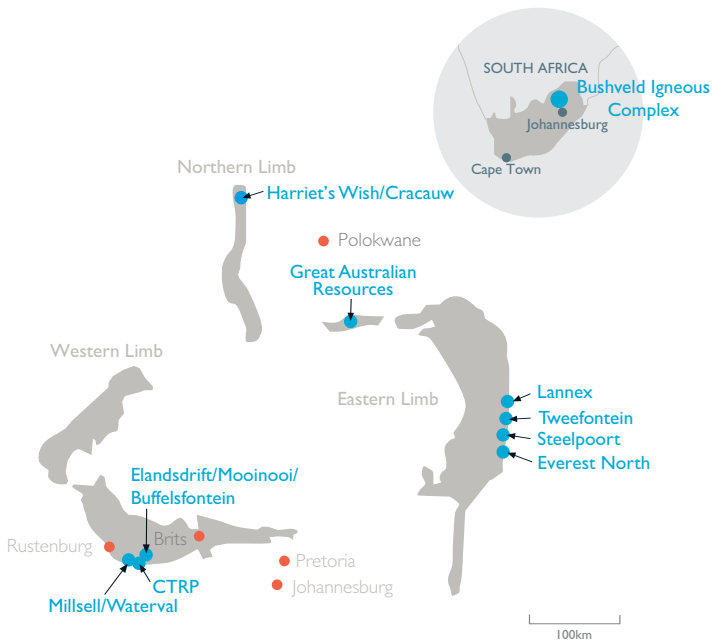
Louis has 40 years' experience in the accounting and commercial disciplines. He has worked in several industries, including mining, property, bio-manufacture, contracting, processing, printing and oil. His responsibilities have included company secretarial, general accounting, tax, finance, project management and corporate restructuring. He has had involvement with listings and rights offers for a number of companies listed on the JSE and the London, Toronto and NASDAQ stock exchanges.

Executive management

Sylvania's executive management structure was revised recently in order to better focus on the company's core business activities and deliver on growth objectives.

Reporting to CEO Terry McConnachie, Johan Meyer is responsible for strategy, growth and business development; Phil Carter for capital project delivery; Gerbrand Haasbroek for operational excellence; and Louis Carroll for finance.

Operations and projects





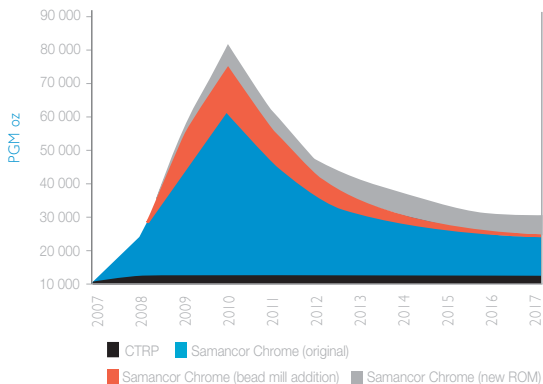
Sylvania's tailings retreatment business has:

- a 25% interest in the Chrome Tailings Retreatment Project (CTRP) at Kroondal on the BIC's western limb, managed by Aquarius Platinum Limited (Aquarius), which retreats the Xstrata and Beyer chrome tailings to recover PGMs and chrome.
- a 74% interest in Sylvania Metals (Pty) Limited (Sylvania Metals) which, in terms of a service and supply agreement with Samancor Chrome (Pty) Limited (Samancor Chrome), treats chrome tailings from Samancor Chrome's mines on the western and eastern limbs of the BIC to recover PGMs and chrome.

To service this agreement, two plants – Millsell (estimated dump resource of 1mt @ 1.8 g/t) and Steelpoort (estimated dump resource of 0.8 mt at 4.8 g/t) – are in an advanced ramp-up phase. Process improvement projects, involving the addition of bead mills and extra cleaner flotation cells, are under way. A third plant, Lannex, (estimated dump resource of 1.2 mt @ 3.0 g/t) is under construction with completion scheduled towards the end of the fourth quarter of 2008. Construction of a fourth, Elandsdrift (estimated dump resource of 2.9 mt @1.9 g/t), will begin in the second half of 2008.

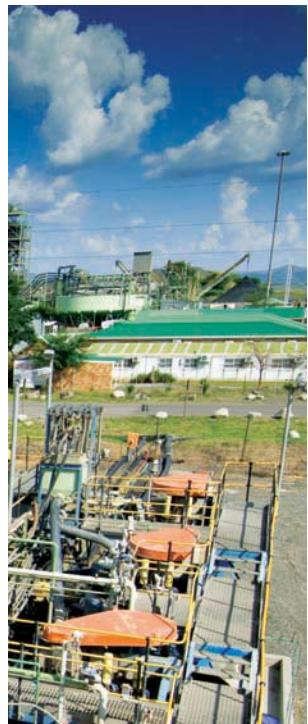
In terms of a recent addendum to the Samancor Chrome agreement, a right has been secured to treat an estimated annual 300 000 t of run-of-mine (ROM) fines from Samancor Chrome's Broken Hill, Spitzkop and Buffelsfontein chrome mines to win PGMs and chrome.

The additional treatment capacity required will come from a 50 000 tpm plant purchased from Samancor Chrome and extensions to the Lannex and Mooinooi plants, which will cost an estimated R110 million. The anticipated impact on Sylvania's PGM tailings retreatment production profile from ROM treatment is shown in the graph below.



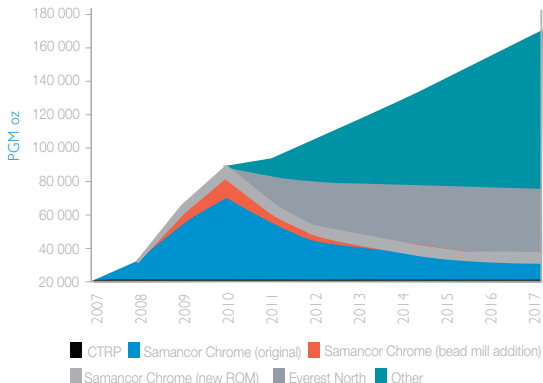
Sylvania's near-surface mining exploration interests comprise:

- the Everest North UG2 exploration project on the eastern limb, which has a measured resource of 5.1 mt at 4.7 g/t. Investigations to swap this asset with Aquarius for the right to treat tailings from Aquarius's South African PGM mining operations are under way.
- the Harriet's Wish/Cracauw exploration project on the northern limb, with a possible mineral resource of 0.9 Moz of PGMs, with associated base metals.



- a 16.6% stake in ASX-listed Great Australian Resources Limited (GAR), which has the near-surface Merensky Reef platinum/nickel exploration project, Mooiplaats, on the eastern limb, with a estimated 74 mt of PGMs at 4 g/t.

Sylvania's anticipated overall growth target, from its current tailings retreatment base, is shown in the graph below.



Operating and financial performance

Quarter 2 (ended 31 Dec 2007) v Quarter 1 (ended 30 Sept 2007)

	Sept Q 2007	Dec Q 2007	Variance
Total operations			
PGM oz	2054	3567	74%
Profit	R15.9m	R21.7m	36%
Margin	71%	58%	(18%)
CTRP			
PGM oz	670	704	5%
Recovery (feed to plant)	23%	28%	20%
Profit	R5.2m	R6.1m	17%
Margin	80%	81%	1%
Millsell			
PGM oz	949	1202	27%
Recovery (feed to plant)	26%	38%	46%
Profit	R6.8m	R5.6m	(18%)
Margin	62%	44%	(29%)
Steelpoort			
PGM oz	435	1661	281%
Recovery(feed to plant)	35%	36%	3%
Profit	R3.9m	R10.0m	156%
Margin	79%	58%	(27%)







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