



## 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), targeting production of 70 000 PGM ounces by 2010.

Well resourced in respect of both metallurgical and mining expertise, the company's medium-term focus on surface tailings retreatment, and near-surface mining in the longer term, positions it strongly as a low-risk, low-cost and high-margin PGM producer; particularly when 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.

Sylvania's Black Economic Empowerment (BEE) partner is Ehlobo Metals (Pty) Limited (Ehlobo). Headed by former South African Director-General

of Trade and Industry Alistair Ruiters, Ehlobo holds 26% of Sylvania's South African tailings retreatment business.

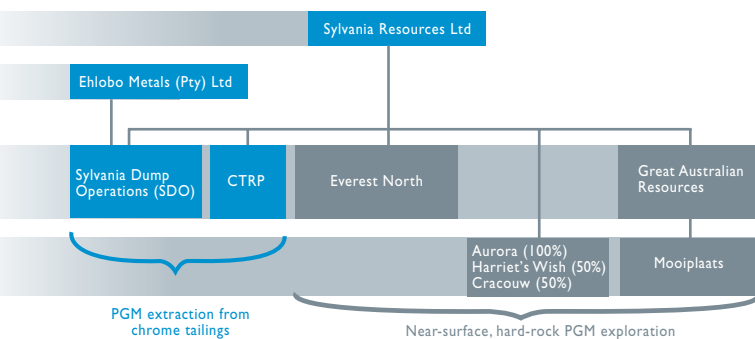
Sylvania is listed on the Australian Securities Exchange Limited (ASX: SLV) and has been admitted to the S&P/ASX300 Index. It is also listed on the AIM Market of the London Stock Exchange (AIM: SLV).

With some 180 million shares in issue, Sylvania's market capitalisation on the ASX is approximately A\$234 million. The company has some \$40 million cash in hand and no debt.

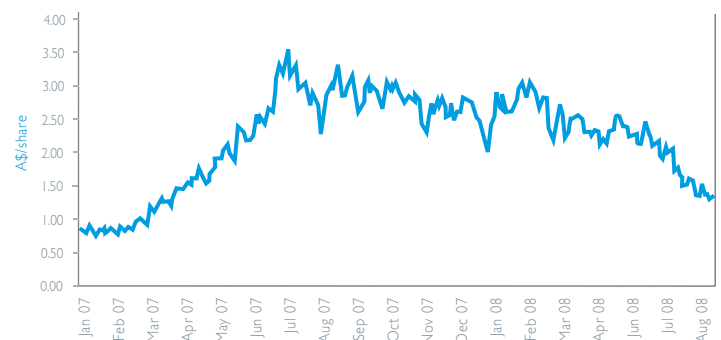
Sylvania reported a 30% increase in production to 6 264 PGM ounces (oz) for the quarter ended 30 June 2008 and a 54% increase in pre-tax profit to R86.8 million. Total cash operating costs declined 10% to R2 591/oz (US\$327/oz). Total revenue rose 14% to R108 848 000.

Strong cash flows going forward position the company well to fund its own growth.

### Business structure



### Sylvania share price performance



## 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 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.

### John Cooke, Non-executive Director

John has been a partner in Australian chartered accounting practice Somes and Cooke since 1979. A fellow of the Institute of Chartered Accountants and an associate of the Institute of Chartered Secretaries and Administrators, both of Australia, he has 40 years' experience in accounting, auditing and taxation, acquired with both private and public companies. He has been a director of several unlisted Australian companies.

### Terry McConnachie, Executive Director and Managing Director

Terry has 25 years' experience in mining and beneficiation of ferro-alloys 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. He is the major shareholder and CEO of Alumicor (Pty) Limited, which is constructing an aluminium dross and scrap smelting facility in South Africa.

### Louis Carroll, Executive Director and Financial Director

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 team, which reports to Managing Director Terry McConnachie, comprises Gerbrand Haasbroek, who is responsible for operational excellence; Phil Carter (capital projects); Zoran Marinkovic (new opportunity identification and customer relationships); Johan Meyer (strategy, growth and business development); and Louis Carroll (finance).

## Operations and projects



### Sylvania's tailings retreatment business comprises:

- a 74% interest in Sylvania Dump Operations (SDO) which, in terms of a service and supply agreement with Samancor Chrome (Pty) (Samancor) Limited, treats chrome tailings and run of mine (ROM) fines from Samancor's mines on the western and eastern limbs of the BIC to recover PGMs and chrome.

Two tailings retreatment plants – Millsell and Steelpoort – are fully operational and process improvements projects at both – involving the addition of bead mills and extra cleaner flotation cells – are nearing completion.

Construction of two additional plants, Lannex and Mooinooi, to treat both tailings and ROM fines, is under way, with commissioning and ramp-up of production at both scheduled to begin in the first quarter of calendar year 2009.

- a 25% interest in the Chrome Tailings Retreatment Project (CTRP) at Kroondal on the BIC's Western Limb, managed by Aquarius Platinum Limited (Aquarius).

High-margin,  
low-risk  
PGM producer



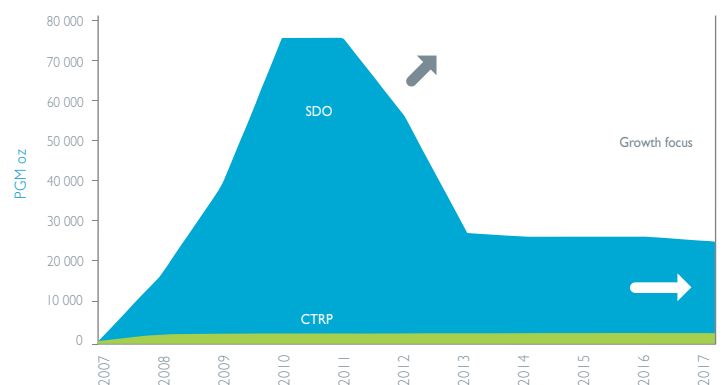
Sylvania's near-surface mining exploration interests comprise:

- the Everest North UG2 exploration project on the Eastern Limb, which has a measured resource of 5.1 Mt at 4.7 g/t.
- the Aurora, Harriet's Wish, and Cracouw exploration projects on the Northern Limb, with a possible mineral resource of 0.9 Moz of PGMs, with associated base metals (non-JORC compliant).
- An interest 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 an estimated 74 Mt of PGMs at 4 g/t (non-JORC compliant).

Sylvania's aggressive future growth is focused on improved recoveries, more tailings for retreatment, shallow mining, mergers and acquisitions and possibly, downstream activity.

Sylvania's anticipated growth in PGM production from tailings retreatment is shown in the graph below.

PGM growth from tailings retreatment



**Sylvania Resources Limited** *Results for the quarter and year ended 30 June 2008*

Group	Unit	Previous quarter Dec 2007	Previous quarter March 2007	Current quarter June 2008	YTD 12 months to June 2008
<b>*Unaudited</b>					
<b>Financials</b>					
Revenue	R'000	34 814	95 330	108 848	256 911
PBT and exchange variance					
– attributable	R'000	22 715	56 208	86 805	166 895
Exchange rate variance	R'000	167	(57 692)*	(15 156)	(72 682)
Revaluation of equity investments	R'000			(22 486)	(22 486)
PBT – attributable	R'000	22 882	(1 484)	49 164	71 727
Ave R/\$ rate	R/\$	7.54	7.98	7.92	7.51
<b>Production</b>					
Plant feed tons	t	155 272	143 294	156 693	580 409
3E and Au	Oz	3 570	4 802	6 264	16 690

\* Exchange rate adjustment in previous quarter

**Sylvania Dump Operations (SDO)** *Results for the quarter and year ended 30 June 2008 (100%)*

	Unit	Previous quarter Dec 2007	Previous quarter March 2008	Current quarter June 2008	+ - % quarter on quarter	YTD 12 months to June 2008
<b>* Unaudited</b>						
<b>Revenue</b>						
Revenue	R'000	27 314	81 902	97 578	19%	221 130
Basket price	\$/oz	2 004	2 737	2 692	(2%)	2 626
Gross cash margin – SDO plants	%	54%	84%	86%	2%	80%
Capital expenditure	R'000	14 368	20 601	20 468	(1%)	121 903
Ave R/\$ rate	R/\$	7.54	7.98	7.92	(1%)	7.56
<b>Site cash cost</b>						
Per ROM ton	R/t	91	105	101	5%	86
	\$/t	12.0	13.2	12.7	4%	11
Per PGM oz	R/oz	3 995	2 875	2 436	15%	3 063
	\$/oz	530	360	308	15%	405
<b>Production</b>						
Plant feed tons	t	137 518	127 451	139 289	9%	507 262
Grade	g/t	2.11	2.70	2.81	4%	2.26
Recovery	%	34%	46%	46%	0%	40%
Total PGM (3E+Au)	Oz	2 863	4 224	5 753	36%	14 224

**Chrome Tailings Retreatment Project (CTRP)** *Results for the quarter and year ended 30 June 2008 (25% attributable)*

	Unit	Previous quarter Dec 2007	Previous quarter March 2007	Current quarter June 2008	+ - % quarter on quarter	YTD 12 months to June 2008
<b>* Unaudited</b>						
<b>Revenue</b>						
Revenue	R'000	7 501	13 428	11 270	(16%)	38 781
Basket price	\$/oz	1 967	2 483	2 850	15%	–
Gross cash margin	%	81%	88%	80%	(9%)	83%
Ave R/US\$ rate	R/\$	6.75	7.40	7.76	5%	7.09
<b>Site Cash cost</b>						
Per ROM ton	R/t	79	103	127	(24%)	96
	\$/t	12	14	16	(18%)	14
Per PGM oz	R/oz	1 988	2 818	4 329	(54%)	2 662
	\$/oz	295	381	558	(46%)	375
<b>Production</b>						
Plant feed tons	t	17 755	15 843	17 404	10%	68 437
Grade	g/t	4.53	4.58	3.25	(29%)	4.70
Recovery	%	27%	25%	29%	17%	25%
Total PGM (3E+Au)	Oz	707	577	511	(11%)	2 466

\* Source: Aquarius Platinum Limited

## Contact details

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