



SYLVANIA
RESOURCES LIMITED



High-margin, low-risk PGM producer



Terry McConnachie | CEO
Investors' update | London
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www.sylvaniamresources.com

Disclaimer



Certain forward-looking statements may be contained in this presentation which include, without limitation, expectations regarding platinum prices, estimates of production, operating expenditure, capital expenditure and projections regarding the completion of capital projects as well as the financial position of the company. Although Sylvania believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be accurate. Accordingly, results could differ from those projected as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment, and other business and operational risks.

Who we are



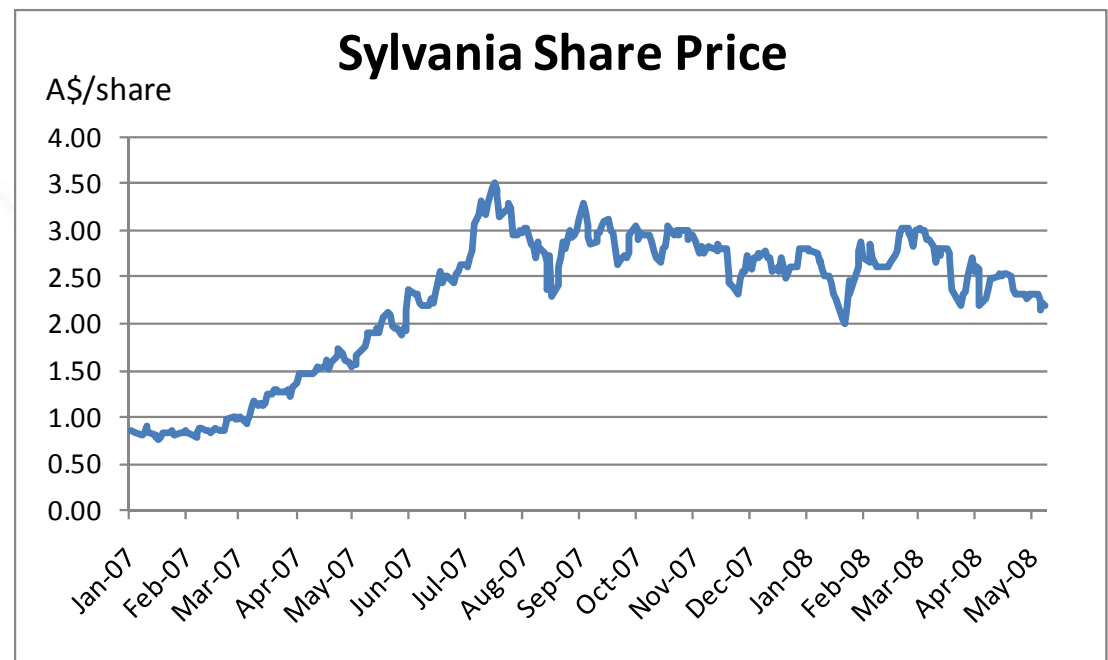
- Growth-focused South African PGM producer
 - in a sector with attractive fundamentals
- High-margin, low-risk surface operations
- Strong cash flows and balance sheet to fund growth
- Growth-orientated board and management team



Who we are, cont'd



- ASX and AIM-listed (ASX:SLV; AIM:SLV)
 - S&P/ASX 300 Index
- 180m shares in issue
 - quality shareholders: Audley Capital, Fidelity, JP Morgan, Henderson Global, Aegon, JO Hambro
- Share price (9/5/08)
 - ASX: A\$2.15
 - AIM: £1.055
- Market capitalisation
 - A\$387m
 - £189m



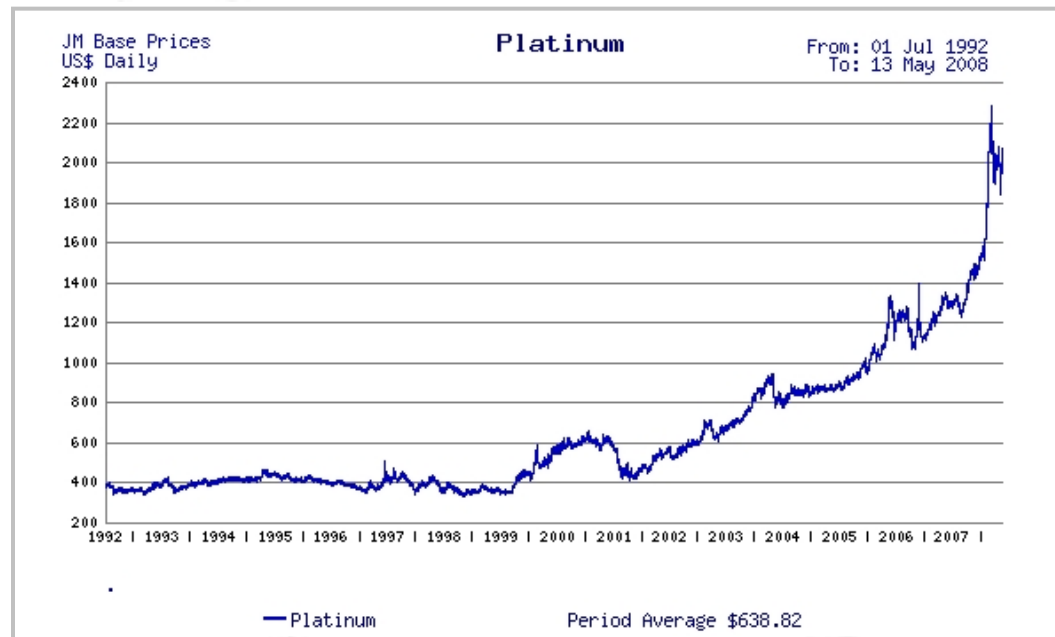
Our vision

- To become the ***pre-eminent South African mid-tier PGM producer*** as measured by our stakeholders, using our metallurgical and mining expertise to acquire and develop ***low-risk tailings and shallow mining assets***



Well positioned in a high-growth sector

- Strong PGM industry fundamentals
 - robust demand growth (pollution control, autocatalysts)
 - supply-side constraints
 - PGM prices forecast to remain bouyant, medium term
 - less affected by power constraints compared with traditional miners, due to nature of our process

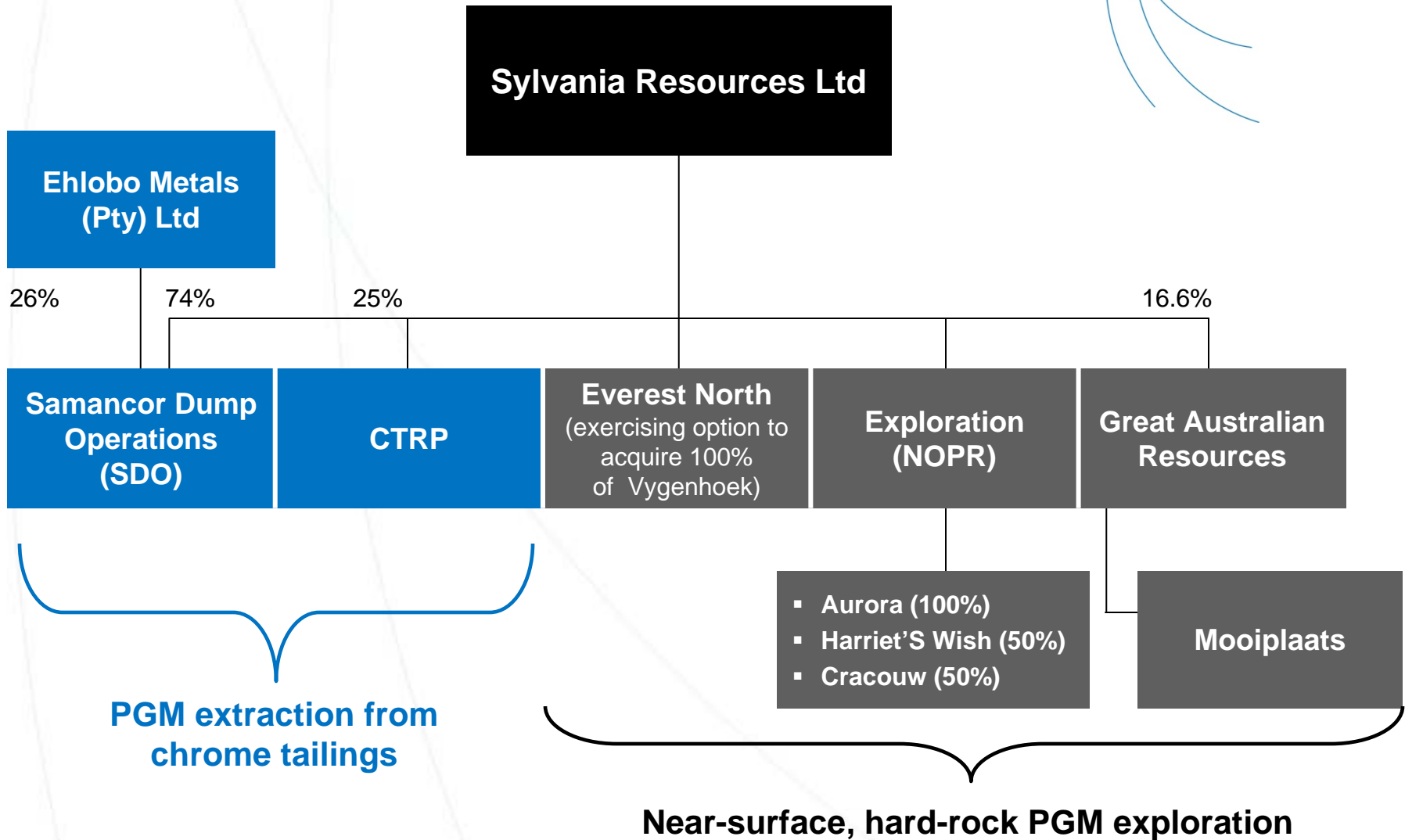


Our people

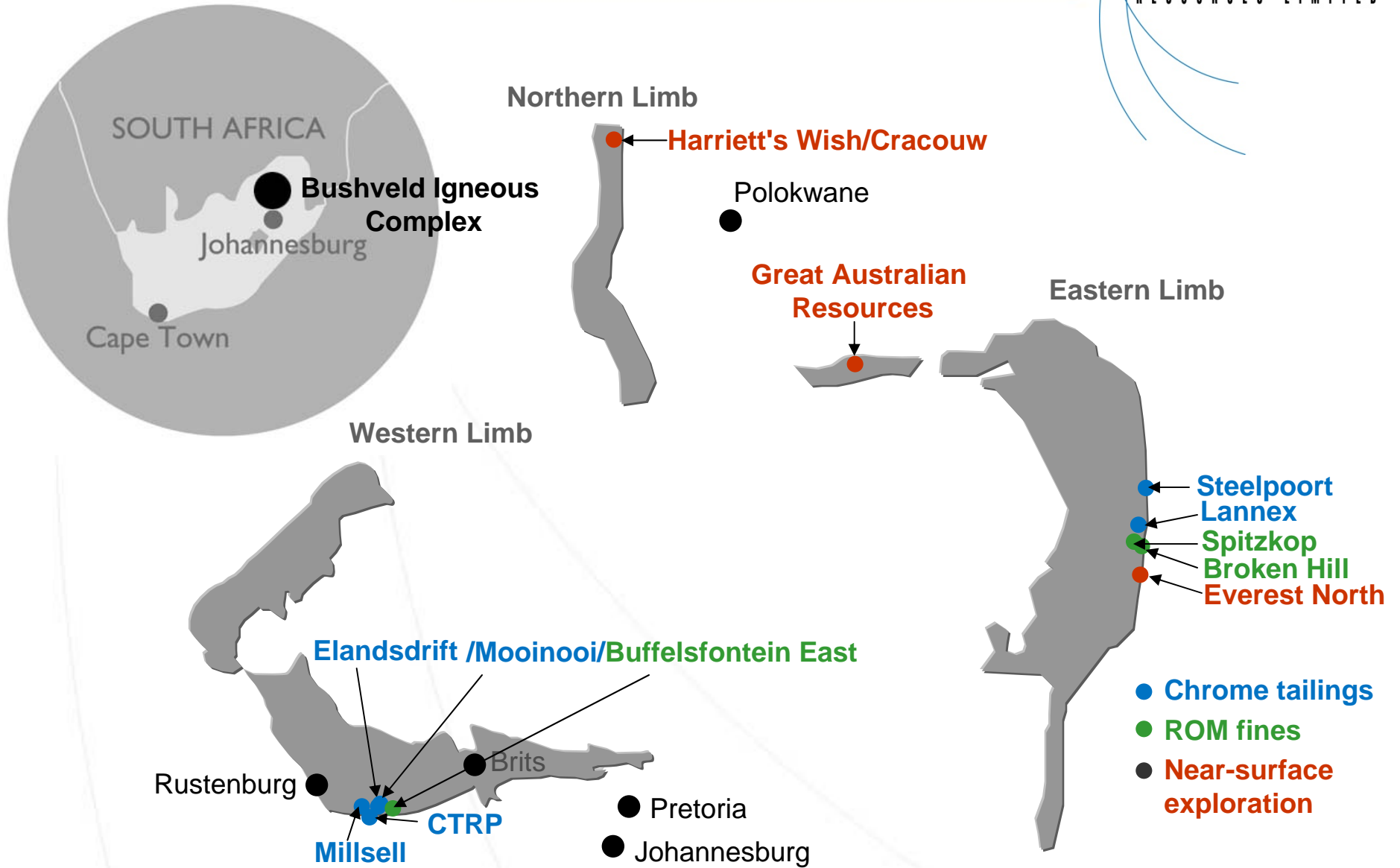


- Experienced board focused on value creation
- Committed and talented management team
- Track record of building successful businesses
- Empowered – Ehlobo Metals (Pty) Ltd

Our business structure



Location – in the heart of ‘PGM country’



What we have: tailings retreatment

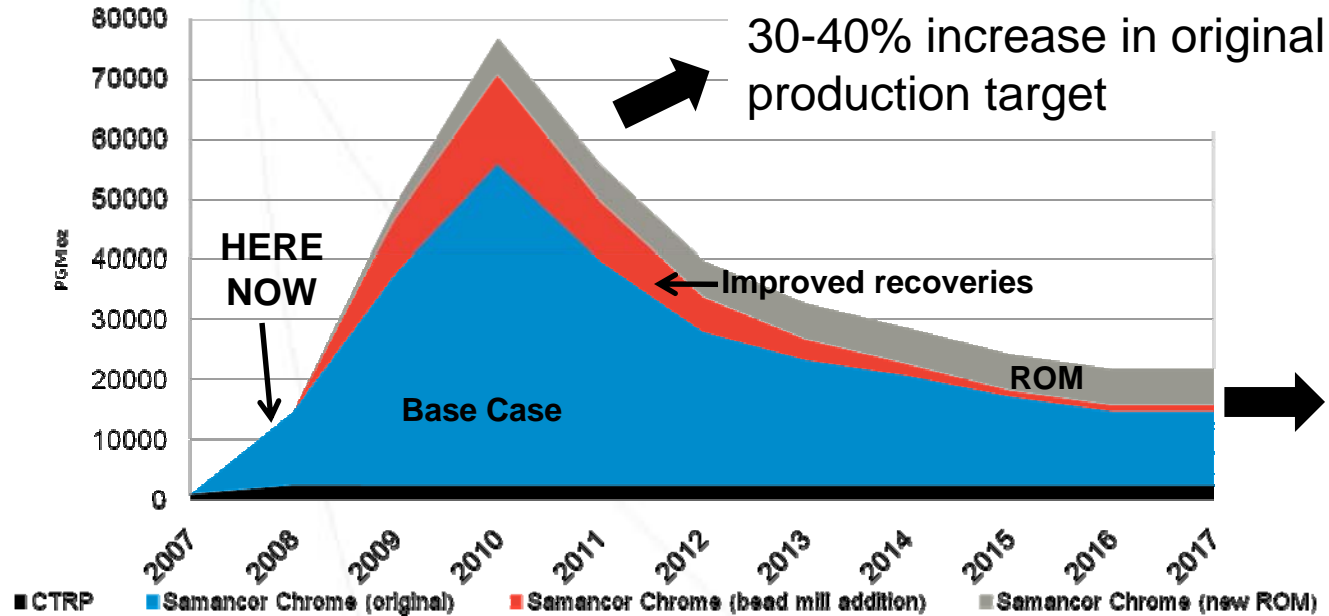


- **Samancor Dump Operations (SDO) – 74%**
 - approximately 500koz contained PGMs
 - 2-6g/t (non-JORC compliant)
 - integrated chrome and PGM float plants
 - Millsell, Steelpoort
 - advanced ramp-up phase
 - Lannex, Broken Hill, Spitzkop (ROM)
 - under construction
 - Mooinooi/Elandsdrift
 - under construction
- **Chrome Tailings Retreatment Project (CTRP) – 25%**

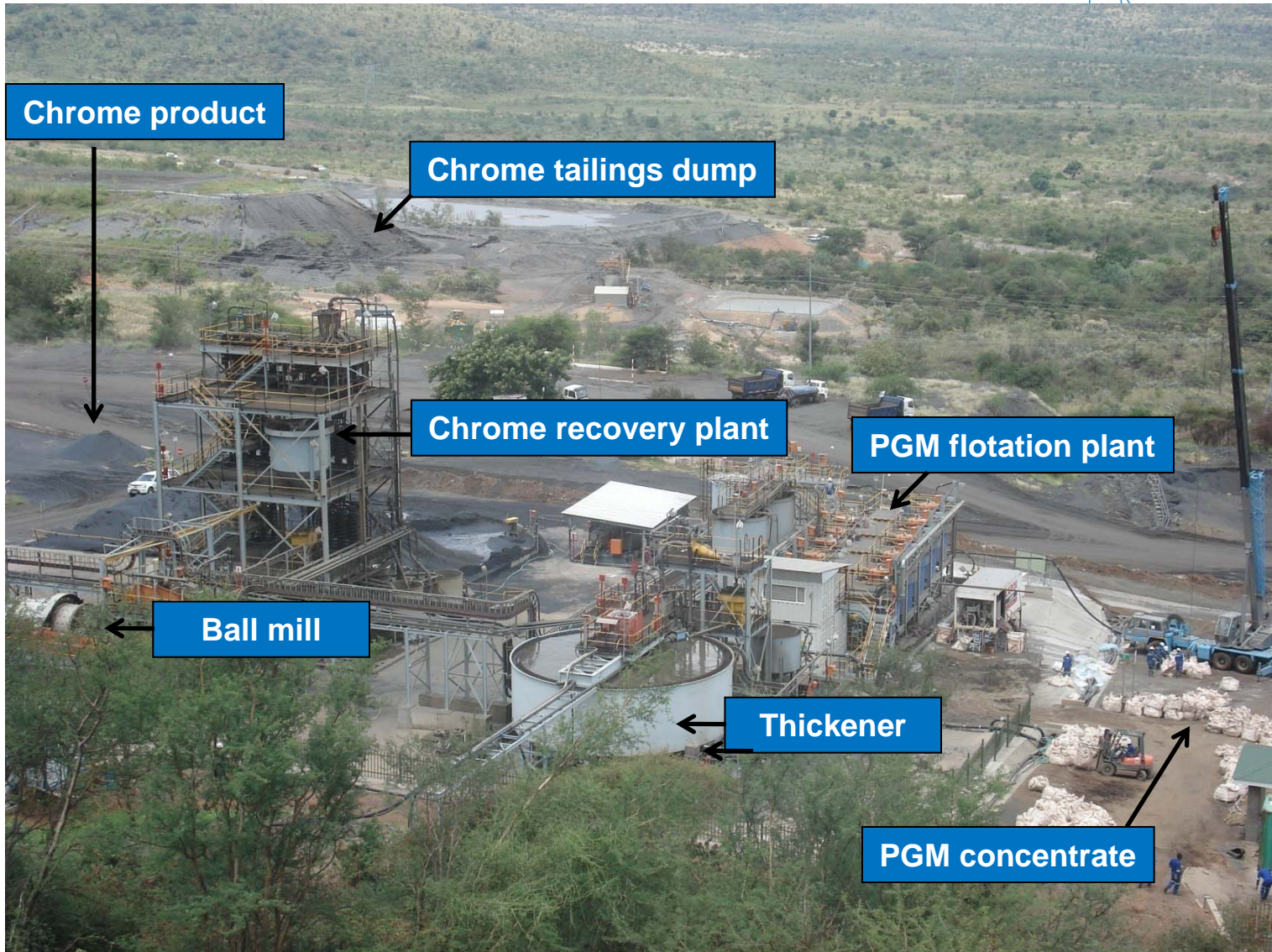


PGM growth from tailings retreatment

- Ramping up to > 70koz pa



Steelpoort plant – low risk surface operation



What we have: near-surface PGM exploration



- **Everest North agreement**
 - exercising option to acquire 100% of Vygenhoek
 - 5.1 Mt @ 4.7 g/t measured resource

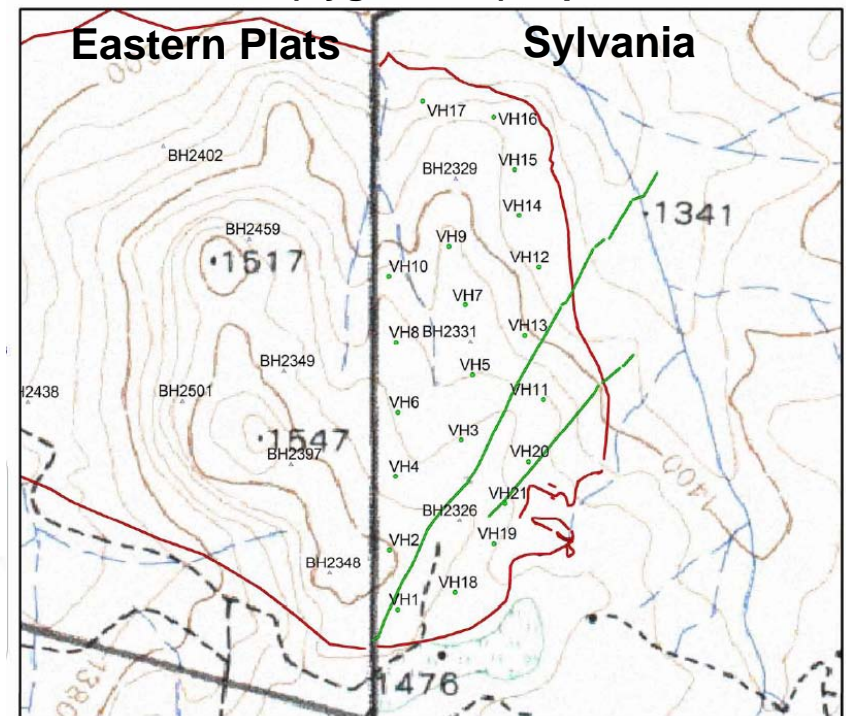
- **Harriet's Wish/Cracouw**
 - possible mineral resource of 0.9 Moz 3PGM, associated base metals (non-JORC compliant)

- **Great Australian Resources**
 - 16.6% interest – ASX listed
 - Mooiplaats Platinum/Nickel Project
 - 11 boreholes, 24 deflections
 - estimated 74 Mt @ 4 g/t (non-JORC compliant)

What we have: Everest North

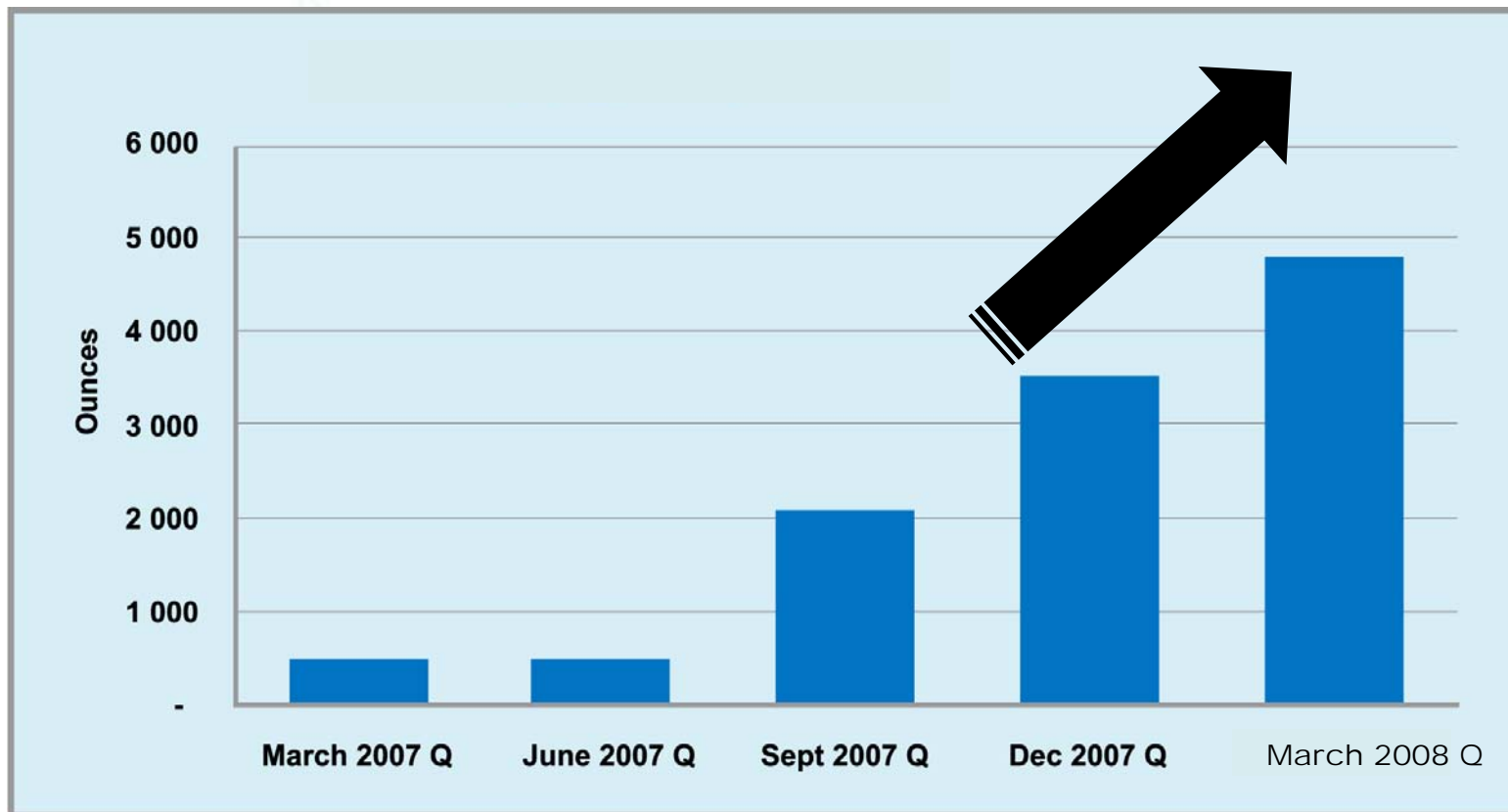
- Possible exchange with AQPSA for PGM, chrome recovery JV from AQPSA tailings streams
- If no agreement, Sylvania to develop mine itself
- Mining rights application under way
- Eastern Plats JV agreement under way
- Concept 1Mtpa combined operation
- 18 months to 2 years for construction

Everest North (Vygenhoek) exploration holes



Track record – PGM (3E+Au) ramp-up

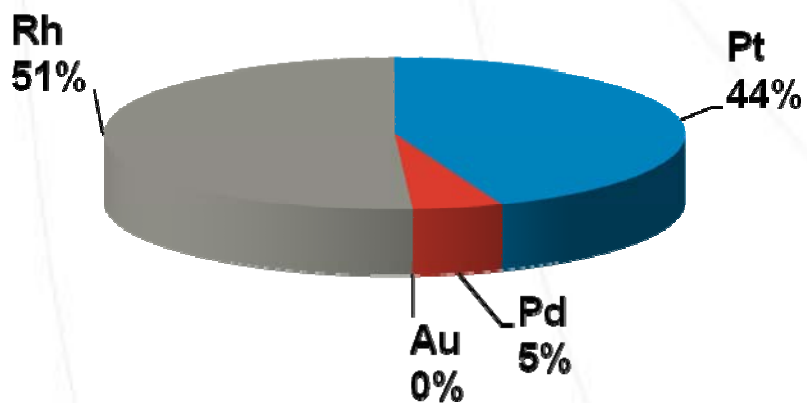
- Ramp-up on target
 - 34% increase, quarter on quarter, to 4 802oz
- Growth continuing



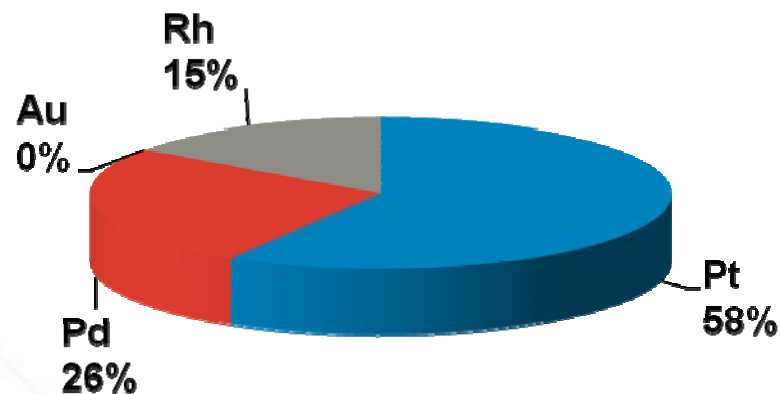
SDO basket PGM (3E+Au) price; revenue, production splits

	Q2 FY08	Q3 FY08
	\$/oz	\$/oz
Total	2 004	2 737

Revenue split

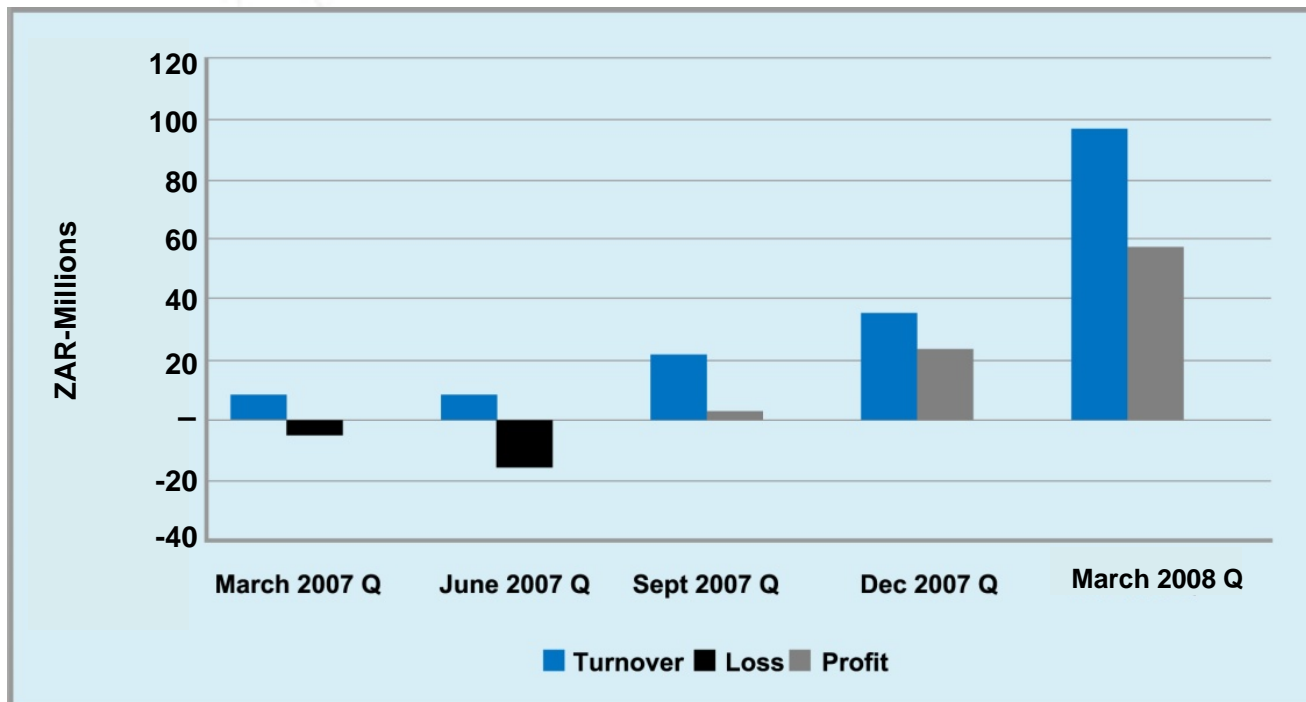


Production split



Track record – robust profit growth

- Pre-tax profit up 146% quarter on quarter to R56m
 - driven by:
 - higher production (+34%)
 - higher PGM basket prices (+36%)
 - lower costs of US\$359/oz (-21%)



Group performance: Quarter 3 v Quarter 2

	Unit	Previous Quarter Sept 2007	Previous Quarter Dec 2007	Current Quarter March 2008	YTD 9 months to March 2008
Unaudited					
<u>Financials</u>					
Revenue	R'000	20 920	34 814*	95 330	151 063
Profit (attributable) - before tax	R'000	1 166	22 882	56 208	80 256
Ave R/US\$ rate	R/US\$	6.76	7.54	7.98	7.51
<u>Production</u>					
Plant feed	t	125 149	155 272	143 294	423 715
PGM (3E+Au)	oz	2 054	3 570	4 802	10 425

SDO performance: Quarter 3 v Quarter 2

	Unit	Previous	Current	± %	YTD
100% Unaudited		Quarter Dec 2007	Quarter March 2008	Quarter on Quarter	9 Months to March 2008
<u>Revenue</u>					
Revenue	R'000	27 314	81 902	200%	123 552
Basket price before charges	US\$/oz	2 004	2 737	37%	2 562
Gross cash margin	%	54%	84%	54%	76%
Capital expenditure	R'000	14 368	20 601	43%	101 505
Ave R/US\$ rate	R/US\$	7.54	7.98	6%	7.51
<u>Site cash cost</u>					
Per ROM ton	R/t	91	105	16%	79
	US\$/t	12	13	10%	11
Per PGM oz	R/oz	3 995	2 875	-28%	3 489
	US\$/oz	530	360	-32%	465
<u>Production</u>					
Plant feed tonnes	t	137 518	127 451	-7%	372 682
Grade (feed to Cr plant)	g/t	2.11	2.70	28%	2.04
Recovery	%	34%	46%	33%	38%
Total PGM (3E+Au)	oz	2 863	4 224	48%	8 471

CTRP performance: Quarter 3 v Quarter 2

	Unit	Previous	Current	± %	YTD
25% Unaudited		Quarter Dec 2007	Quarter March 2008	Quarter on Quarter	9 Months to March 2008
Revenue					
Revenue	R'000	7 501	13 428	79%	27 511
Basket price	US\$/oz	1 967	2 483	26%	
Gross cash margin	%	81%	88%	8%	84%
Ave R/US\$ rate	R/US\$	6.75	7.40	10%	7.09
Site cash cost					
Per ROM ton	R/t	79	103	30%	85
	US\$/t	12	14	19%	12
Per PGM oz	R/oz	1 988	2 818	42%	2 226
	US\$/oz	295	381	29%	314
Capital expenditure					
	R'000				
Production					
Plant feed tonnes	t	17 755	15 843	-11%	51 033
Grade (to flotation)	g/t	4.53	4.58	1%	4.70
Recovery	%	27%	25%	-10%	25%
Total PGM (3E+Au)	oz	707	577	-18%	1 955

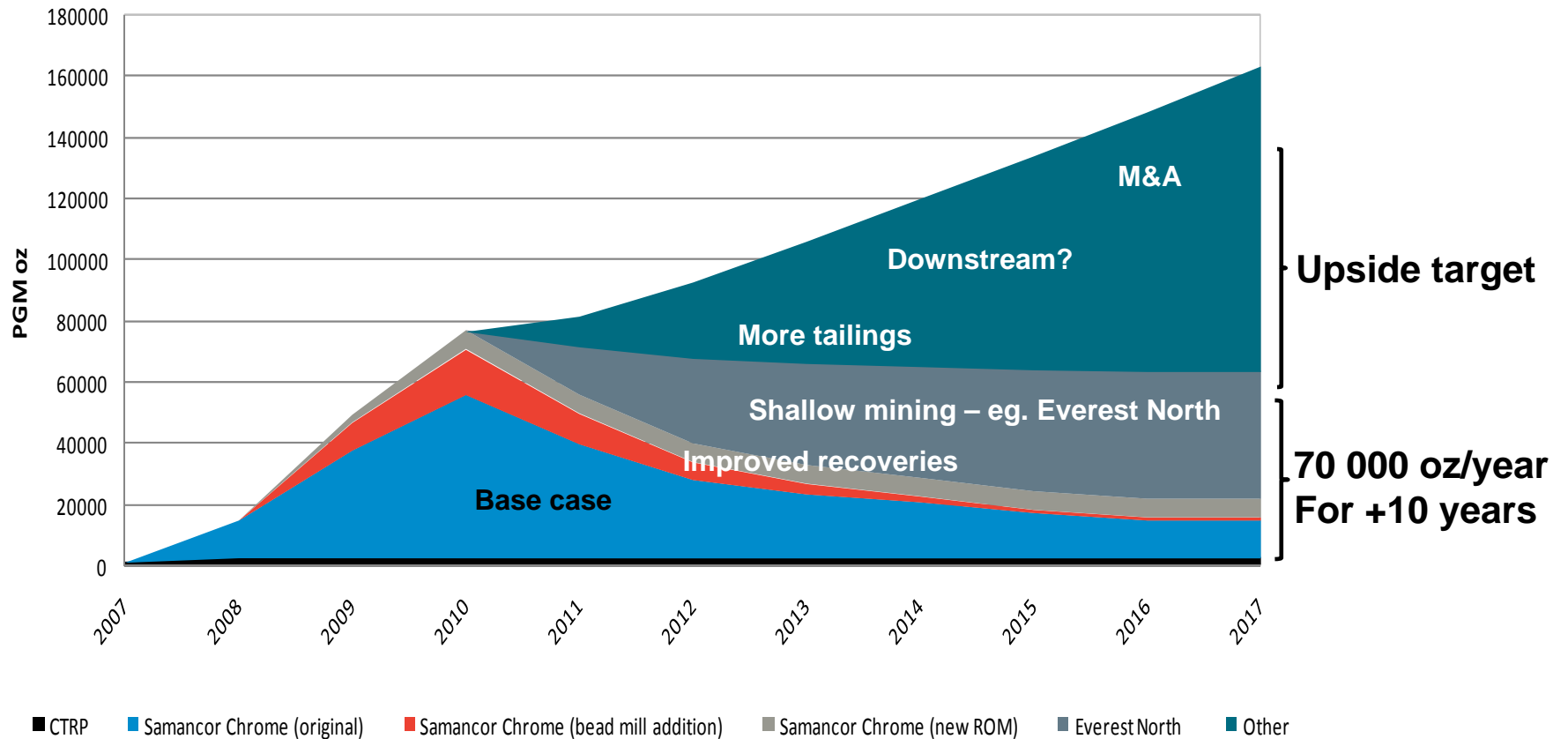
Looking ahead: aggressive growth focus



- Improved recoveries
 - 'more from what we have'
- Tailings
 - 'more of what we have'
- Near-surface hard rock exploration, mining
- Smelting – JVs, off takes, tolls
- Consolidation via mergers, acquisitions



Illustrative targets – aggressive growth focus



Attractive valuation

- Recent research reports by Landsbanki and Investec
 - forecast 2010 P/E of ~5-6x (vs sector 10-15x)
 - target share price upside >50% at current price*

Landsbanki - 2 April 2008

Analyst - Louise Collinge	
Share price 02/04/08 (pence)	119
Target price (pence)	158
Upside	33%

Forecasts	NPAT (A\$m)	EPS (A\$ c)	P/E (X)
2007	-11.5	-7.6	n/a
2008E	8.9	5.1	50.7
2009E	74.0	42	6.1
2010E	89.5	50.7	5.1

Forecast 2010 US\$/oz: Pt 1925; Pd 310; Rh 8500

Investec Securities - 8 April 2007

Analyst - Rebecca O'Dwyer	
Share price 08/04/08 (pence)	114
Target price (pence)	165
Upside	45%

Forecasts	NPAT (US\$m)	EPS (pence)	P/E (X)
2007	-11.1	-3.9	n/a
2008E	17.8	5	23.0
2009E	49.7	14	8.1
2010E	66.2	18.9	6.0

Forecast 2010 US\$/oz: Pt 1369; Pd 383; Rh 5755

* Note: share price on 9/05/08 ASX: A\$2.15 and AIM: £1.055 with A\$/ £ at 2.069

Investment case

- Emerging PGM producer (>70Koz pa 2010)
- Low risk
- Low cost (~US\$300/oz target cash costs)
- High margins (target 70-80%)
- Well funded with robust cash flows
- Aggressive growth focus
- Strong PGM industry fundamentals
- Attractive valuation



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