



# **SYLVANIA RESOURCES LIMITED**

**-Turning vision into reality-**

**Overview of Progress  
London  
MAY 2007**



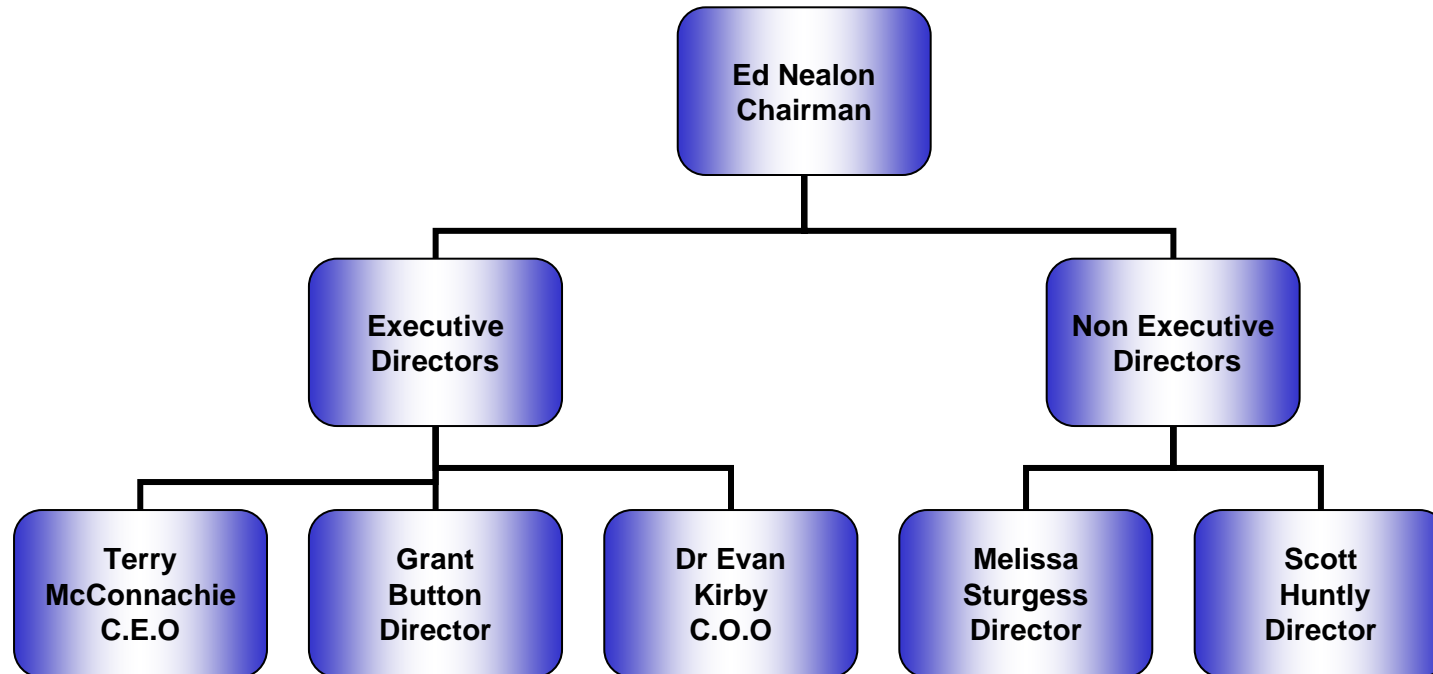
# IMPORTANT INFORMATION

- *"Certain forward looking statements may be contained in the 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."*

## Company Overview

- ASX Listed since February 2001
- AIM listed since July 2006
- Shares in Issue – 152,929,273
- Current share price £0.75
- Market cap @ £0.75 - £115 million

# Current Directors – Sylvania Resources Limited

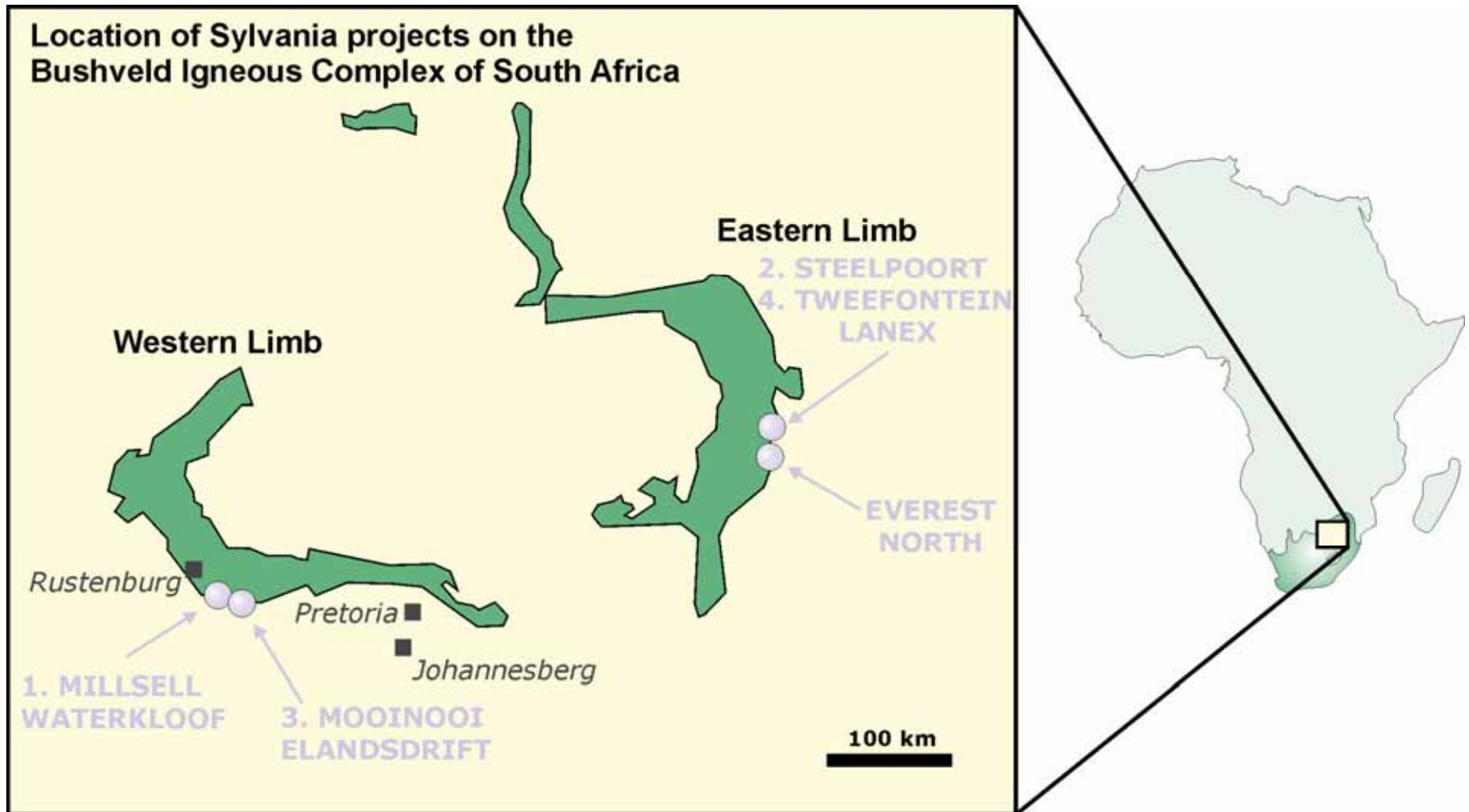


- Strong management team
- Experienced in mining and project development
- Extensive experience and wealth of skills

# Current Status

- Current Business, 25% share of CTRP (Chrome Tailings re treatment Project), a South African based re-treatment of chrome dumps to recover PGE's (Two years history of profits. Owned 50% by Aquarius and 25% Ivanhoe )
- New Business 100% Sylvania owned recovery of Cr & PGE's from current arising's and tailings dams associated with Samancor.
- Everest North Platinum Mine

# Project Locations



# CTRP

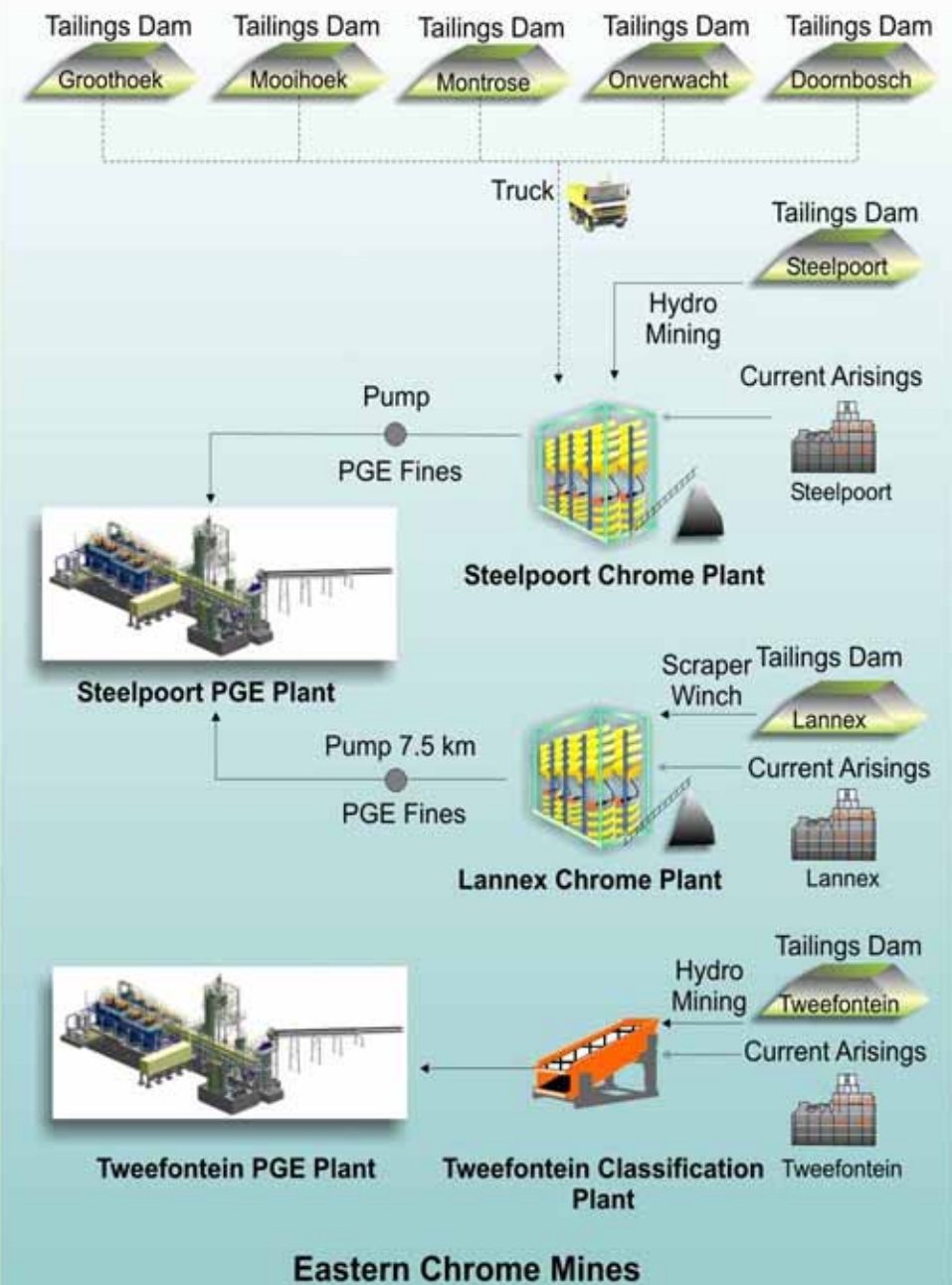
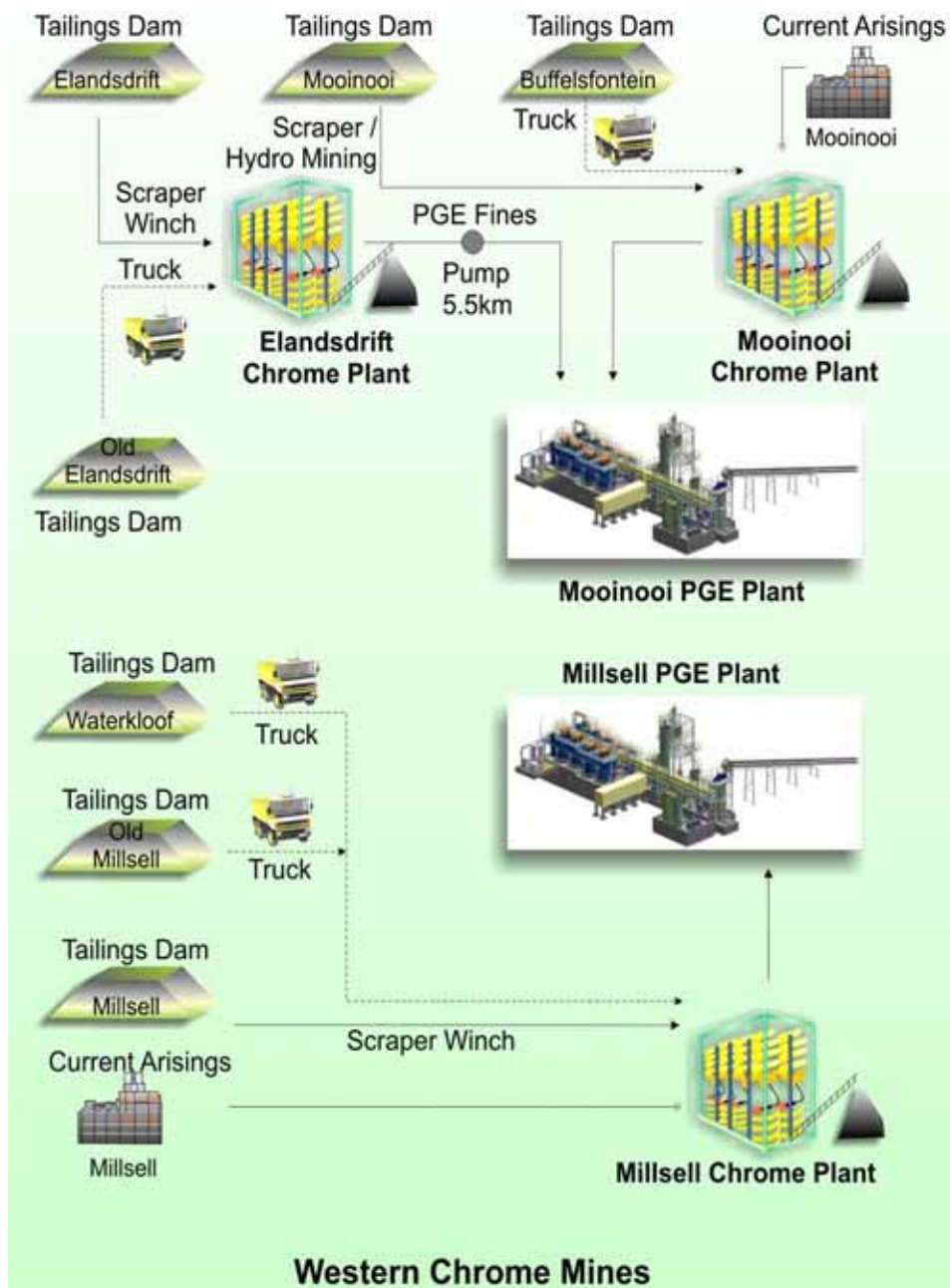
Chrome Tailings Re-treatment Plant  
JV between Aquarius, Ivanhoe and Sylvania Resources

	Quarter Dec 2006	Quarter Mar 2006
Total 4E Oz	1866	1954
Opex R/oz	2143	2750
Basket Price US\$/oz	1592	1806
Cash Margin	77%	77%



# Current Status

- GB 12m raised in July 2006 with secondary AIM listing, enabling the company to
  - advance construction of Cr & PGE recovery plants.
  - sign binding EPCM agreements for 2 of the 4 PGE plants
  - Complete bankable feasibility on Everest North
- Currently completing 2 Cr washing plants and 2 PGE recovery plants.
- A further 4 Cr plants and 2 PGE plants costed and budgeted with all construction to be finished by April 2008
- Millsell, the first PGE plant, due to start production end May 2007 (12 months from inception to production)
- Steelpoort due to start production towards the end of June 2007
- Everest North drilling program nearing completion.
- Letter of intent signed with East Plats for JV on Mareesburg/Vygenhoek



**PLANT LAYOUT**

# Milsell

Classification plant, Spiral plant, Thickener plant and PGE float plant



# Steelpoort

Spiral plant and PGE float plant



# **Sylvania PGM Recovery Plants Process Enhancements Compared with CTRP That Will Improve Flotation Performance**

- Ball Mill ahead of Chrome Recovery
  - Liberates both chrome and PGM
  - Gives controlled feed size to PGM float
- Thickener ahead of PGM Plant
  - Gives controlled slurry density to PGM float
  - Gives control of residence time in float
- However, budget PGM recovery from chrome plant feed has been conservatively set at 32.5%

## Comparative Results of Mintek Testwork on Current Arisings Fines Fractions

<b>Flotation Testwork Results</b>	<b>CTRP (Xstrata)</b>	<b>Millsell</b>	<b>Steelpoort</b>
Headgrade (4E gpt)	4.9	5.1	6.7
Rougher Recovery (%)	72.3	76.3	80.9
Recleaner Recovery (%)	40.2	58.0	40.5
Concentrate Grade (4E gpt)	112	155	180

- Conclusion – Millsell and Steelpoort current arisings float better than the feed of Xstrata current arisings to CTRP

# PGE Production Profile - Base Case Model

(100% of Production) (Steady State)

Project	Plant Commissioning Dates		PGE (oz/m)	Capex (£m)	Cash Cost (US\$/oz)	Grade (gpt)
	Chrome	PGE				
Millsell	March 07	May 07	690	£2.1	US\$284	1.79
Steelport	April 07	June 07	3,185	£2.8	US\$101	4.32
Elandsdrift	October 07	-	-	-	-	-
Mooinooi	-	November07	1,227	£2.6	US\$311	1.35
Lannex	April 08	-	-	-	-	-
Tweefontein	-	May 08	1,583	£2.5	US\$132	3.69
<b>TOTAL</b>	-	-	<b>6,685</b>	<b>£10</b>	-	-

# Basket Information

	Millsell	Steelpoort	Mooinooi	Tweefontein
<b><u>Basket Contents</u></b>				
Platinum	59.0%	59.1%	60.0%	60.0%
Palladium	24.0%	23.6%	28.5%	28.5%
Rhodium	16.5%	17.0%	10.5%	10.5%
Gold	0.5%	0.3%	1.0%	1.0%

## Element Prices

		Model	08-May-07
Platinum	\$/oz	\$1,074	\$1,345
Palladium	\$/oz	\$349	\$376
Rhodium	\$/oz	\$4,155	\$5,925
Gold	\$/oz	\$590	\$685

<b>Basket Price at Modeled Prices</b>	<b>\$1,406</b>	<b>\$1,425</b>	<b>\$1,186</b>	<b>\$1,186</b>
Basket Price at Now Prices	\$1,865	\$1,893	\$1,543	\$1,543

## Assumptions

	Base case	Upside Case
Operating plants	Assuming commissioning as per prev. slide	Assuming commissioning as per prev. slide
Exchange rate	R/\$ 7.14	R/\$ 7.14
Basket price	1,300US\$oz	1,300US\$oz
Grade	2.5 g/t	4 g/t
PGM Recovery	32.5%	60%

\* Please see full details of Assumptions in the Appendix

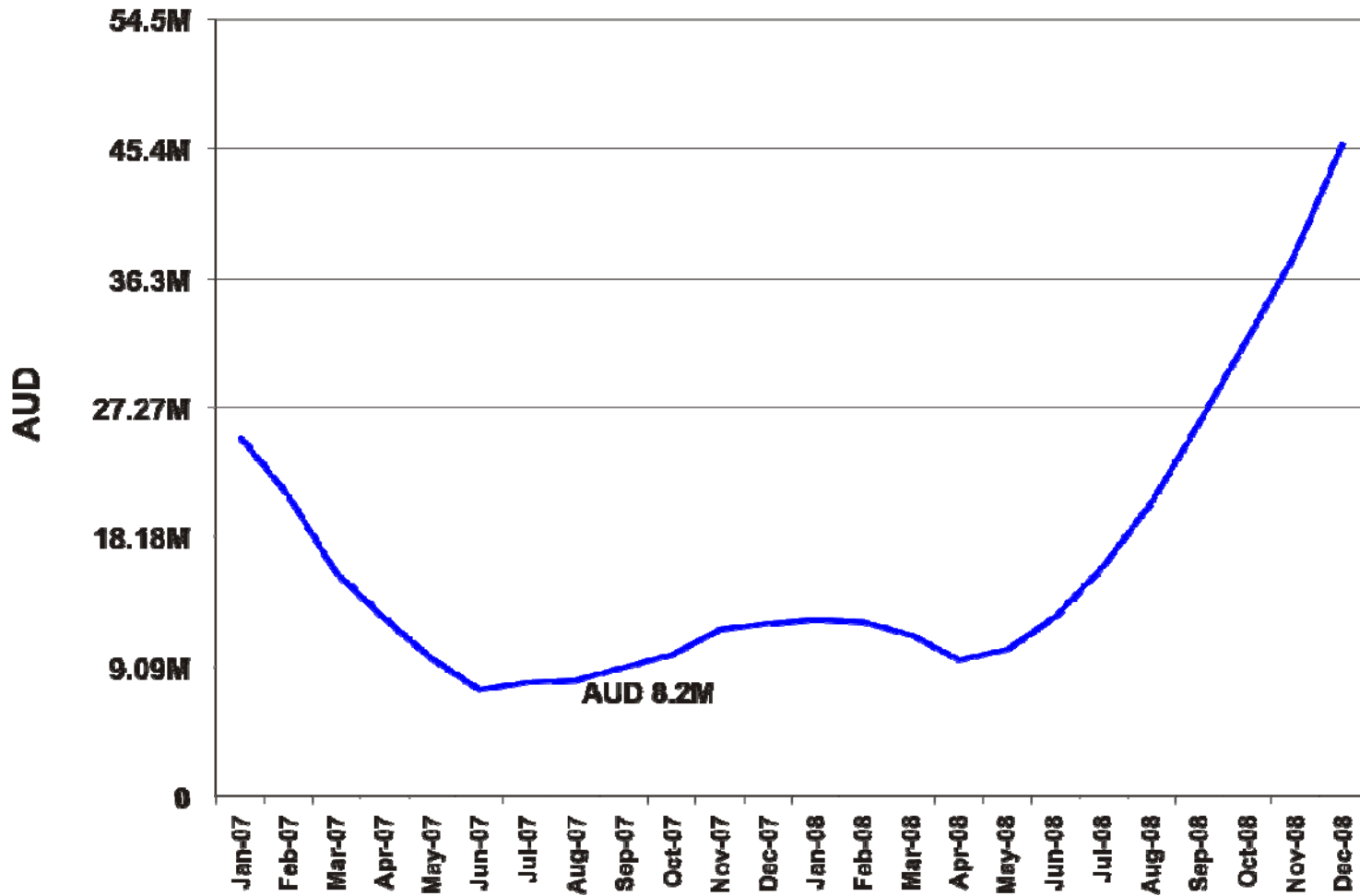
## PGE Plants - Total production all plants

(Steady state) (100% of Production)

	<b>Base Case Monthly</b>	<b>Upside Monthly</b>
<b>Ounces</b>	6,685	18,174
<b>Turnover</b>	£3.4m (R46.6m)	£8.7m (R119.3m)
<b>Gross profit</b>	£2.6m (R35.9m)	£7.3m (R100.8m)

- Every R1 change to the US\$, monthly profitability changes by £0.45m (R6 million)
- If Iridium, Ruthenium and Nickel income are included, the monthly income changes by £0.45m (R6 million)

## Predicted Cash Flow for Sylvania



This graph is produced from the information used in the base case model and is subject to the assumptions and qualifications in respect thereof

# BEE

- Concluded a deal with Ehlobo Holdings (Pty) Ltd
- They will invest up to £2.9m (R40m) in the business
- Mooinooi Plant ring fenced as security for IDC security.
- Proven track record with Government and International Business community

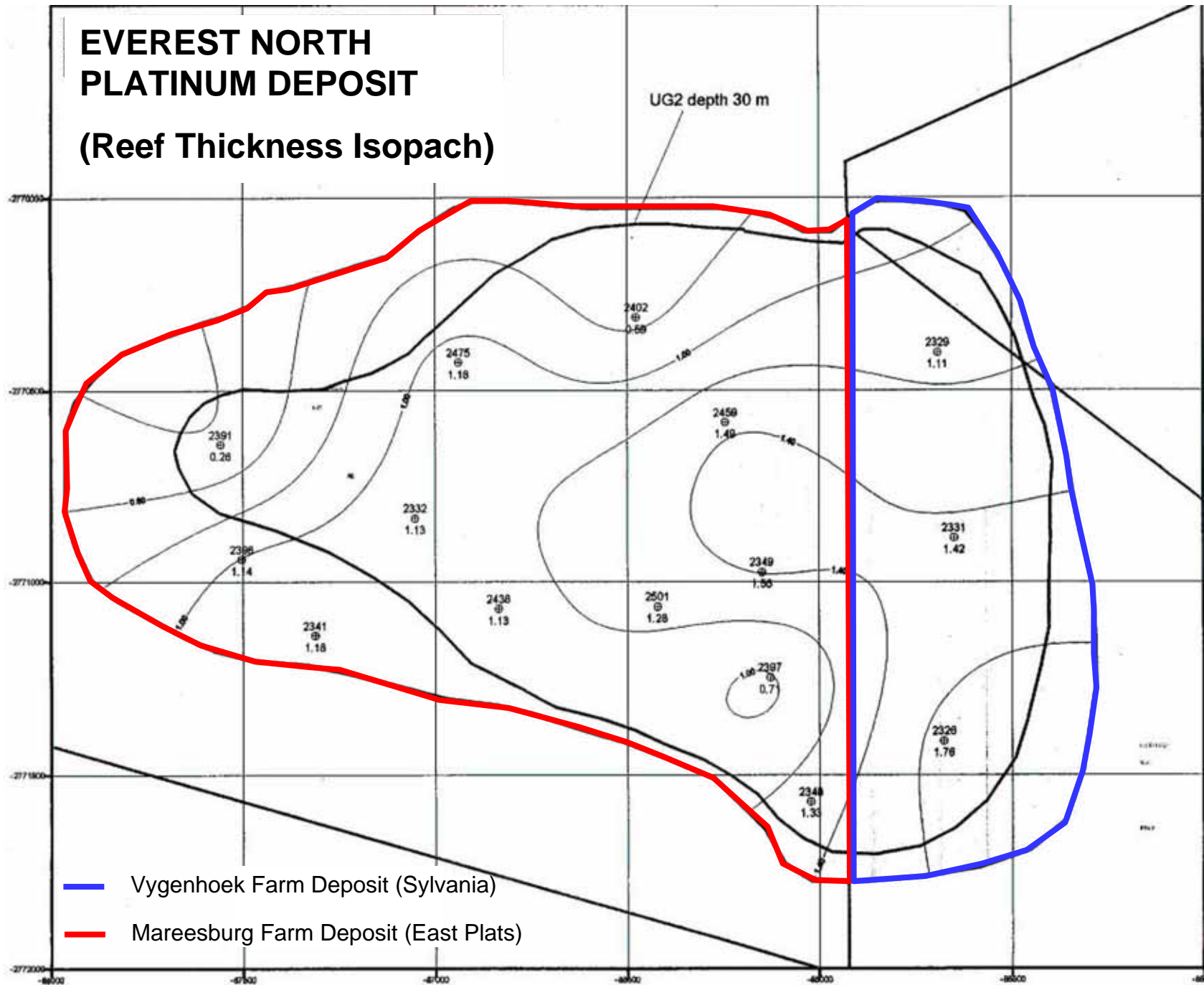


Dr Reuters



Mr. Bagus

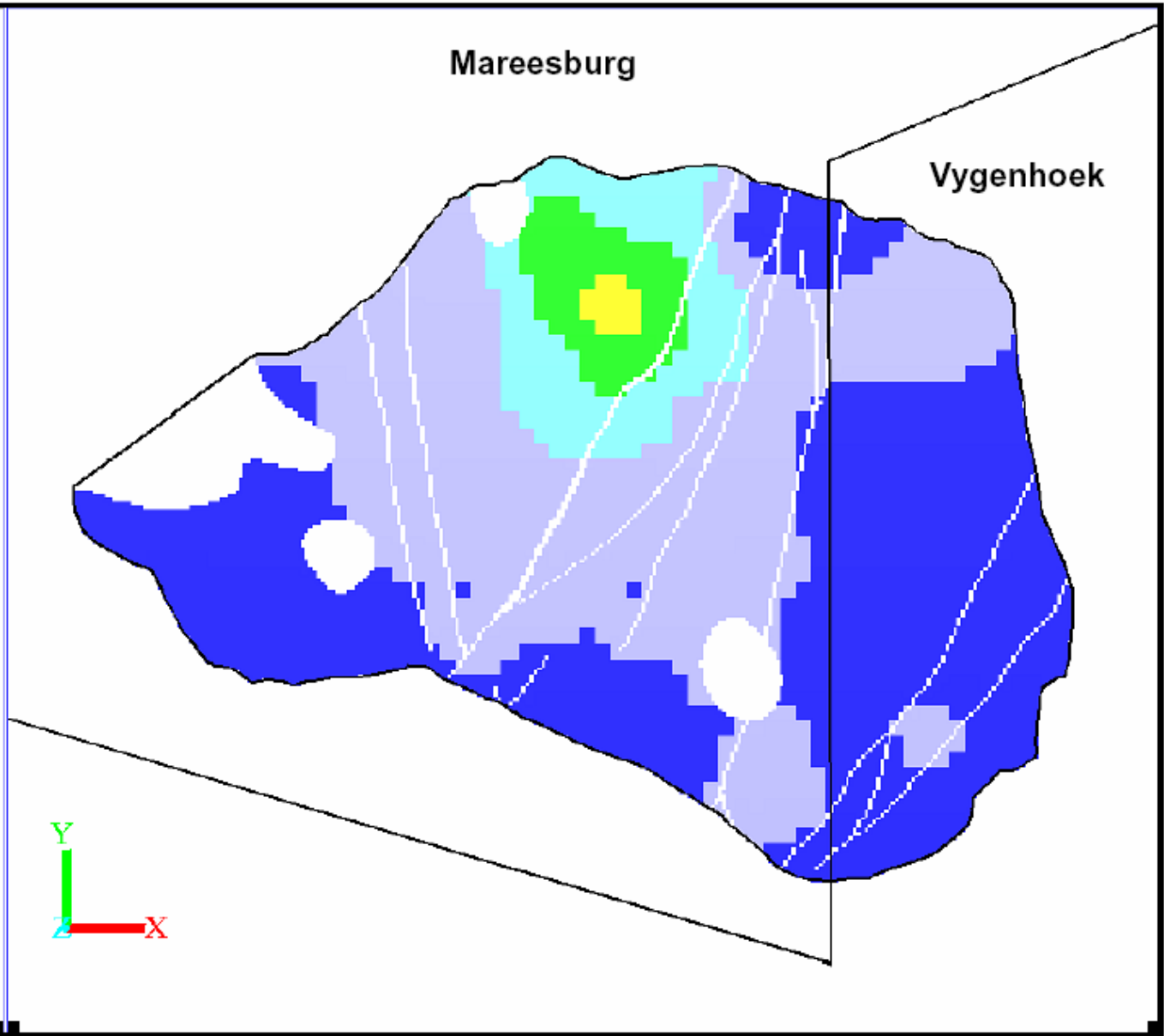
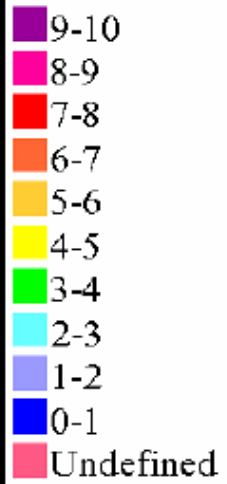
# EVEREST NORTH PLATINUM DEPOSIT (Reef Thickness Isopach)



Channel Width  
Width (in m)

Mareesburg

Vygenhoek



**EVEREST NORTH**  
**(New Surface & Underground Mining Operation)**

- Exploration drilling commenced June 2006
  - To date 17 boreholes have been drilled with 3 intersections each, Total of 51 intersections
  - 2 in progress , 2 remaining
  - Drilling expected to be completed end of May 2007
- 6 trenches of outcrop have been mapped and sampled

**In Situ Resource UG 2 Chromitite evaluated within the Channel**

<b>Property</b>	<b>Area(m<sup>2</sup>)</b>	<b>Channel Width (m)</b>	<b>Tonnes</b>	<b>4E g/t</b>	<b>Ounces</b>
<b>Vygenhoek</b>	<b>842,000</b>	<b>1.34</b>	<b>5,447,915</b>	<b>4.56</b>	<b>798,610</b>

# EVEREST NORTH PROJECT DEVELOPMENT PLAN

DESCRIPTION OF WORK	2007										2008											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>MINING RIGHT APPLICATION</b>																						
Mine works programme																						
Social and labour plan (SLP)																						
<b>EIA/EMP:</b>																						
Project initiation with authorities																						
Scoping public participation																						
Specialist work (completed)																						
Scoping phase report																						
EIA/EMP phase report																						
Feasibility Study																						
<b>PROJECT IMPLEMENTATION</b>																						
Mine and plant Design																						
Mine and plant Procurement																						
Plant Construction																						
<b>MINING</b>																						

# Investment Attractions

- Low cost platinum producer because of low mining costs.  
No Mining risks of faults, flooding, caving etc
- Forecast operating margin in excess of 70% well in line with CTRP achieved 77% margin.
- Dollar based business with Rand based expenses
- Most tailings pumped. No expensive road transport
- Modern technology
- New dump reclamation process
- Contracted off-take agreement
- Everest North low cost stand alone platinum mine

# Conclusion

- Agreements
  - New agreement signed with Samancor
  - BEE agreement signed
  - Matomo fixed price contract signed
  - Off take heads of agreement signed
- Technical
  - Learning curve on mining and plant operations completed
  - Skills secured and outsourced partners in place
  - Low risk, low capex and low opex projects
  - nearing completion of construction phase

# Conclusions

- Future
  - cash flow from early as July 2007
  - New Project generation
  - Platinum fundamentals very strong
- No new Junior Mining Platinum producers forecast to start generating profits within the next 3 years.

# Appendices

# Assumptions and Qualifications

- The **base case** PGE production profile is based on the following assumptions and qualifications:
  - Completion of construction of the PRP at Millsell during April 2007 and commissioning in May 2007
  - Completion of construction of the PRP at Steelport by end of April 2007 and commissioning in June 2007
  - Completion of construction of the PRP at Mooinooi by end of July 2007 and commissioning in November 2007
  - Completion of Lannex/Tweefontein by April 2008 and commissioning in May 2008
  - Exchange rates R/US\$7.14
  - Basket Price US\$1,300
  - 32.5% Recovery rate
  - The basket contents and element prices outlined in the slide "Basket Information"
  - Average grade of 2.5 g/t PGE

# Assumptions and Qualifications

- The **upside case** PGE production profile is based on the following assumptions and qualifications:
  - Completion of construction of the PRP at Millsell during April 2007 and commissioning in May 2007
  - Completion of construction of the PRP at Steelport by end of April 2007 and commissioning in June 2007
  - Completion of construction of the PRP at Mooinooi by end of July 2007 and commissioning in November 2007
  - Completion of Lannex/Tweefontein by April 2008 and commissioning in May 2008
  - Exchange rates R/US\$7.14
  - Basket Price US\$1,300
  - 60% Recovery rate
  - The basket contents and element prices outlined in the slide "Basket Information"
  - Average grade of 4 g/t PGE

# PGE Plants

- Steelpoort
  - Fixed price contract with Matomo Projects (Pty) Ltd
  - Mechanical Completion scheduled for 30 April
  - 4 to 6 weeks Commissioning, operational by mid June, 15 months ahead of schedule
- Mooinooi/Elandsdrift
  - Scheduled construction to begin in July 2007
  - Commissioning planned for November 2007
  - 4 Months ahead of schedule
- Lannex / Tweefontein
  - Deferred to 2008
  - Originally planned for July 2008