11 October 2005

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
20 Bond Street
Sydney NSW 2000

Dear Sir,

RE: Offer made under the Sylvania Resources Limited Option Plan

Sylvania Resources Limited ("**Sylvania**") announced on 6 April 2005 that it had established a Share Plan and an Option Plan to ensure that Sylvania has appropriate mechanisms in place to continue to attract and retain the services of directors and employees of a high calibre. Shareholder approval of the Share and Option Plans will be sought at the forthcoming annual general meeting of shareholders.

Sylvania has made an offer to acquire options, under the terms of the Sylvania Option Plan, to a director of Sylvania, Mr Terry McConnachie. Mr McConnachie has been invited to apply for a total of 500,000 options. The options will be granted for no consideration but will be exercisable at $0.50 cents each.

The Options will be exercisable on or before 30 June 2009, but an option holder may not take delivery of any underlying shares until either 12 months (in relation to half of the options offered) or 24 months (in relation to the other half of the options offered) has passed from the date of grant.

Offers to apply options under the terms of the Sylvania Option Plan are, where required under the Corporations Act and/or the ASX Listing Rules, subject to shareholder approval.

No options will be granted until after shareholder approval of the plans has been sought. As referred to above, the purpose of the grant of options and issue of shares under the Share and Option Plans is, amongst other things, to reward the recipients for their past performance and to provide long term incentives for participation in Sylvania's growth.

Full details of the terms of the share and option offers will be set out in the Notice of General Meeting seeking approval of the Share and Option Plans and, where required, of offers under those plans.

Yours faithfully
Sylvania Resources Limited

Grant Button
Director