



27 April 2006

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

Dear Sir,

**RE: SYLVANIA COMMISSIONS PLANT AT MILSELL AND COMMENCES
FEASIBILITY STUDY AT EVEREST NORTH**

On 22nd November 2005, Sylvania Resources Ltd ("Sylvania") announced it had entered into a contract with Samancor Ltd ("Samancor") with respect to the retreatment by Sylvania of the Millsell and Waterkloof tailings dumps for the recovery of chromite and Platinum Group Metals ("PGM's"). The directors of Sylvania are now pleased to announce the full commissioning of the chrome washing plant which is located at Millsell on the Western Bushveld of South Africa. The plant has come in substantially under budget and continuous production of chrome will commence on 3 May 2006.

Sylvania is also pleased to announce that a Feasibility Study has commenced at the Everest North project. The Everest North project lies on the Farm Vygenhoek in the Eastern Bushveld of South Africa and is prospective for PGM's. Previous work has outlined an Inferred resource of 4.2 million tonnes grading 5.87 g/t (Platinum, Palladium, Rhodium, and Gold), for an Inferred Resource of 796,000 ounces of PGM's. Drilling will commence in early May, and an Environmental Impact Study will be carried out at the same time by Metago Environmental Engineers.

Yours faithfully

Sylvania Resources Limited

A handwritten signature in black ink, appearing to read "E. Nealon", is written over a horizontal line.

Ed Nealon

Non - Executive Chairman

The technical exploration and mining information contained in this report was compiled by Mr Ed Nealon, a Sylvania Resources Ltd director. Mr Nealon provides consulting services via his company Athlone International Pty Ltd. Mr Nealon is a member of the Australasian Institute of Mining and Metallurgy and is considered to be a Competent Person in his respective area of expertise pursuant to the Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Nealon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.