

SYLVANIA RESOURCES LIMITED

ACN 091 415 968

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: Thursday, 30 November 2006

Time of Meeting: 9.00 am (WST)

Place of Meeting: Sandalwood Room
Ground Floor
Holiday Inn City Centre
788 Hay Street
Perth, Western Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

SYLVANIA RESOURCES LIMITED
ACN 091 415 968

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an annual general meeting of shareholders of Sylvania Resources Limited ACN 091 415 968 ("**Company**") will be held at Sandalwood Room, Ground Floor, Holiday Inn City Centre, 788 Hay Street Perth, Western Australia at 9 am (WST) on Thursday, 30 November 2006.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Meeting.

AGENDA

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial statements, the Director's report and auditor's report for the Company and its controlled entities for the year ended 30 June 2006.

RESOLUTIONS

1. Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That the remuneration report for the Company and its controlled entities for the year ended 30 June 2006 be adopted."

The vote on this resolution is advisory only and does not bind the directors or the Company.
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2. Re-election of Dr Evan Kirby as a Director

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That Dr Evan Kirby, who retires by rotation in accordance with the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."

3. Re-election of Mr Kevin Huntly as a Director

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That Mr Kevin Huntly, who retires by rotation in accordance with the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."

4. Ratification of placement to Portpatrick Ltd

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, shareholders of the Company hereby approve and ratify the issue of 11,275,000 Shares to Portpatrick Ltd, on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by a person who participated in the issue and an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Grant Button

Director

DATED: 30 October 2006

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company's office, 98 Colin Street, West Perth WA 6005, +61 8 9324 2977, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00 pm on Tuesday 28 November 2006. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

SYLVANIA RESOURCES LIMITED
ACN 091 415 968

PROXY FORM

Sylvania Resources Limited, 98 Colin Street, West Perth WA 6005, Facsimile +61 8 9324 2977

I/We _____

of _____

being a shareholder(s) of Sylvania Resources Limited ("**Company**") and entitled to

_____ shares in the Company

hereby appoint _____

of _____

or failing him/her/it _____

of _____

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at the Sandalwood Room, Ground Floor, Holiday Inn City Centre, 788 Hay Street Perth, Western Australia at 9 am (WST) on Thursday 30 November 2006 and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%.
(An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of a resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

I/we direct my/our proxy to vote as indicated overleaf:

SYLVANIA RESOURCES LIMITED
ACN 091 415 968

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the annual general meeting of Shareholders to be held at the Sandalwood Room, Ground Floor, Holiday Inn City Centre, 788 Hay Street Perth, Western Australia at 9 am (WST) on Thursday 30 November 2006.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Full details of the business to be considered at this Annual General Meeting are set out below.

1. Resolution 1 - Adoption of remuneration report

The remuneration report of the Company for the financial year ended 30 June 2006 is set out on pages 9 and 12 of the Company's 2006 annual report.

Pursuant to the Corporations Act, a resolution that the remuneration report be adopted must be put to vote at the Company's annual general meeting. The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

2. Resolutions 2 and 3 - Re-election of directors

It is a requirement under the Company's constitution that Dr Evan Kirby and Mr Kevin Huntly retire by rotation at the Annual General Meeting. Both Dr Evan Kirby and Mr Kevin Huntly, being eligible for re-election pursuant to the Company's constitution, offer themselves for re-election.

The remaining directors recommend to shareholders that both Directors be re-elected.

3. Resolution 4 - Ratification of placement to Portpatrick Ltd

3.1 Listing Rule 7.4

The Company seeks shareholder approval and ratification for the offer and issue of the following:

- 6,000,000 Shares on 9 December 2005 at an issue price of \$0.60 per Share; and
- 5,275,000 Shares on 26 July 2006 at an issue price of \$0.74 per Share,

for the purposes of Listing Rule 7.4.

The purpose of seeking shareholder approval and ratification of the issue of Shares is to effectively reinstate the maximum limit under the Listing Rules on the number of securities that the Company may issue in any 12 month period without shareholder approval.

3.2 Disclosure Requirements

Set out below is the information required to be disclosed in compliance with Listing Rule 7.5:

Shares issued on 9 December 2005:

- (a) The number of Shares allotted and issued was 6,000,000.
- (b) The 6,000,000 Shares issued rank equally with all existing Shares.
- (c) The allottee was Portpatrick Ltd.
- (d) No funds were raised from the issue of the Shares. The shares were issued at a deemed issue price of \$0.60 per share in consideration for Portpatrick Ltd's assistance in identifying the tender opportunity and in the preparing the tender to retreat chrome tailings at Millsell and Waterloof.

Shares issued on 26 July 2006:

- (a) The number of Shares allotted and issued was 5,275,000.
- (b) The 5,275,000 Shares issued rank equally with all existing Shares.
- (c) The allottee was Portpatrick Ltd.
- (d) No funds were raised from the issue of the Shares. The shares were issued at a deemed issue price of \$0.74 per share in consideration for Portpatrick Ltd's assistance in identifying opportunities for Sylvania to participate in Eligible Projects involving the re-treatment of Samancor's tailings for the extraction of chrome at Samancor's tailings dumps at its Western Chrome Mines (Buffelsfontein, Waterkloof, Mooinooi, Elandsdrift and Millsell) and Eastern Chrome Mines (Tweefontein, Lannex, Steelport, Doornbosch, Montrose, Groothoek, Onvarwecht and Mooihoek).

4. Glossary of Terms

The following terms and abbreviations used in the Notice of Meeting and this Explanatory Memorandum have the following meanings:

"Annual General Meeting" or "Meeting" means the annual general meeting of Shareholders to be held at the Sandalwood Room, Ground Floor, Holiday Inn City Centre, 788 Hay Street Perth, Western Australia at 9 am (WST) on Thursday 30 November 2006 or any adjournment thereof.

"ASIC" means the Australian Securities and Investments Commission.

"ASX" means Australian Stock Exchange Limited.

"Board" means the board of Directors.

"Company" and "Sylvania" means Sylvania Resources Limited, ACN 091 415 968.

"Corporations Act" means the *Corporations Act 2001* (Commonwealth).

"Directors" means the directors of the Company, from time to time.

"Explanatory Memorandum" means this explanatory memorandum.

"Listing Rules" means the official listing rules of ASX.

"Notice of Meeting" means the notice of the Meeting which accompanies the Explanatory Memorandum.

"Resolution" means a resolution in the Notice of Meeting.

"Section" means a section of this Explanatory Memorandum.

"Shareholders" means registered holders of Shares.

"Shares" means fully paid ordinary shares in the capital of the Company.