



5 September 2007

Sylvania Resources Limited ('Sylvania' or the 'Company')

Strategic Investment

Sylvania is pleased to announce that it has reached agreement to make a strategic investment in Great Australian Resources Ltd ('GAU'). Under the terms of an agreement with GAU, Sylvania will acquire 14,600,000 new shares in GAU at a price of A\$0.27 per share for a total consideration of approximately A\$3.943 million. Following the investment, Sylvania will own approximately 19.9% of GAU. This placement is subject to the approval of GAU shareholders.

GAU is listed on the Australian Stock Exchange (ASX:GAU) and has a market capitalisation of approximately A\$22 million. It is currently focussed on platinum and nickel exploration in South Africa. Sylvania believes that GAU's Mooiplats Platinum Project in South Africa, which is a potential near surface Merensky reef project, warrants the investment in this exploration company.

This investment furthers the Company's strategy of becoming a significant platinum group metal producer by leveraging its cash flow from retreatment facilities into growth projects in the region.

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