



25 September 2007

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

Sylvania Progress Update – Steelpoort, Millsell, Everest North

The Directors of Sylvania are pleased to announce positive progress in ramping up production at both the Millsell and Steelpoort platinum and chrome recovery plants and completion of the program to upgrade the UG2 platinum deposit at the proposed Everest North project to a measured resource.

Millsell

Completion and contract sign off to Matomo Pty Ltd for the construction of the Millsell chrome and PGE float plants was completed, and handover was accepted, on 13 August 2007.

At Millsell, the Company has produced 348 4E oz of PGM and 9961 tonnes of chromite during August 2007. The PGM production was significantly higher than the ramp-up budget, whilst the chromite production set a new monthly production record at 24.5% above the steady state monthly budget of 8000 tonnes. The average PGM flotation head grade for the month of August was 5.2 grams per tonne and budgeted recoveries and concentrate grades have been achieved. The base case assumptions for the PGM flotation plants, as set out in the Company's presentation released on 15 May 2007, were grade of 2.5g/t 4PGE and recoveries of 32.5%. After chromite credits, the PGM costs per ounce at Millsell are already lower than the budgeted costs, and the current costs at CTRP.

Steelpoort

At Steelpoort, the ramp-up of production is progressing well. Hydraulic mining of the dumps has been commissioned and target daily feed tonnages have already been achieved. The plant is operating well with PGM head grades and recoveries continuing to meet and exceed expectations. The base case assumptions for the PGM flotation plants, as set out in the Company's presentation released on 15 May 2007, were grade of 2.5g/t 4PGE and recoveries of 32.5%. For the month of September, both PGM and chromite production levels are expected by the Board to comfortably exceed the ramp-up budget.

Contractual completion of the Steelpoort chrome and PGE float plants is expected to be signed off in the next week.

Construction of Plant 3 and 4 at Elandsdrift and Lannex

Construction of the third integrated chrome and PGE float plant at Elandsdrift was underway and progressing well early in 2007 when development was placed on hold to focus upon the development of the Millsell and Steelpoort plants.

After discussions with Samancor Limited it was decided to alter the development schedule and focus resources on the construction of the integrated chrome and PGE float plant at the Lannex site.

Detailed design is complete at Lannex and site establishment has commenced. It is currently anticipated that the Lannex integrated chrome and PGE float plants will be completed prior to the end of the first quarter of 2008. When the Lannex site is completed, the Company will then return to

finalise the Elandsdrift integrated chrome and PGE float plants and it is currently anticipated that the Elandsdrift plants will be completed towards the end of the second quarter of 2008.

Commenting on these early results and developments, Terry McConnachie (CEO) said "the better than forecast head grades and recoveries bode well for the Company as it moves towards full production by the third quarter of 2008."

Everest North

The drilling program to upgrade the Vygenhoek 10 JT UG2 platinum deposit at the proposed Everest North project to a measured resource was completed on 8 September 2007 with the finalisation of drill hole VH21.

All planned drill holes from VH1 to VH21 have been drilled with three reef intersections per drill hole. All holes drilled have intersected well developed UG2 reef. The entire drill hole core has been logged and sampled for assay and evaluation purposes. The last assay samples were sent to Genalysis on 17 September 2007 and results are expected to be received by the end of October 2007. The resource estimate and the competent persons report will be prepared as soon as these results are received and can be expected to be published in November 2007.

The Environmental Impact Assessment ("EIA") is progressing positively in that the National Environmental Management Authority has given the approval for the EIA process on Vygenhoek.

Work on the mining right application is nearing finalisation with the completion of the Mine Works Program ("MWP") and the Social and Labour Development plan. Submission of the MWP is due early in October 2007.

The technical exploration and mining information contained in this report was compiled by Mr Ed Nealon, a former 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.

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