

**For immediate release**

**23 December 2008**

Sylvania Resources Limited ('Sylvania' or the 'Company'; ASX, AIM: SLV)

**ISSUE OF SHARES AND OPTIONS UNDER THE SYLVANIA RESOURCES  
SHARE AND OPTION PLAN**

Sylvania announces that in accordance with shareholder approval received on 28 November 2008, the Company has today issued 500,000 ordinary shares ('Shares') under the terms of the Sylvania Resources Share Plan, to Richard Rossiter, the Company's non-executive Chairman at an issue price of \$1.63.

The Company also, under the terms of the Sylvania Resources Share Plan, issued 200,000 Shares to John Cooke, a non-executive director at an issue price of \$1.63.

The Shares issued under the terms of the Sylvania Resources Share Plan may not be sold or otherwise dealt with until the later to occur of the following:

- (a) any loan in respect of the Share is repaid; and
- (b) in respect of:
  - (i) one half of the Shares issued under this offer, 12 months after the date of issue of the Shares (23 December 2009); and
  - (ii) the remaining one half of the Shares issued under this offer, 24 months after the date of issue of the Shares (23 December 2010).

Application has been made to the AIM Market of the London Stock Exchange ('AIM') for 700,000 Shares to be admitted to trading on AIM ('Admission'). Admission is expected to occur at 8.00 a.m. on 31 December 2008.

**Issue of Options under Option Plan**

In accordance with shareholder approval received on 28 November 2008, the Company has issued 1,750,000 options under the terms of the Sylvania Resources Option Plan to Terence McConnachie, the Company's Managing Director, exercisable at a price of \$1.63 each on or before 30 June 2011.

The Company also, under the terms of the Sylvania Resources Option Plan, issued a further 300,000 options exercisable at a price of \$1.63 each on or before 30 June 2011 to Louis Carroll, Finance Director, plus 200,000 options exercisable at a price of \$1.63 each on or before 30 June 2011 to Alistair Ruiters, a non-executive director of the Company.

The options will not be quoted on the ASX or AIM, and may not be transferred without the prior written approval of the Board of Sylvania. The options may only be exercised in the following tranches:

In respect of:

- (i) one half of the options issued, 12 months after the deemed date of issue of the options (23 December 2009); and
- (ii) the remaining half of the options issued, 24 months after the deemed date of issue of the options (23 December 2010).

Shares which are issued as a result of the exercise of options granted under the Option Plan will rank pari passu in all respects with all Shares on issue, and the Company will apply for quotation of those Shares on the ASX and AIM.

**For further information please contact:**

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Sylvania Resources Limited  
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In Australia  
Mike Langoulant  
Company Secretary  
Sylvania Resources Limited  
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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

SYLVANIA RESOURCES LIMITED

ABN

80 091 415 968

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares   |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | (1) 700,000 Ordinary Shares<br>(2) 2,250,000 Options   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (1) Shares will rank equally with current fully paid shares in the company.<br>(2) Options exercisable at \$1.63 each on or before 30 June 2011, subject to the restrictions referred to in section 4 below. |

+ See chapter 19 for defined terms.

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4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

(1) The shares will rank equally in all respects other than as set out in this section.

The shares may not be sold or otherwise dealt with until the later to occur of the following:

- (a) any loan in respect of those shares has been repaid in full; and
- (b) in respect of:
  - (i) one half of the shares issued, 12 months after the date of the issue of the shares (23 December 2009);
  - (ii) the remaining half of the shares issued, 24 months after the date of the issue of the shares (23 December 2010)

(2) The options will not be quoted on ASX/AIM and may not be transferred without written approval of the Board of Sylvania. The employees may only exercise their options in the following tranches:

- (a) one half of the options issued after 12 months from the deemed date of the issue of the options (23 December 2009)
- (b) another one half of the options issued after 24 months from the deemed date of the issue of the options (23 December 2010)

5 Issue price or consideration

- (1) \$1.63
- (2) \$1.63

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+ See chapter 19 for defined terms.

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>(1) The shares were issued pursuant to the Sylvania Resources share plan, which was established to ensure that the company has appropriate incentives to continue to attract and retain the services of directors and employees of a high calibre.</p> <p>(2) The options were issued pursuant to the Sylvania Resources Option Plan, which was established to ensure that the company has appropriate incentives to continue to attract and retain the services of directors and employees of a high calibre.</p>	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	23 December 2008	
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		181,662,273	Ordinary fully paid shares
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	+Class
		500,000	Options exercisable at \$0.50 on or before 30 June 2009
		600,000	Options exercisable at \$0.75 on or before 30 June 2010
		400,000	Options exercisable at \$2.89 on or before 30 June 2011
		600,000	Options exercisable at \$2.67 on or before 30 June 2011
		5,633,000	Options exercisable at \$1.63 on or before 30 June 2011
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)		

+ See chapter 19 for defined terms.

**Part 2 - Bonus issue or pro rata issue – Not applicable**

- |    |   |  |
|----|---|--|
| 11 | Is security holder approval required?   |  |
| 12 | Is the issue renounceable or non-renounceable?  |  |
| 13 | Ratio in which the +securities will be offered  |  |
| 14 | +Class of +securities to which the offer relates  |  |
| 15 | +Record date to determine entitlements  |  |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?  |  |
| 17 | Policy for deciding entitlements in relation to fractions   |  |
| 18 | Names of countries in which the entity has +security holders who will not be sent new issue documents<br><br><small>Note: Security holders must be told how their entitlements are to be dealt with.<br/>Cross reference: rule 7.7.</small> |  |
| 19 | Closing date for receipt of acceptances or renunciations  |  |
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |

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24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	
25	If the issue is contingent on +security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	
33	+Despatch date	

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1

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- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

- 38 Number of securities for which +quotation is sought
- 39 Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?  
  
If the additional securities do not rank equally, please state:  
  - the date from which they do
  - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
  - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	<p>Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before \*quotation of the \*securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 23 December 2008  
**Company Secretary**

Print name: **Mike Langoulant**  
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