

3 August 2009

The Company Announcements Office ASX Limited

Sylvania Resources Limited: Status of Defeating Conditions

In respect of the offer (**Offer**) made by Sylvania Resources Limited ACN 091 415 968 (**Sylvania**) for all of the ordinary shares in SA Metals Limited ACN 093 178 388 (**SA Metals**) and in accordance with section 630(3) of the Corporations Act 2001 (Cth), we enclose a notice of the status of defeating conditions under Sylvania's bidder's statement dated 3 July 2009. A copy of this notice has been sent to SA Metals.

Offer Closing Date

Sylvania notes that the Offer is scheduled to close at 5.00pm (WST) on **Tuesday 11 August 2009**. Sylvania encourages remaining SA Metals shareholders to accept the Offer as soon as possible.

Yours faithfully

Sylvania Resources Limited

Grant Button

Director/Joint Company Secretary

Enclosure

Address: Level 4 · 28-42 Ventnor Avenue · West Perth WA 6005 · PO Box 1346 · West Perth WA 6872 · Australia

SYLVANIA RESOURCES LIMITED ACN 091 415 968

Notice under section 630(3) of the Corporations Act 2001 (Cth)

STATUS OF DEFEATING CONDITIONS

This notice is given in respect of the offer (**Offer**) made by Sylvania Resources Limited ACN 091 415 968 (**Sylvania**) in the bidder's statement dated 3 July 2009 (**Bidder's Statement**) to acquire all of the ordinary shares in SA Metals Limited ACN 093 178 388 (**SA Metals**).

On 31 July 2009 Sylvania declared that the Offer had become unconditional. Sylvania hereby gives notice, pursuant to section 630(3) of the Corporations Act 2001 (Cth), that:

- 1. the Offer has been freed from all of the conditions contained in Appendix 2 to the Bidder's Statement; and
- 2. so far as Sylvania knows:
 - (a) the condition in paragraph 2.1 of Appendix 2 to the Bidder's Statement was fulfilled; and
 - (b) none of the events described in paragraphs 2.2 to 2.11 of Appendix 2 to the Bidder's Statement have occurred,

prior to the date this notice is given.

As at the date of this notice, Sylvania's voting power in SA Metals is 81.59%.

Dated: 3 August 2009

Grant Button

Company Secretary

Sylvania Resources Limited