



10 August 2007

Companies Announcement Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Our reference: 14051/60030/80091397

Dear Sir/Madam

**Offer (Offer) under an off-market takeover bid by Sylvania Resources Limited ACN (Sylvania) for shares in SA Metals Limited ACN (SA Metals)**

**Compulsory Acquisition**

In accordance with section 661B(1)(d) of the *Corporations Act 2001* (Cth) we enclose a copy of an ASIC Form 6021 (Notice of compulsory acquisition following takeover bid) dated 10 August 2009 (**Notice**), together with a covering letter to be sent to those SA Metals shareholders who did not validly accept Sylvania's Offer by 7.00 pm on 7 August 2009.

The Notice and letter will be dispatched to the abovementioned SA Metals shareholders tomorrow.

Yours faithfully

A handwritten signature in blue ink that reads "Grant Button". The signature is stylized and cursive.

**Grant Button**  
Company Secretary



11 August 2009

Dear SA Metals Limited Shareholder

**Notice of Compulsory Acquisition**

On 10 July 2009, Sylvania Resources Limited (**Sylvania**) made an offer for all of the shares in SA Metals Limited (**SA Metals**), on the basis of 1 Sylvania share for every 10 of your SA Metals shares (**Offer**).

Our records indicate that you did not validly accept Sylvania's Offer for your SA Metals shares prior to the close of trading on 7 August 2009.

As Sylvania has acquired a relevant interest in over 90% of SA Metals shares, Sylvania has elected to proceed to compulsorily acquire your SA Metals shares under Part 6A.1 of the Corporations Act 2001.

At completion of the compulsory acquisition process (typically 4 to 6 weeks although this may be longer in certain circumstances), Sylvania will provide to SA Metals the Sylvania share consideration for the compulsorily acquired SA Metals shares. SA Metals will hold the Sylvania share consideration in trust for holders of the SA Metals shares that are compulsorily acquired. SA Metals will then send to the former holders of SA Metals shares a written notice seeking instructions on how to deal with the Sylvania share consideration held in trust for them.

Please see enclosed a Form 6021 - Notice of compulsory acquisition following a takeover bid. This form sets out the compulsory acquisition procedure and your rights.

If you have any questions about the compulsory acquisition procedure, please call the Offer Information Line on 1300 523 257 (from within Australia) or +61 3 9946 4412 (from outside Australia).

Yours sincerely,

A handwritten signature in blue ink that reads 'G. Button'.

Grant Button  
Company Secretary  
Sylvania Resources Limited

ASIC registered agent number \_\_\_\_\_  
lodging party or agent name Clayton Utz  
office, level, building name or PO Box no Level 27  
street number & name 250 St Georges Terrace  
suburb/city Perth state/territory WA postcode 6000  
telephone (02) 9426 8000  
facsimile (02) 9381 3095  
DX number \_\_\_\_\_ suburb/city \_\_\_\_\_  
Ref 80091397

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	ASS. <input type="checkbox"/> REQ-A <input type="checkbox"/>
	CASH. <input type="checkbox"/> REQ-P <input type="checkbox"/>
	PROC <input type="checkbox"/>

Australian Securities &amp; Investments Commission

form **6021**

Notice of  
**compulsory acquisition  
following takeover bid**

Corporations Act 2001  
661B(1)(a)


To \_\_\_\_\_ (1)  
Securities of SA Metals Limited ACN 093 178 388 (2) ("the Company")

1. Under an Off Market Bid offers were made by Sylvania Resources Limited ACN 091 415 968 (3) in respect of the acquisition of Ordinary shares (4) in the Company. The offers are scheduled to close on 11 August 2009. (5).
2. You are, or are entitled to be, registered as the holder of securities in respect of which an offer was made, but have not accepted the takeover offer.
3. The bidder hereby gives you notice under subsection 661B(1) of the Corporations Act 2001 ("the Act") that the bidder has become entitled pursuant to subsection 661A(1) of the Act to compulsorily acquire your securities and desires to acquire those securities.
4. Under section 661D of the Act, you have the right, by notice in writing given to the bidder within one month after this notice is lodged with ASIC, to ask the bidder for a written statement of the names and addresses of everyone else the bidder has given this notice to.
5. Under section 661E of the Act, you have the right, within one month after being given this notice or within 14 days after being given a statement requested under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, to apply to the Court for an order that the securities not be compulsorily acquired.
6. The bidder is entitled and bound to acquire the securities on the terms that applied under the takeover bid immediately before this notice was given.
7. Unless on application made by you under section 661E within one month after being given this notice (as referred to in paragraph 6 of the notice) or within 14 days after being given a statement under section 661D of the Act (as referred to in paragraph 4 of this notice), whichever is the later, the Court otherwise orders, the bidder must comply with paragraph 6 of this notice.

**Signature**

print name Grant Button capacity Director

sign here


date 10/8/09