

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

**ASX, AIM: SLV**

30 June 2009

**Analyst Presentation**

In preparation for the Conference Call for Analysts to be held on 30 June 2009 at 09.00 UK time (10.00 South Africa, 11.00 Finland, 16.00 Perth, 18.00 Sydney), please find to follow the Analyst Presentation.

The conference call will be hosted by Alwyn Smit, CEO of Ruukki and Richard Rossiter, Chairman of Sylvania to talk through the transaction and its strategic rationale.

The conference call can be accessed on the following numbers:

UK National	0871 700 0345 & 0870 043 6302
UK Standard International	+44 1452 555 566
Australia	1800 020 199
Finland	0800 112 363
South Africa	0800 980 759

The conference ID number is: 17914321

For further information please contact:

**Ruukki**

Alwyn Smit  
Chief Executive Officer  
Phone: +41 7960 19094  
Email: alwyn.smit@ruukkigroup.fi

**Financial Advisor to Ruukki**

Thys Terblanche  
Standard Bank plc  
Phone: +44 20 7815 4303  
Email: thys.terblanche@standardbank.com

**Sylvania**

Richard Rossiter  
Non Executive Chairman  
Phone: +61 418 688 338  
Email: rrossiter@sylvaniareources.com

**Nominated Advisor Sylvania**

Richard Brown  
Ambrian Partners  
Phone: +44 20 7634 4709  
Email: richard.brown@ambrian.com

**Financial Public Relations**

Laurence Read  
Threadneedle Communications  
Phone: +44 020 7653 9855  
Email: laurence.read@threadneedlepr.co.uk



## *Creating an Integrated, Mine to Metals PGM and Ferrochrome Company*

**Proposed Merger with Sylvania Resources**



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## 1. Strategic Rationale

## 2. The Transaction

## 3. Conclusion

# Strategic Rationale

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- Create an integrated producer and processor of PGMs and ferrochrome
- Expand existing profitable production by accessing:
  - previously uneconomic high chrome low grade material in tailings dumps and current risings
  - conventional ore deposits
- Apply the direct current (“DC”) furnace technology which was co-developed with Mintek, South Africa's national mineral research organisation, and is currently available at Mogale Alloys
- Allow the development of an alternative smelting and refining route to that currently available via the platinum majors
- Combine operational, technical and marketing expertise from across the PGM and ferrochrome industries

**Unlock Value from PGMs and Ferrochrome**

# Unlocking Value from PGMs and Ferrochrome



High chrome, low grade PGM material

+

Application of DC furnace technology currently available at Mogale Alloys

+

Established processing infrastructure  
Well funded and established European base

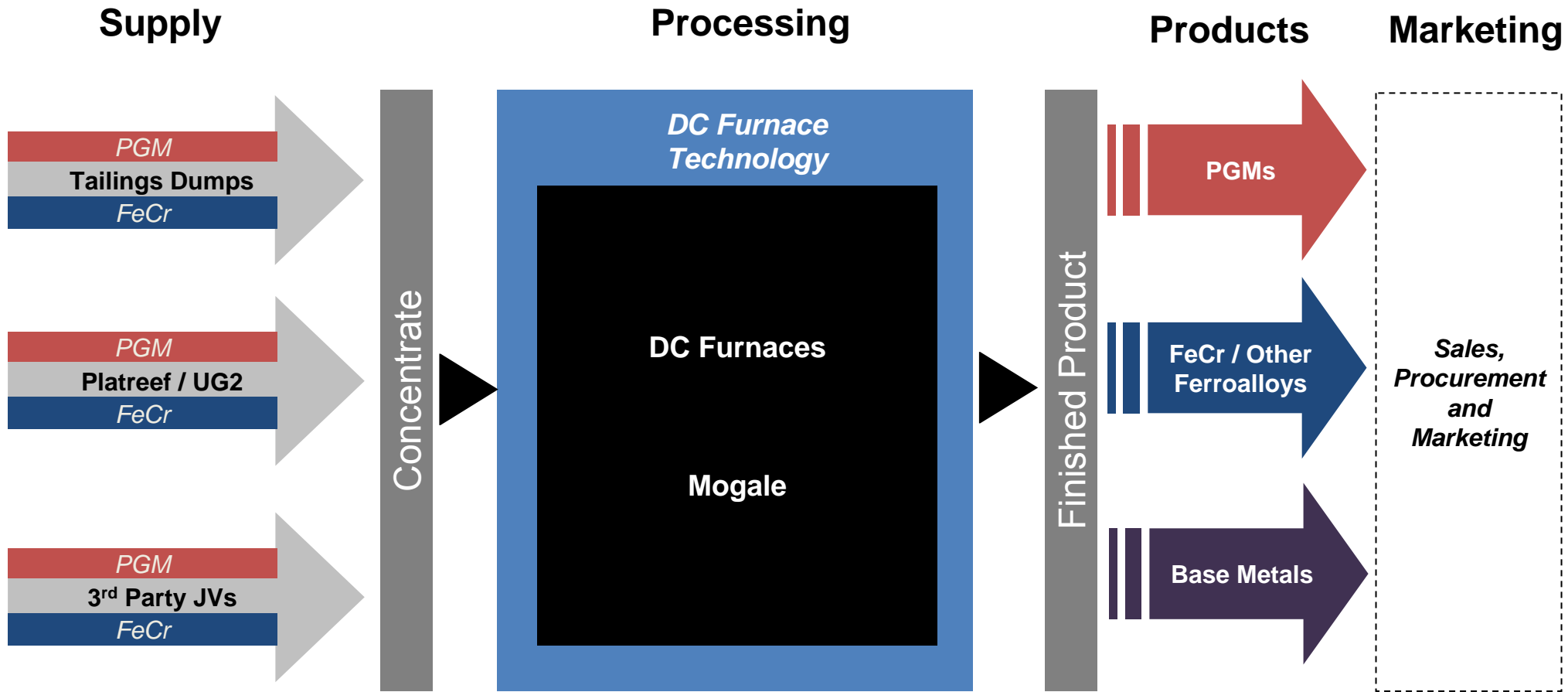
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Efficient, technology enabled, integrated PGM and ferrochrome company  
***Aggressively pursuing high margins and growth***

Mine to Metals company

**RUUKKI** | GROUP

# Mine To Metals



# Complementary Businesses

- Ruukki is listed on NASDAQ OMX Helsinki Ltd; market capitalisation: EUR585m<sup>(1)</sup>

**PGM Resources**

*South Africa Bushveld Region*

**Hard Rock**

- Everest North
- Grass Valley
- Aurora
- Mooiplaats
- Hacra

**Tailings Dumps & Risings**

- Sylvania Dump Operations
- Chrome Tailings Retreatment Project

**FeCr Resources**

*Turkey*

- Turk Madin Sirketi

- Ruukki
- Sylvania<sup>(2)</sup>
- SA Metals<sup>(2)</sup>
- Great Australian Resources<sup>(2)</sup>



**Processing**

*South Africa Bushveld Region*

- Mogale Alloys

*Germany*

- Elektrowerk Weisweiler

**Sales and Marketing**

*Malta*

- RCS Limited

**Head Office**

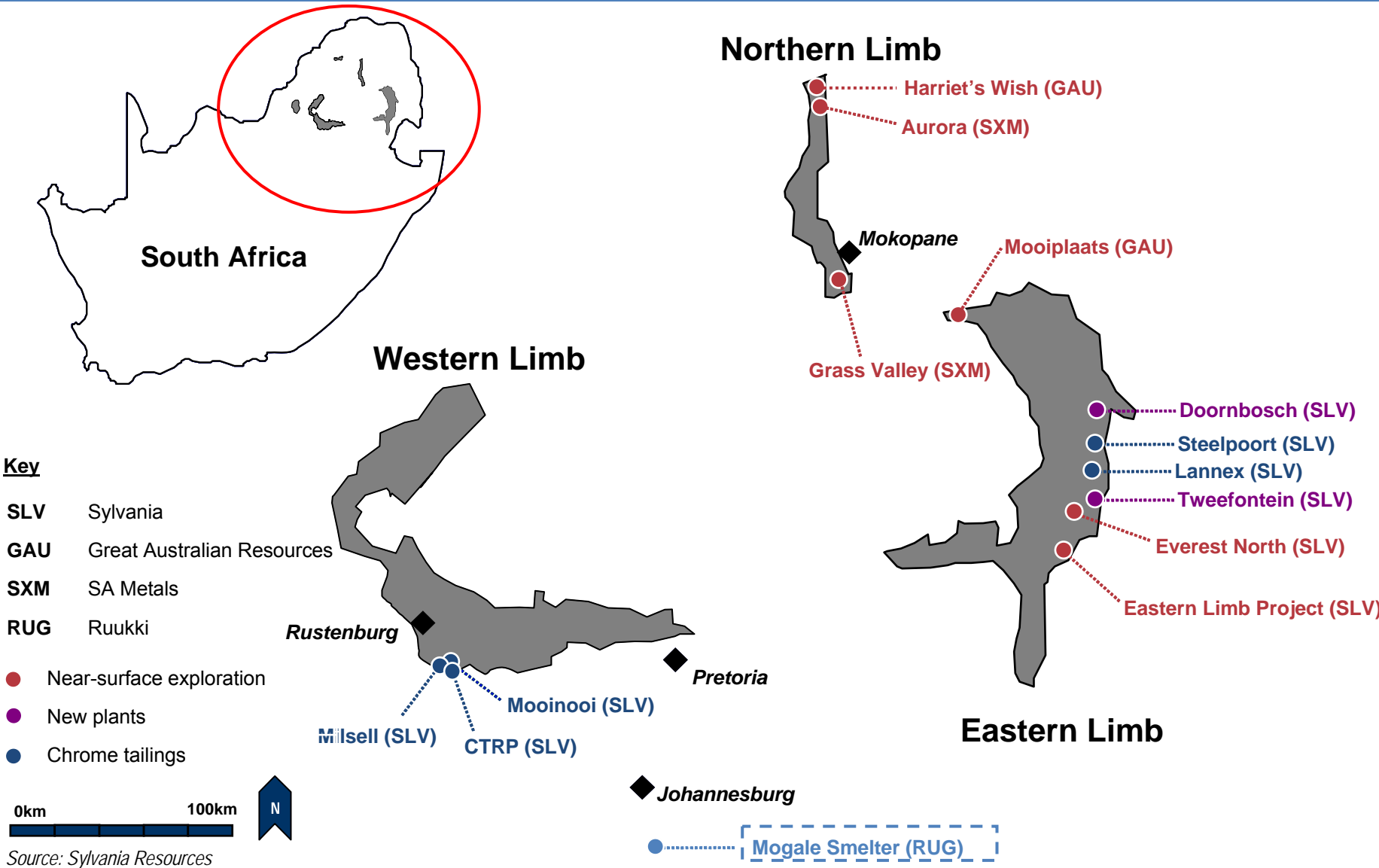
*Finland*

- Ruukki Group Plc

Source: Company disclosures



# Resource Base – Bushveld Igneous Complex



# Mogale Alloys

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**RUUKKI** | GROUP

- Total smelting capacity of 96 MVA in 2 DC furnaces and 2 submerged arc furnaces
- Currently produces silico manganese, stainless steel alloy and ferrochrome:
  - annual production capacity around 100,000 tonnes per annum
- DC furnace technology co-developed with Mintek and independently developed further in recent years
- UG2 reef material used in ferrochrome production enhancing its cost competitiveness

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1. Strategic Rationale

**2. The Transaction**

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# The Transaction

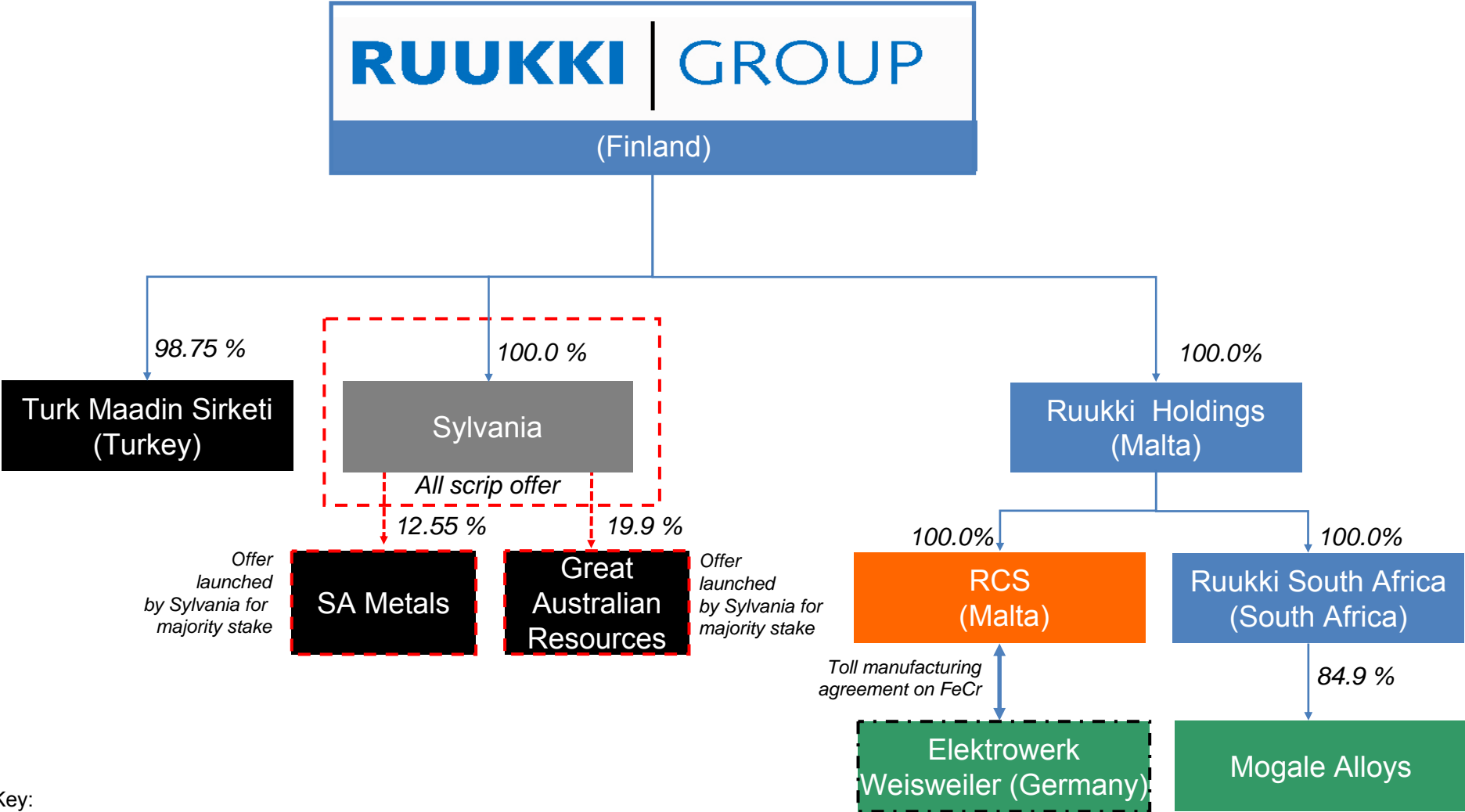
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- Announcement for Ruukki to acquire 100% of Sylvania:
  - 1.81 Sylvania shares for 1.0 Ruukki share
- Unanimous recommendation by the independent directors of Sylvania
  - In the absence of a superior proposal and subject to confirmation from an independent expert that the scheme is in the best interests of shareholders
- Transaction to be implemented by way of an Australian law governed scheme of arrangement

# Proposed Transaction Summary

- Merger Ratio**
  - 1.81 Sylvania : 1.0 Ruukki
- Premium**
  - 28% to share price of GBP0.82 on 29 June 2009
  - 36% to share price of GBP0.77 on 23 June 2009, the day prior to Sylvania's statement regarding press speculation
  - 44% to 30 day volume weighted average price prior to 29 June 2009 of GBP0.73 per share
- Consideration Value**
  - Approximately EUR268m / AUD468m<sup>(1)</sup>
- Ruukki Shares To Be Issued**
  - 119.6m<sup>(2)</sup>
- Interest in Enlarged Group**
  - 31.4%<sup>(2)</sup>
- Key Conditions**
  - Shareholder vote
  - Independent Expert recommendation (Australia)
  - Regulatory approvals
  - Court approval (Australia)
  - Ruukki EGM approval
- Indicative Timetable<sup>(3)</sup>**
  - Scheme Document dispatched            Q4 2009
  - 1<sup>st</sup> Court hearing                            Q4 2009
  - Shareholder vote                            Q1 2010
  - Closing                                        Q1 2010

# Proposed Ruukki Group Post Transactions



Key:

- Resources / Mining
- Furnaces / Smelting
- PGM
- Sales
- Holding / HQ
- Proposed Transactions
- No equity Ownership

# Proposed Enlarged Group Management

- Alwyn Smit Chief Executive Officer  
Ruukki Group
- Terry McConnachie Chief Executive  
Ruukki Minerals: PGM
- Jukka Havia Finance Director  
Ruukki Group



# Board of Directors Post Transactions

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- Jelena Manojlovic                      Chairperson
- Alwyn Smit                                Chief Executive Officer
- Terry McConnachie                    Executive Director
- Thomas Hoyer                          Non Executive Director
- Markku Kankaala                      Non Executive Director



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1. Strategic Rationale

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# Conclusion

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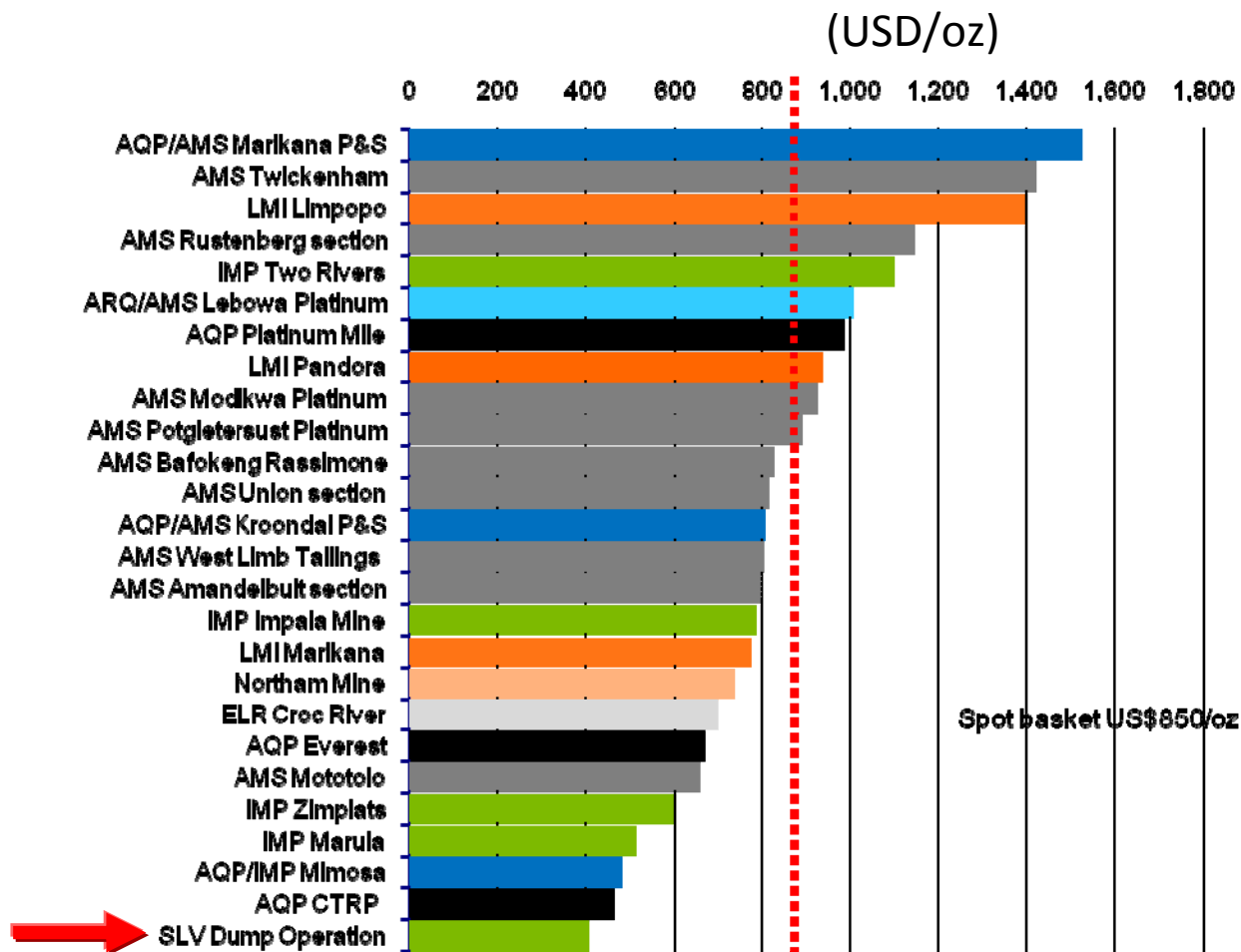
- Creating an integrated producer and processor of PGMs and ferrochrome
- To be implemented by way of an Australian scheme of arrangement
- Unanimous recommendation by the independent directors of Sylvania<sup>(1)</sup>
- Expanding existing profitable production
- Applying DC furnace technology currently available at Mogale Alloys
- Allowing the development of an alternative smelting and refining route to that currently available via the platinum majors
- Combining operational, technical and marketing expertise
- Well funded with established revenues
- Transaction expected to close Q2 2010
- Proposed future application for admission to the main board of the London Stock Exchange allowing greater liquidity

## ***Unlocking Value from PGMs and Ferrochrome***

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# Appendices

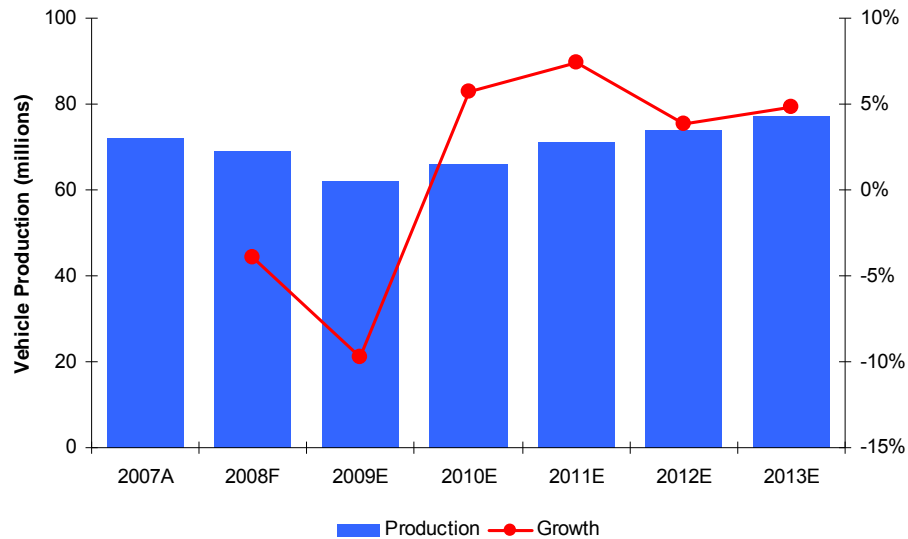
# Current Producing Mines Cash Costs per PGM oz



Source: RBCCM March 2008

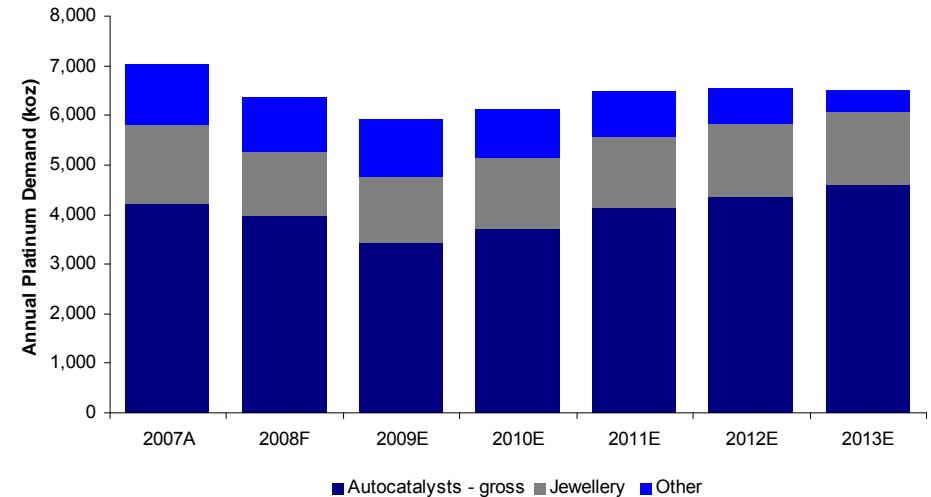
# Platinum Market

## Global Vehicle Production and Growth



Source: Standard Bank and Credit Suisse Standard Securities

## Platinum Demand By End User (1)

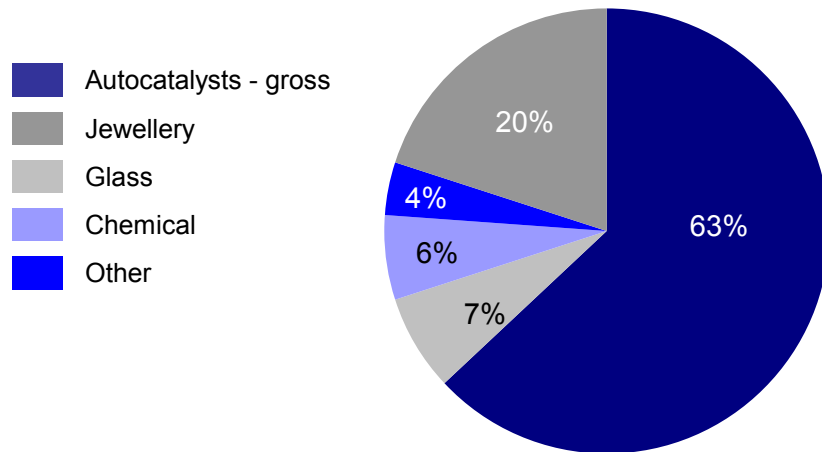


Source: Standard Bank and Credit Suisse Standard Securities

(1) Demand gross of recycled platinum

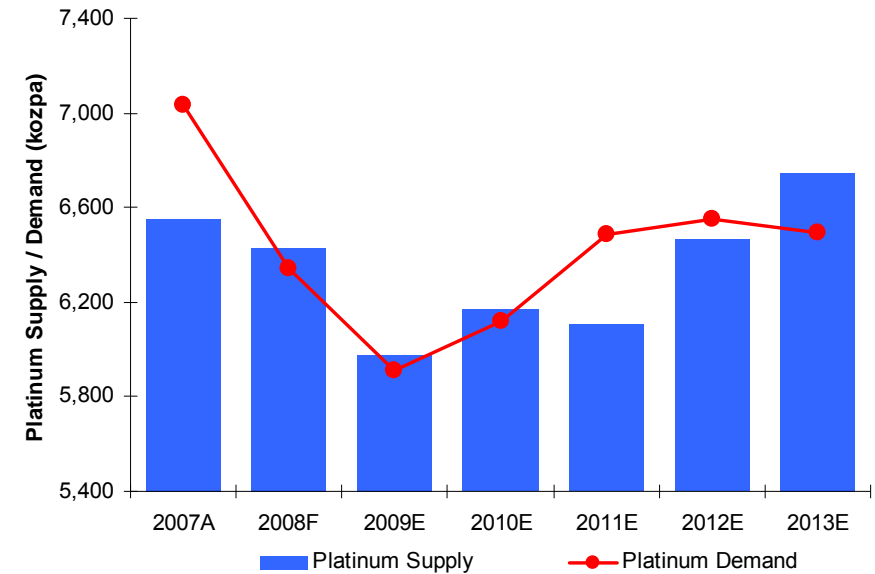
# Platinum Market – continued

## Platinum Demand by End User – 2008



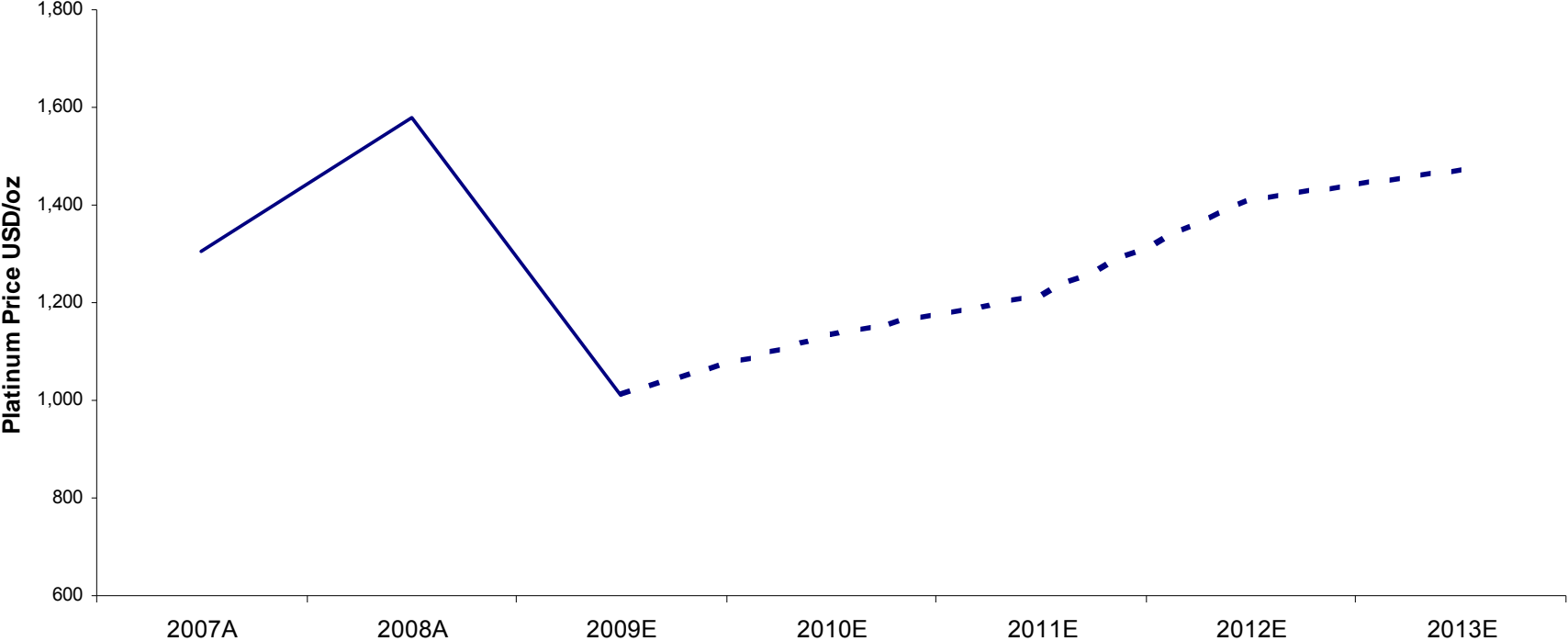
Source: Standard Bank and Credit Suisse Standard Securities

## Platinum Supply and Demand



Source: Standard Bank and Credit Suisse Standard Securities

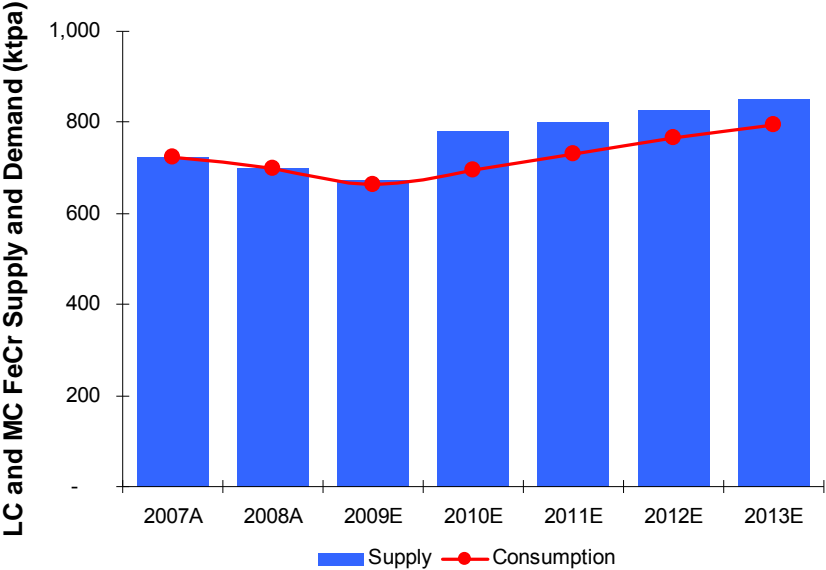
# Platinum Price Forecast



Source: Standard Bank and Credit Suisse Standard Securities

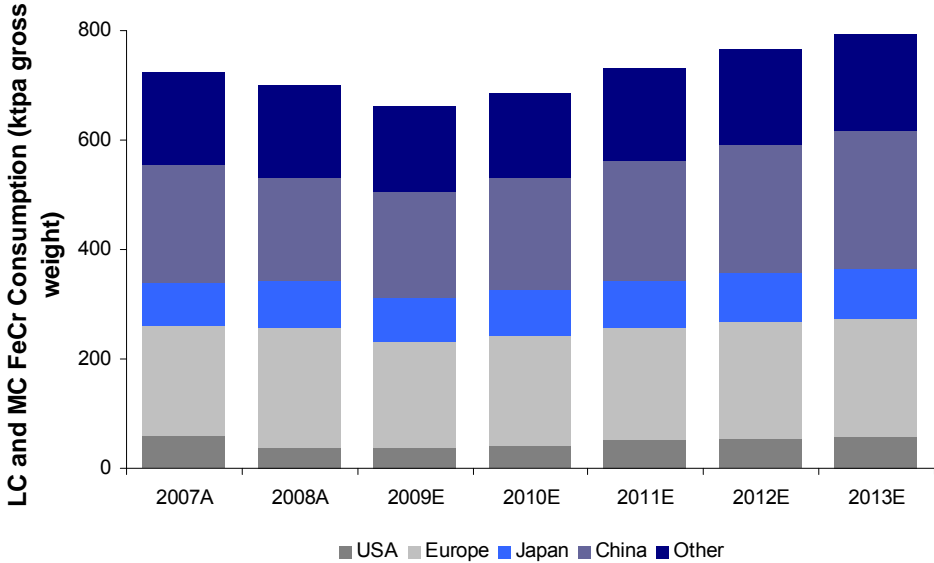
# Ferrochrome Market

**LC and MC FeCr Supply and Consumption**



Source: Standard Bank and CRU International

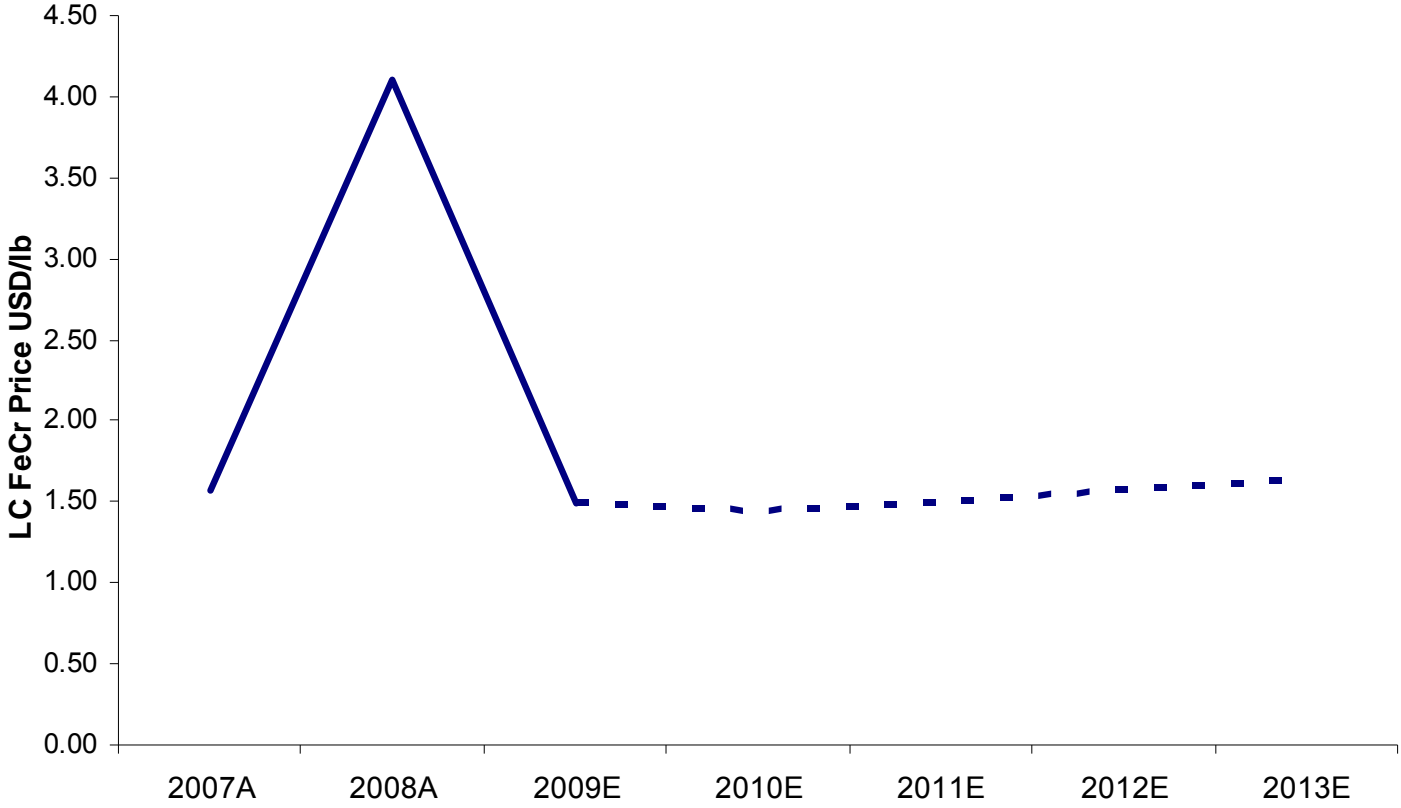
**LC and MC FeCr Consumption By Region**



Source: Standard Bank and CRU International



# Ferrochrome Price Forecast



Source: Standard Bank and CRU International