

For immediate release

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

SYLVANIA RESOURCES LIMITED

ASX:SLV

AIM:SLV

Registration No: 091 415 968

ISIN

**FOURTH OF SYLVANIA'S PLANNED SIX CHROME AND PGE
RECOVERY PLANTS COMMISSIONED AT MOOINOOI, RSA**

- **stage one output objective - 500 ounces per month**
- **chrome concentrate below 3% and concentrate grade over 160g/ton**
- **chrome and PGE plant construction at a cost of R85 million**
- **construction of R.O.M. section (under construction) R9,5 million**

Sylvania today announces that it has completed the construction and commissioning of the tailings and current risings section of its Mooinooi PGM recovery plant near Millsell in the western Bushveld at a cost of approximately R85 million. This is the fourth plant the Company has successfully commissioned in South Africa.

The Mooinooi plant has a design capacity to treat up to 37 000 tons per month of tailings and current risings. Ramp up to full capacity has started and it is anticipated that the designed production levels will be reached by the end of February 2010, which is in line with the start-ups of Millsell and Steelpoort. A team of 49 people will operate the plant on a 24 hour, seven days a week basis.

Initial results at the new Mooinooi plant are positive with chrome content in the concentrate being below 3% and concentrate grade over 160g/ton. PGM input grades are better than expected. Currently the new plant is processing dump material from the Buffelsfontein and parts of the Mooinooi dumps as well as Mooinooi current risings that are from Samancor mining sections.

Sylvania now has four PGM recovery plants based on the Bushveld complex of South Africa. The Company has successfully pursued a strategy of low cost PGM extraction from tailings. It is envisaged that the cost of production will be in line with our Millsell costs of less than US\$350 per ounce when the plant gets to a steady state.

Planning is at an advanced stage for the run of mine section of the plant, which is expected to treat all the MG2 material from the Mooinooi and Buffelsfontein East mines when these sections commence operations, which is expected shortly. The erection of steel framework and other initial construction activities has commenced in preparation for main construction work to proceed once the schedule for the start up of the Mooinooi and Buffelsfontein East mines is confirmed. This new plant is expected to cost a further R9.5million, taking the total capex on Mooinooi to R94.5million. The treatment of this additional MG2 material enables Sylvania to increase the current risings into the Mooinooi plant, thus extending the life of the Mooinooi dump.

Terence McConnachie, Managing Director of Sylvania Resources, commented: "The commissioning of our fourth tailings plant expands our profitable, low cost, PGM production base. We expect first stage production to reach 500 ounces per month in the coming months and over time enhance input as we open up our new PGM assets for processing. This commissioning further proves the Company's ability to grow its PGM production potential, while remaining profitable".

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