

11 June 2009

**Sylvania Resources Limited ('Sylvania' or the 'Company')
(ASX/AIM: SLV)**

Issue of Options

In accordance with Sylvania's long term employee incentive program and its shareholder approved Employee Option Plan Sylvania has today issued 6,000,000 Options under the terms of the Plan.

The Options were issued to 24 South African staff and consultants under the terms of the Employee Option Plan; they will not be quoted on ASX/AIM, and may not be transferred without the prior written approval of the Board of Sylvania. The Options are exercisable at A\$1.05 each on or before 30 June 2012.

The strike price of the Options was calculated at not less than the Volume Weighted Average Price for the week preceding the offer to employees and consultants.

The employees may only exercise their Options in the following tranches:

in respect of:

1. one half of the Options issued, at any time following the date which is 12 months after the deemed date of issue of the Options (11 June 2010); and
2. the remaining half of the Options issued, at any time following the date which is 24 months after the deemed date of issue of the Options (11 June 2011).

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 ASX.

For further information please contact:

In South Africa

Terence McConnachie
(MD Sylvania Resources Limited)
(+27 11) 673 1171

Louis Carroll
(FD/Joint Company Secretary)
Sylvania Resources Limited
(+27 11) 673 1171

In Australia

Richard Rossiter (Chairman)
Sylvania Resources Limited
(+614) 1868 8338

Grant Button
(Director/Joint Company Secretary)
Sylvania Resources Limited
(+618) 9226 4777

In United Kingdom

Richard Brown/ Richard Greenfield
Ambrian Partners Limited
+44 (0) 20 7634 4700

Laurence Read/Beth Harris
Threadneedle Communications
+44 (0) 20 7653 9855

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 | Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 6,000,000 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) | Options exercisable at \$1.05 each on or before 30 June 2012, subject to the restrictions referred to in section 4 below. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>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:</p> <p>(a) one half of the options issued after 12 months from the deemed date of the issue of the options (11 June 2010)</p> <p>(b) another one half of the options issued after 24 months from the deemed date of the issue of the options (11 June 2011)</p>						
<p>5 Issue price or consideration</p>	<p>\$1.05</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>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>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>11 June 2009</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="721 1451 997 1482">Number</th> <th data-bbox="1002 1451 1268 1482">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="721 1488 997 1688">181,662,273</td> <td data-bbox="1002 1488 1268 1688">Ordinary fully paid shares</td> </tr> <tr> <th data-bbox="721 1694 997 1726">Number</th> <th data-bbox="1002 1694 1268 1726">+Class</th> </tr> </tbody> </table>	Number	+Class	181,662,273	Ordinary fully paid shares	Number	+Class
Number	+Class						
181,662,273	Ordinary fully paid shares						
Number	+Class						

+ See chapter 19 for defined terms.

9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	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
		6,000,000	Options exercisable at \$1.05 on or before 30 June 2012

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

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?

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|--|--|
| 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

<small>Note: Security holders must be told how their entitlements are to be dealt with.

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 | |
| 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) | |

+ See chapter 19 for defined terms.

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

(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

+ See chapter 19 for defined terms.

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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

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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.

+ See chapter 19 for defined terms.

- 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.

- 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: 11 June 2009

Company Secretary

Print name:

Grant Button

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+ See chapter 19 for defined terms.