

For immediate release

8 July 2010

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

SYLVANIA RESOURCES LIMITED

ASX: SLV

AIM: SLV

Registration No: 091 415 968

ISIN

SYLVANIA COMMISSIONS DOORNBOSCH PGM PLANT, SOUTH AFRICA

- **Fifth PGM and chrome recovery plant commissioned under budget**
- **Initial PGM concentrate expected July 2010 with PGM production rising from an initial 670 oz. per month to in excess of 1000 oz. per month at steady state**
- **Lannex plant to resume at reduced capacity pending construction of the new tailings dam**

Sylvania Resources announces the commissioning of its fifth PGM and chrome recovery plant in South Africa, known as the Doornbosch PGM and chrome recovery plant. First slurry has been passed through the plant and saleable concentrate is scheduled to be produced during July 2010.

The construction of the plant, which is on the eastern side of the Bushveld complex, was completed at a cost of R97 million, under the total capital expenditure budget of R100 million.

Designed to process 20,000 tonnes of PGM plant feed a month, the plant will employ 50 people once full production is reached. It is fed from the Doornbosch chrome plant which is in a ramp up phase and is currently producing current risings feed of approximately 15,000 tonnes a month.

The current feed to the Doornbosch PGM plant consists of ore from the opencast mine as well as tonnage from the underground mine which is currently in the process of development. As a result of ore dilution from off reef development in the underground mine, head grades of approximately 2.9g/t (3PGE+AU) are currently being received at the plant with feed tonnage and grade expected to improve significantly over the next few months as the underground mine builds up to full production. At current feed rates and base float recovery, estimated PGM production is 670 ounces per month.

To ensure that the capacity of the Doornbosch plant is fully utilized preparations are under way to temporarily treat fines from the Tweefontein mine and dumps at the Doornbosch plant. Feed is expected to be available from Tweefontein before the end of Q1 2011 and is expected to increase monthly PGM production at Doornbosch to well over 1,000 ounces per month.

Commenting today Terence McConnachie, CEO of Sylvania Resources, said:

“The Doornbosch plant, our fifth PGM recovery plant in the Bushveld complex, is well positioned to become one of the lowest cost producers of the Sylvania plants, due to the potentially high grade feed that we expect from this new mine. This supports our strategy of low cost extraction from chrome current risings and tailings dumps.

“Not only was the project completed within budget but the Company is proud to report that there was not one single lost time injury in the 88 812 hours taken to complete the construction of the plant.”

Lannex plant update

Approval of the new water Licence for the Lannex plant, which was temporarily suspended this year due to limitations of the existing tailings dam, is still awaited. All of the necessary paper work has been submitted, and the Company expects the Licence to be granted shortly. Once approval has been obtained, construction of the new tailings dam will take approximately three months to complete.

A project to deposit an additional 25,000 tonnes of coarse tailings underground has been undertaken at an estimated cost of R3 million. This underground backfilling will enable the Lannex plant to restart production from the old tailings dump for a period of six months at a reduced capacity of up to 30,000 tpm feed rate, pending the approval of the water Licence and the construction of the new tailings dam which will then allow Lannex to achieve its design capacity of up to 70,000 tons feed per month.

For further information please contact:

In South Africa

Terence McConnachie (CEO 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

