



Success



Growth



Leading low-risk dump and near surface
PGE producer

TM McConnachie, CEO | October 2010

www.sylvaniaresources.com



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Sylvania in brief

- Listed on Australian Securities Exchange (ASX: SLV) and London's AIM market (SLV)
- Shares in issue: 243 million
- Market capitalisation: GBP 108.2 million*
- Shareholders holding 5% or more of shares in issue (+50% of equity)
 - Audley
 - M&G Investment Management
 - Odey Asset Management
 - Henderson Global
 - UBS AG
 - JP Morgan Asset Management
 - Credit Suisse
- Cash GBP 13.1m*
- No debt and strong cash flows



* 31 August 2010

Sylvania in brief

- **Vision**
 - Leading SA mid-tier PGM producer
 - Operate low-risk tailings and opencast mining assets
- **Resources**
 - Access to 12 million ounces
- **Dumps**
 - Mooinooi life of mine increased to 25 years
 - 5 operating plants
 - Additional ounces through ROM processing
- **Volspruit opencast resources**
 - 1.15 million measured ounces
 - 2.4 million indicated and inferred ounces
 - 87.8 million lbs Ni and 25.5 million lbs Cu measured resource and
 - 174.8 million lbs of Ni and 51.5 million lbs of Cu indicated and inferred resource.
- **Northern Platreef projects**
 - Exploration target 7 million ounces
- **Everest North**
 - 773 000 measured ounces



Sylvania key drivers

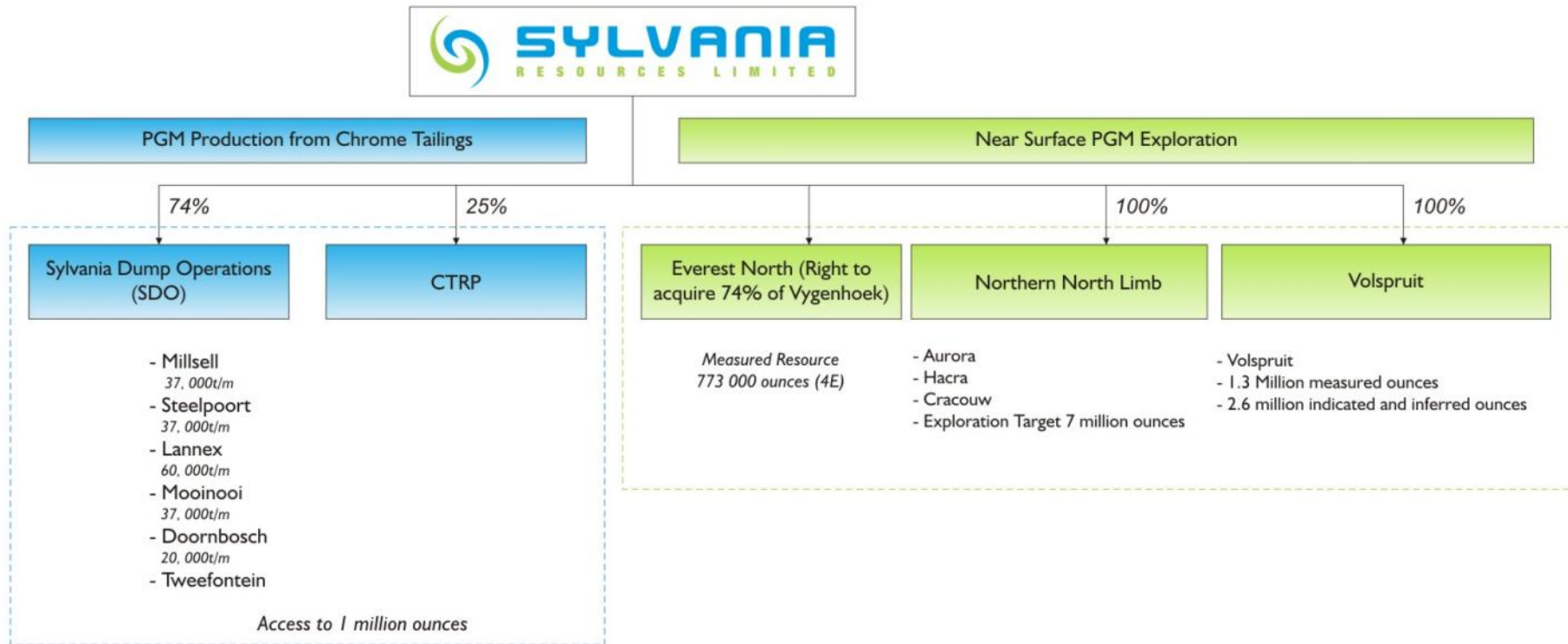
- **Business model**
 - High-margin, low risk tailings processing operations
 - Near surface exploration and mining
 - No underground mining – opencast only
 - Access to downstream smelting and refining
 - Growth funded by strong cash flows and balance sheet
- **Future**
 - 100% ownership of dump operations
 - Amended services and supply agreement
 - Stronger relationship with SamancorCr
 - Application for mining rights on near surface projects
 - Potential power for DC smelter from SamancorCr
 - Access to 20 years DC smelting experience through SamancorCr
- **People**
 - Relevant experience with track record in value creation
 - Experienced board focused on value creation
 - Committed and talented employees and contractors
 - SHE driven culture
- **Sector**
 - PGM market fundamentals are positive



SamancorCr Group transaction

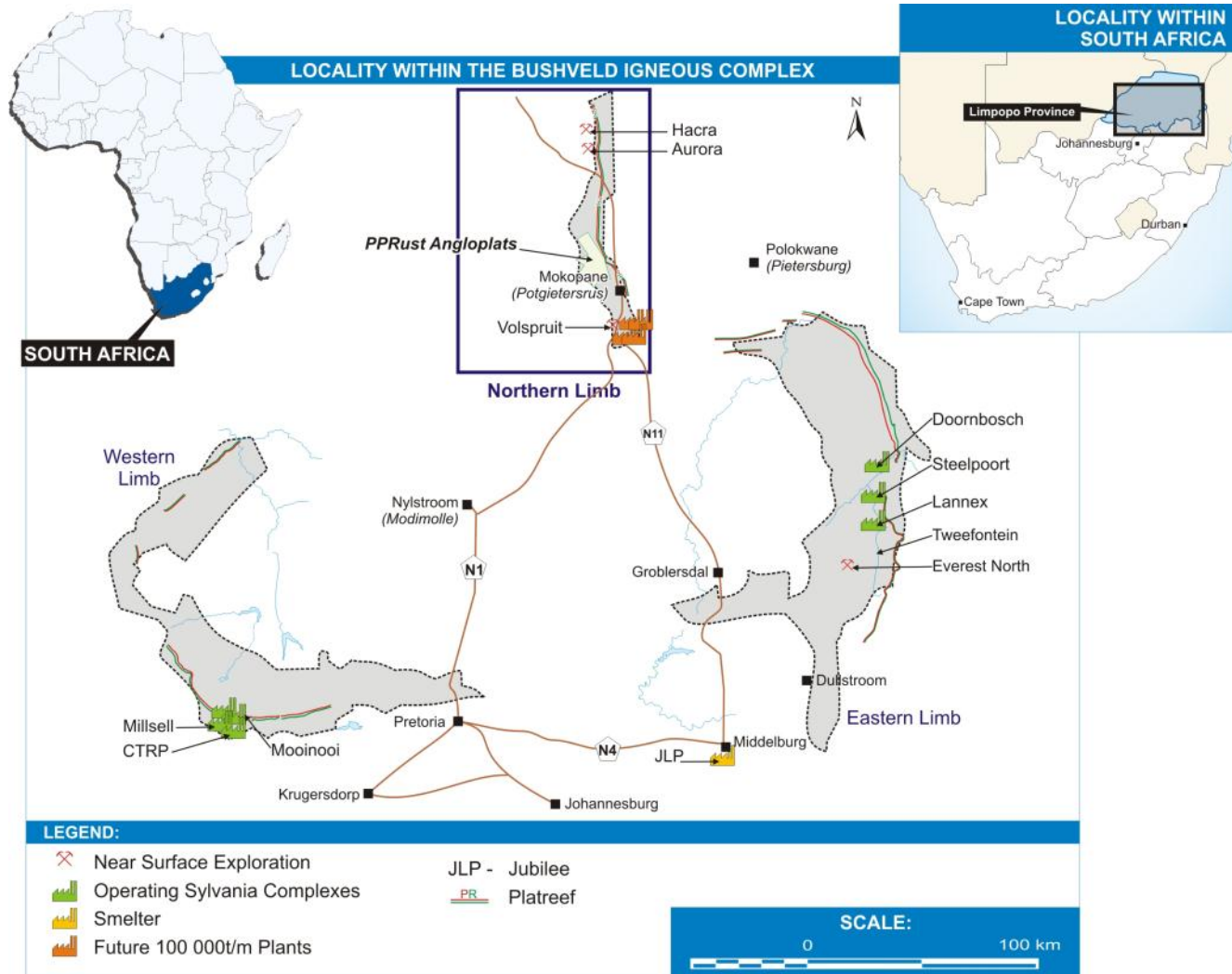
- Africa Asia Capital Ltd (AAC) is part of the SamancorCr Group of companies
- Sylvania Metals processes SamancorCr chrome dumps in terms of Services and Supply agreement
- Africa Asia Capital Ltd hold a 26% shareholding in Sylvania Metals
- Africa Asia Capital Ltd has sold its 26% shareholding in Sylvania Metals to Sylvania Resources in exchange for 58.9 million Sylvania Resource shares, which will give it a 19.5% shareholding in Sylvania Resources.
- Service and Supply agreement amended as part of this transaction
- Transaction strengthens the relationship between Sylvania Metals and SamancorCr

Sylvania corporate structure

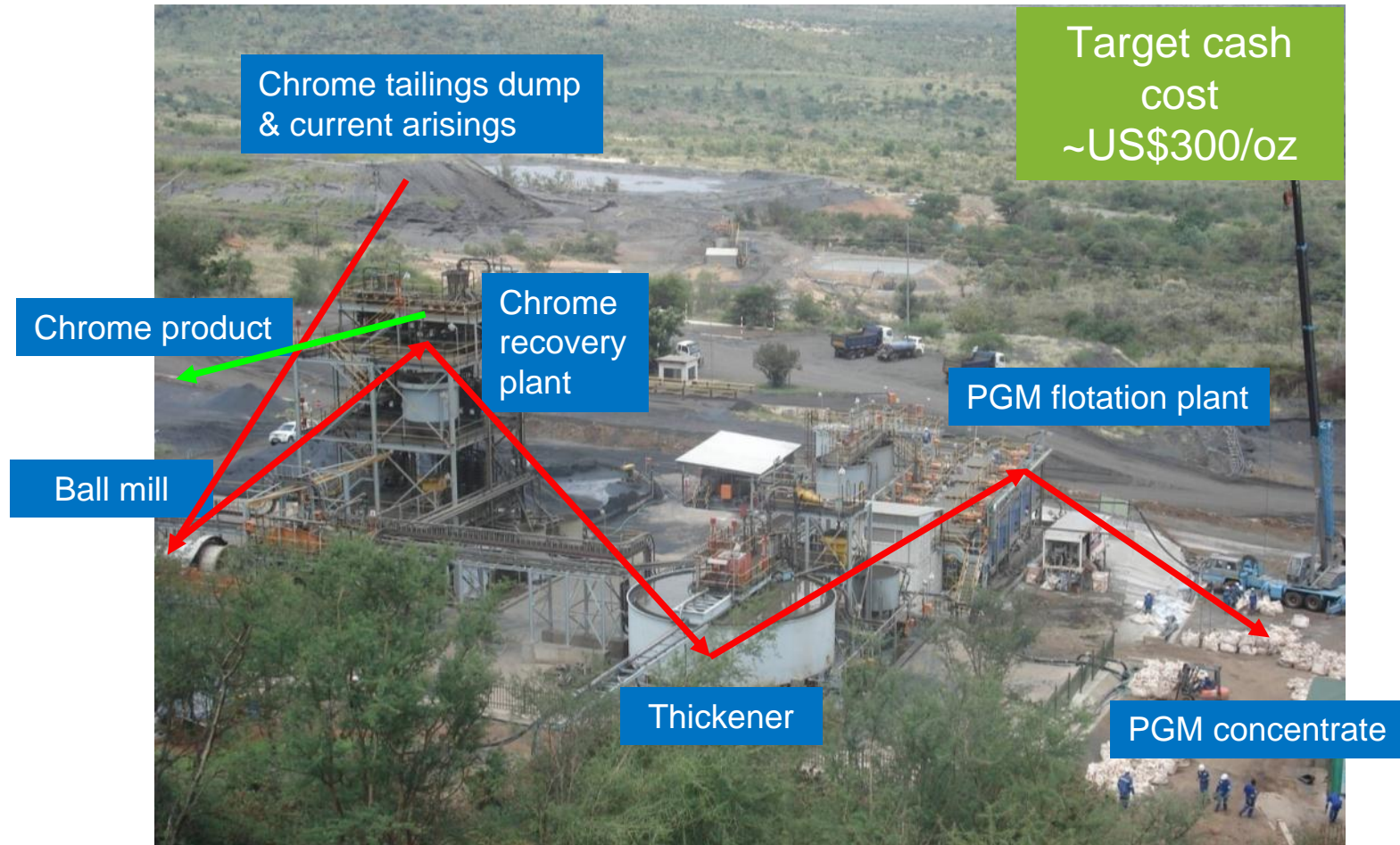


Access to 12 million ounces

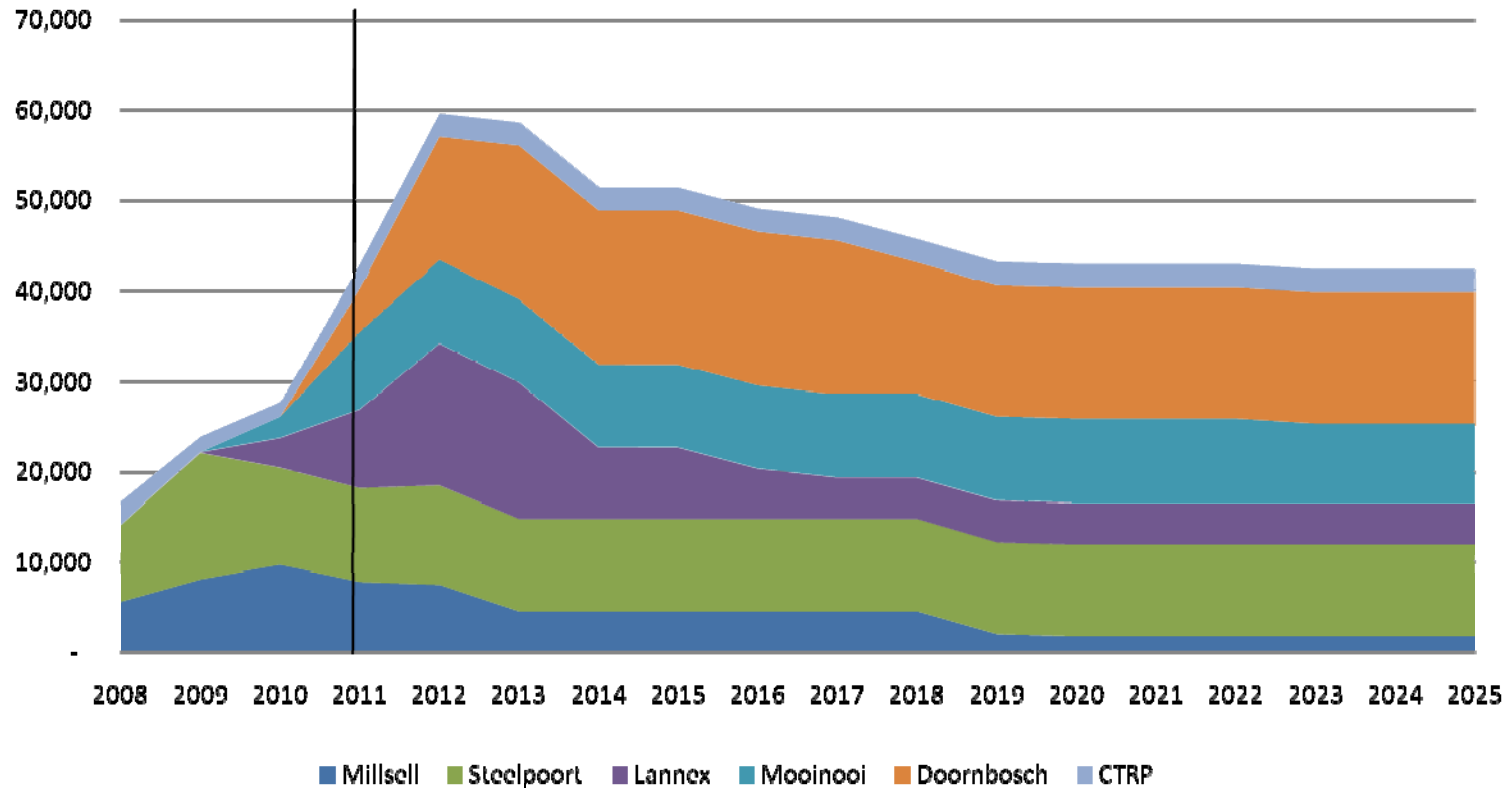
Locality



Low risk surface operation



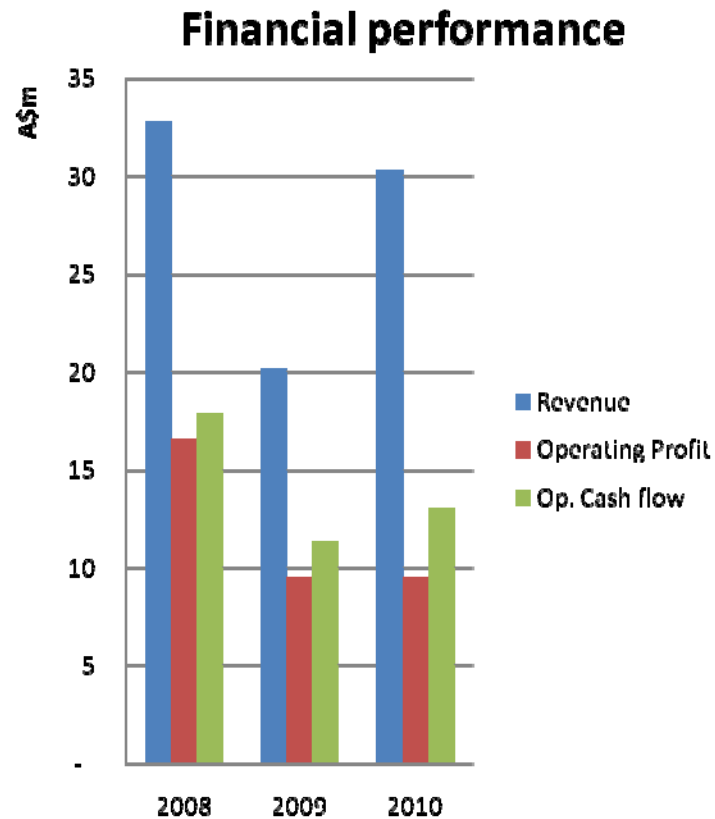
PGM growth from tailings retreatment



SamancorCr production decreased from 5 to 3 million tons per annum
 Life of Dump projects increased to 25 years to enhance NPV



Track record and profitability



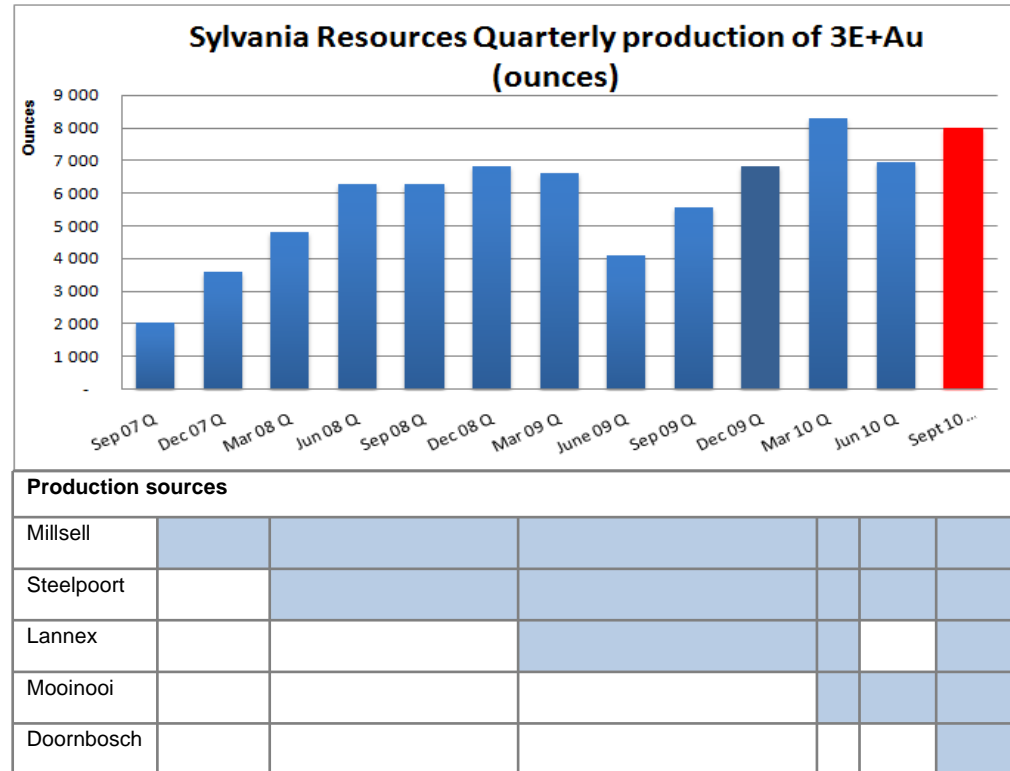
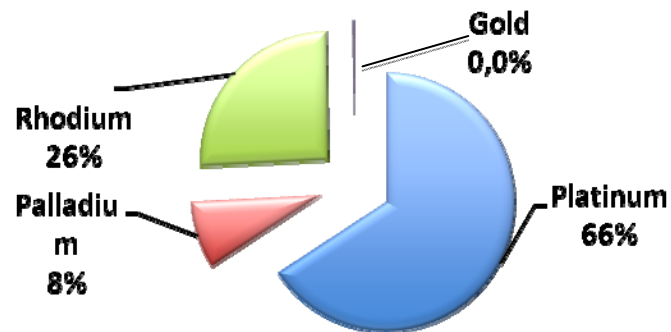
Fundamentals				
	FY 2008	FY 2009	FY 2010	% Change
Basket Price (US\$/oz)	2 346	881	1 393	58%
Net Basket Price (US\$/oz)	1 903	659	1 015	54%
Cash Cost (US\$/oz)	349	318	584	-84%
Operating Margin (%)	82%	48%	43%	-10%

* Due to start up costs of three plants, will reduce to target as plants reach capacity

Track record and profitability



SDO FY'10 PGM basket revenue mix



Growth focus

Sylvania's strategy is:

- To build cash generative businesses that demonstrate excellent margins placing Sylvania as one of highest margin producers in the PGM sector.
- Through focused interventions and innovations ensure the plants are operated at efficiencies above industry average.

Core strategic drivers are:

- **Operational excellence** - “more from what we have” (recovery & availability)
- **Resource growth** - “more of what we have” (more ounces to mine and more operations / plants)
- **Near surface exploration and mining** - move from a tailings treatment company to PGM mining company (Everest Nth, Volspruit)
- **Strategic Alliances** - provides Sylvania with access to appropriate skill sets such as downstream processing (JLP)
- **SamancorCr Group** - strengthens dump operations and provides access to smelting technology and potential power

Opencast and near surface projects

- **Everest North**
 - Dispute with AQPSA in the process of being settled
- **Volspruit (formerly Grass Valley)**
 - Measured resource declared
 - Flotation test work complete
 - Industry standard recoveries achieved
 - Smelting test work complete
 - Feasibility study progressing
- **North Northern limb projects (Hacra / Aurora)**
 - Reviewing geological model

Everest North

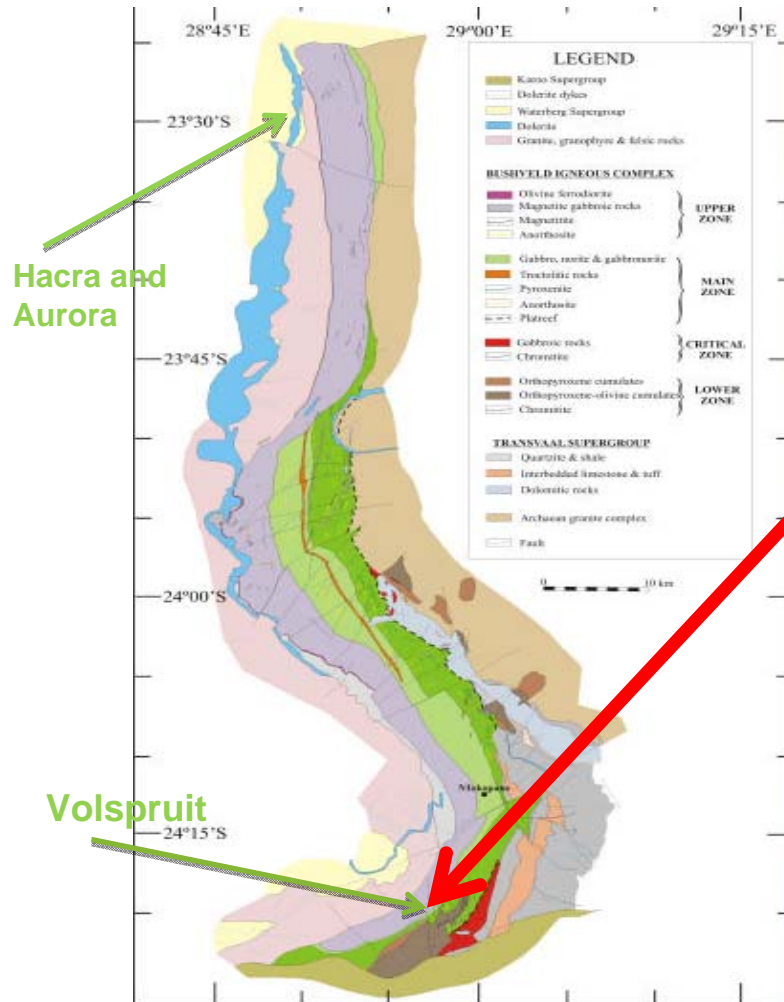
- Exploration drilling commenced June 2006
- Drilling completed 8 September 2007
- Resources estimation and competent persons report completed March 2008
- Viable mining model completed
- Mining Right application of June 2009 being updated

Area	Grade	Channel width	SG	Tonnes	Ozs
m ²	g/t (4e)	m	t/m ³		
799 578	4.75	1.72	3.7	5 078 684	773 147

Sylvania - AQPSA JV

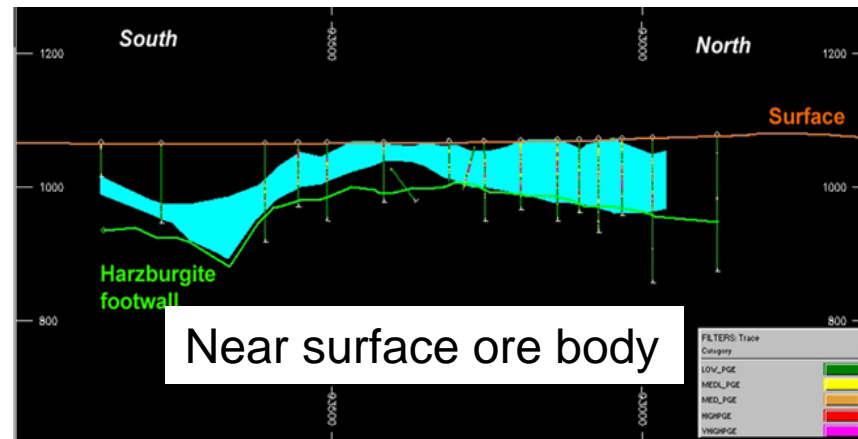
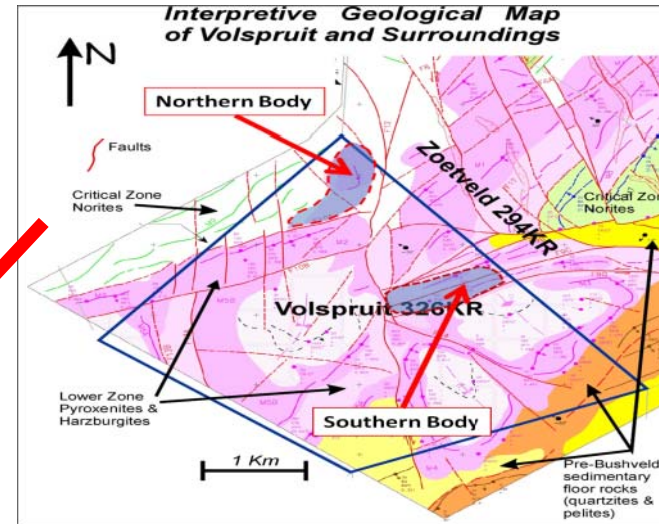
- Everest North dispute with Aquarius Platinum (South Africa) (Pty) Ltd (AQPSA) in the process of being settled
- Joint venture
 - Sylvania mines
 - AQPSA process
 - Ounces/profit split
 - Economic planning underway
- Benefits
 - Reduced upfront capital
 - Quick return on investment
 - Everest South Process plant immediately available
 - No requirement for tailings dam

Volspruit project



Hacra and Aurora

Volspruit



Volspruit project

Ore resources

- **Northern ore body**
 - 1.15 million ounces measured
 - 620 000 ounces indicated and inferred
 - At today's prices, base metals grades are equivalent to 1.27g/t (3e) making an equivalent grade of **2.49 g/t**

Resources	Tonnes	3E	Cu	Ni
Category	Millions	g/t	ppm	ppm
Measured	28.47	1.26	407	1399
Indicated	16.63	1.16	384	1499
Inferred	0.76	0.95	319	1769
Total	45.86	1.22	397	1441

- **Southern ore body**
 - 1.8 million ounces indicated and inferred

Resources	Tonnes	3E	Cu	Ni
Category	Millions	g/t	ppm	ppm
Indicated	28.46	1.22	386	1 186
Inferred	19.3	1.1	300	1 000
Total	47.78	1.17	351	1 111

Volspruit development schedule



The Volspruit mine Development Strategy	2010												2011												2012												2013												2014												
Activity	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	
Declare a measured resource on the Northern Orebody.	█	█	█	█	█	Δ																																																							
Prepare a Conceptual Feasibility Study	█	█	█	█	█	█	█	█	█	█	█	█																																																	
Declare a viable project on the Aim Stock Exchange.											Δ																																																		
Purchase the Surface lease area of Volspruit							█	█																																																					
EIA and Mining Right Application																																																													
Award of mining Right by DME																																																													
Complete Feasibility																																																													
Commence with surface mining Operations																																																													
Plant Design Process																																																													
Plant construction																																																													
Plant Commissioning and Production buildup																																																													
Full Production																																																													

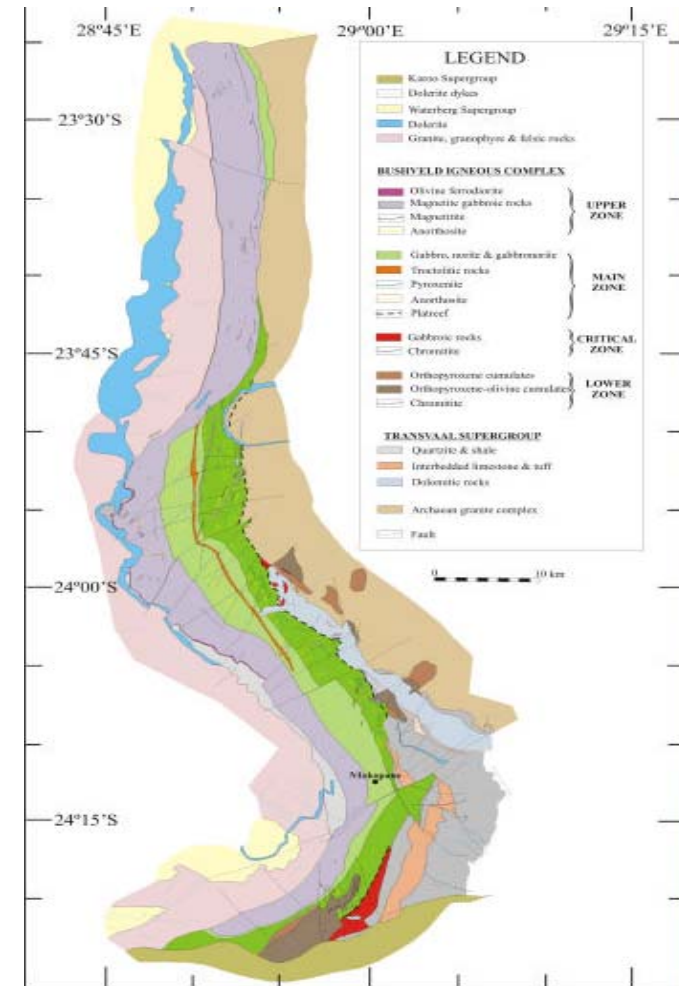


Northern Limb development strategy

- **Volspruit**
 - 50 m wide ore body
 - Extremely low strip ratios
 - Low mining costs
 - Contract mining
 - Construct initial 100 000 tonne per month plant
 - All plants to be identical – cookie cutter model
 - Ultimately three plants

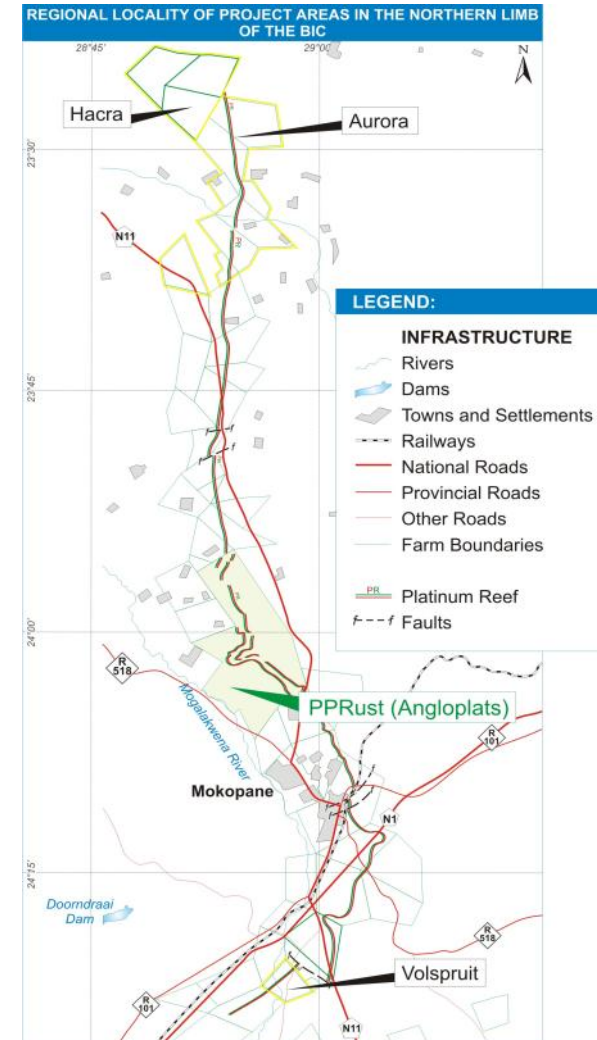
- **Hacra and Aurora projects**
 - 25 kms of outcrop
 - Potentially five identical 100 000 tonne per month plants

- **Processing**
 - Maximise recovery by producing low grade concentrate
 - Captive DC smelter
 - Base Metal refining



Northern Platreef resource target

- HACRA and AURORA Projects
- Wide mineralised ore zone (previously explored by SXM and Angloplats)
- 25 kms of outcrop
- Exploration status
 - Initial drilling completed
 - Geological model being developed
 - Targeted drilling once model complete
 - Focus on site for next 100 000 tpm plant
- Opportunity
 - Low cost open pit mining
 - 8 Modular plants 100 000 tpm
 - Phased roll-out of plants
 - Initial three plants at Volspruit

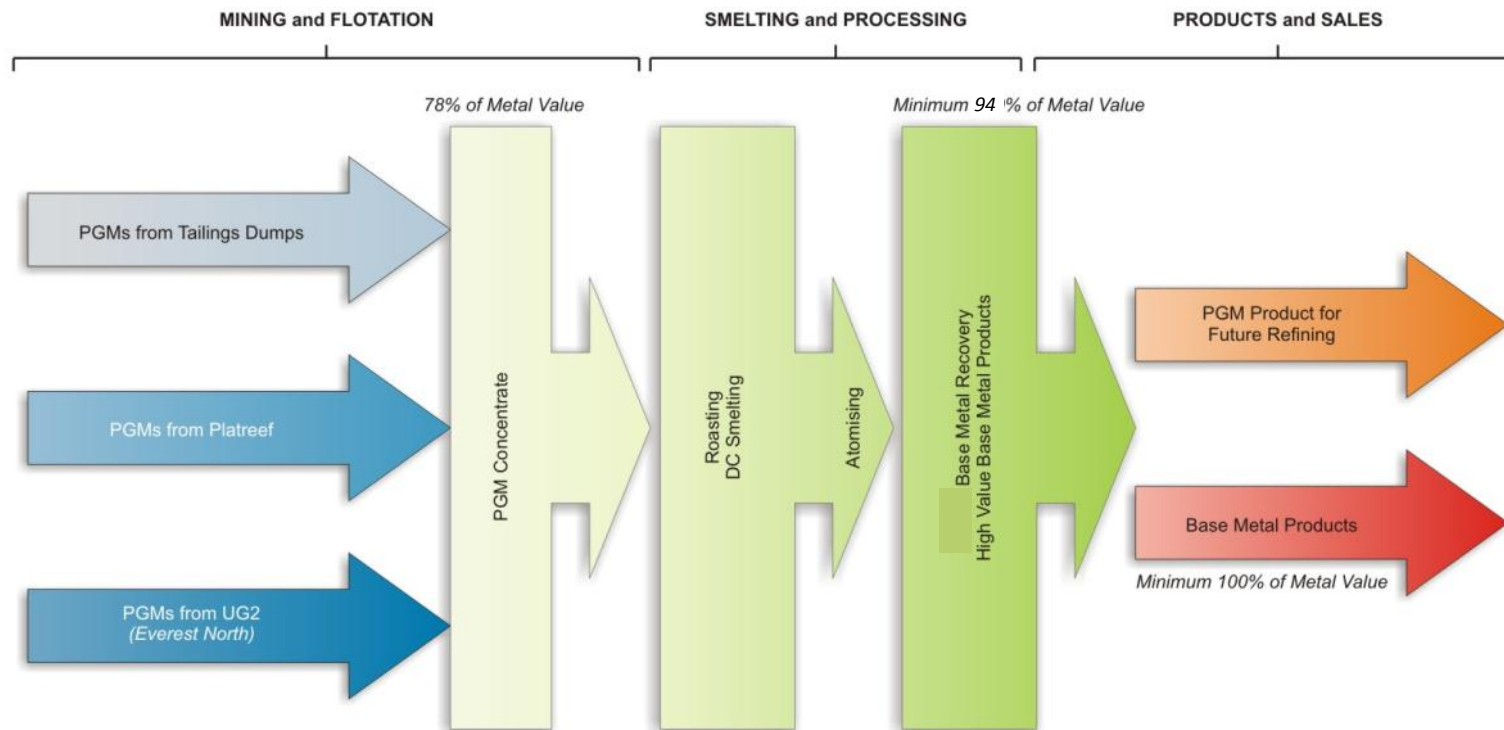


The Jubilee strategic alliance

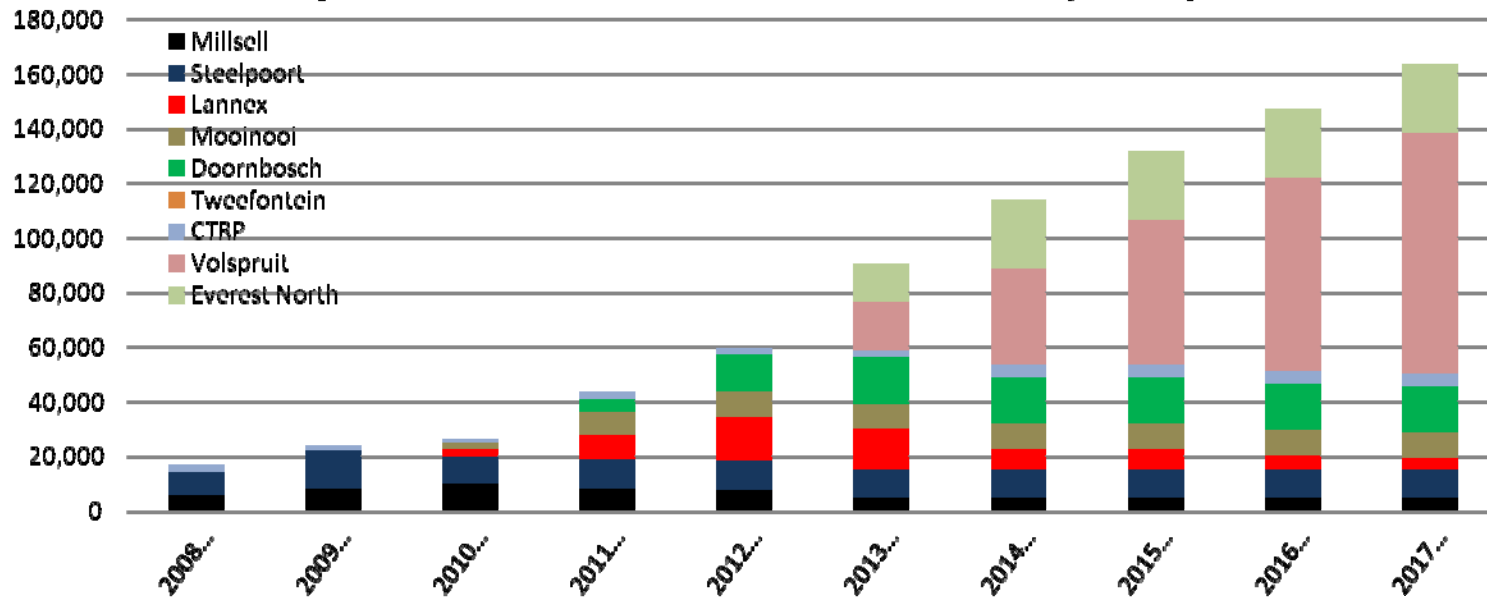
- Sylvania and Jubilee have entered into strategic alliance to smelt Sylvania's platinum group metal concentrates from :
 - It's tailings retreatment projects that are not tied into other contracts
 - Future platinum dump retreatment projects
 - Northern limb projects (Volspruit)
- Discussions are underway with Jubilee to expand the current agreement to include refining and downstream beneficiation of smelter products
- Test work on Volspruit concentrate has been successfully completed

Unlocking value via access to smelting technology

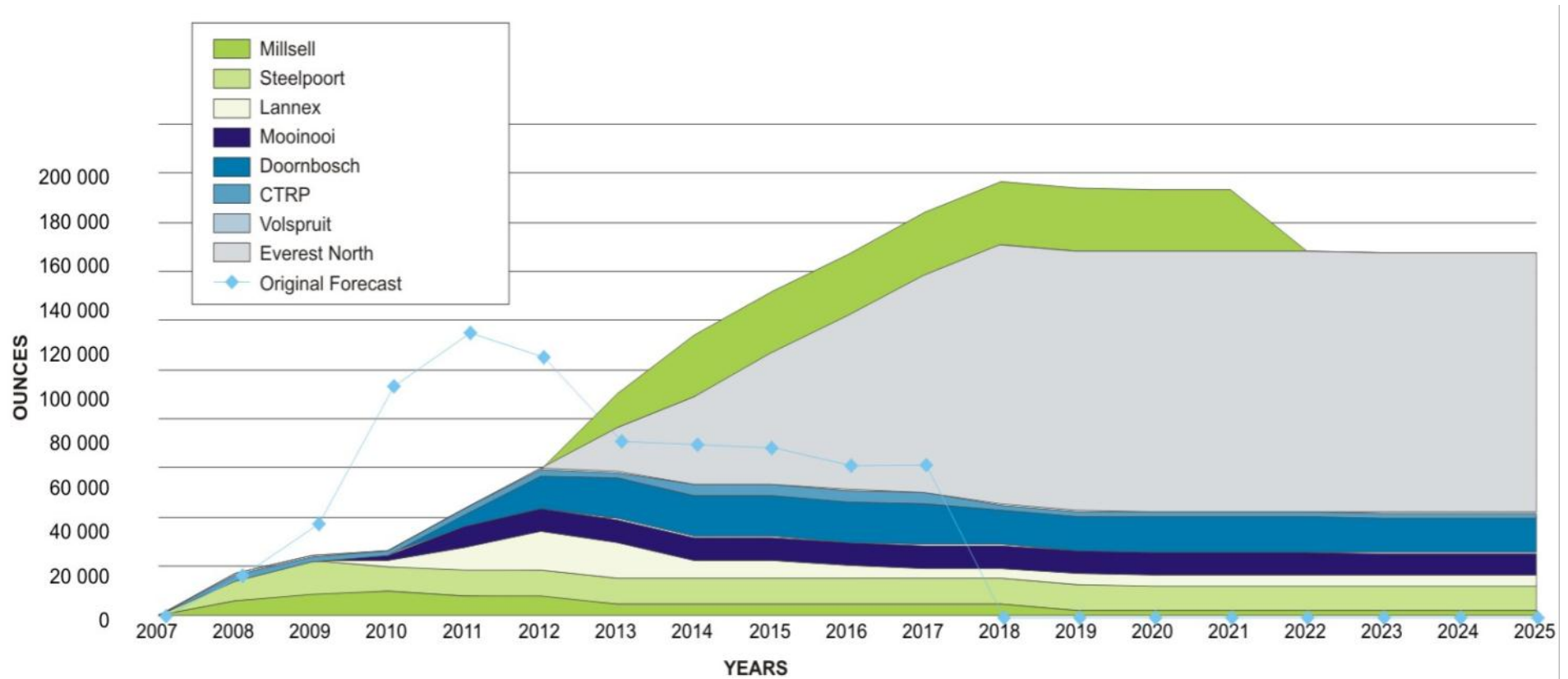
- Majors control smelting and this is an industry bottleneck
- Limited room for low grade and high Cr concentrates
- Require DC technology and base metal recoveries to add value to this material



Sylvania Resources - Actual & Forecast (100%)



Sylvania Ounce Production



PGM markets – positive outlook

- Platinum expected to trade between \$1,600 and \$2,000 during the next six months
- Gross demand for palladium set to rise due to stronger physical investment and some recovery in the automotive sector
- Palladium expected to trade between \$475 and \$700 during the next six months.

Attractive valuations



Recent research reports

- Ambrian (Nomad/ Broker);
- RBC Capital Markets;
- Investec Securities;
- Mirabaud;
- Edison Investment Research;
- Evolution Securities;
- Fat Prophets;
- Hogan & Partners; and
- Veritas Securities.

Lowest cost producer

Buy recommendations

AMBRIAN
Sylvania Resources

Metals & Mining

Buy

A Merger to Add Long-Term Growth

1 July 2009

Summary
Sylvania Resources has announced a merger agreement with Metallgesellschaft (M&G) and the merger is expected to be completed by the end of 2009. The merger will create a new entity, Sylvania Resources Limited, which will be a public company listed on the ASX. The merger is expected to create a new entity, Sylvania Resources Limited, which will be a public company listed on the ASX. The merger is expected to create a new entity, Sylvania Resources Limited, which will be a public company listed on the ASX.

Investec
Sylvania Resources

Buy

Annual results
Sylvania Resources has reported strong annual results, with a 10% increase in production of lithium and a 15% increase in production of silver. The company's earnings per share (EPS) increased by 10% to 1.2 cents, and its dividend per share (DPS) increased by 15% to 0.8 cents. The company's share price has risen to 1.8 cents, representing a 50% increase from its price at the start of the year.

Investec
Sylvania Resources Ltd

Buy

Large Product Focus
Sylvania Resources Ltd is a leading producer of lithium and silver. The company's production of lithium has increased by 10% over the past year, and its production of silver has increased by 15%. The company's share price has risen to 1.8 cents, representing a 50% increase from its price at the start of the year.

MIRABAUD
Sylvania Resources

Buy

What's next?
Sylvania Resources is in the process of completing its merger with Metallgesellschaft (M&G). The merger is expected to be completed by the end of 2009. The merger will create a new entity, Sylvania Resources Limited, which will be a public company listed on the ASX. The merger is expected to create a new entity, Sylvania Resources Limited, which will be a public company listed on the ASX.

RBC Capital Markets
Sylvania Resources

Buy

FIRST QUARTER 2009
Sylvania Resources has reported strong first quarter results, with a 10% increase in production of lithium and a 15% increase in production of silver. The company's earnings per share (EPS) increased by 10% to 1.2 cents, and its dividend per share (DPS) increased by 15% to 0.8 cents. The company's share price has risen to 1.8 cents, representing a 50% increase from its price at the start of the year.

Evolution
Sylvania Resources

Buy

Carbon Footprint
Sylvania Resources has a low carbon footprint, which is a key competitive advantage. The company's carbon footprint is 10% lower than that of its peers, and it is committed to reducing its carbon footprint further. The company's share price has risen to 1.8 cents, representing a 50% increase from its price at the start of the year.

Investec
Sylvania Resources Ltd

Buy

Share Price
Sylvania Resources Ltd's share price has risen to 1.8 cents, representing a 50% increase from its price at the start of the year. The company's share price is supported by its strong financial performance and its commitment to reducing its carbon footprint. The company's share price is supported by its strong financial performance and its commitment to reducing its carbon footprint.

Conclusion

- Share price below most analysts' forecasts
- 5 plants fully commissioned - planned increase in ounces produced
- Platinum and Palladium prices on upward trend
- Chrome production upside positive as stainless steel and hence ferrochrome demand increases steadily
- Sylvania is an established low cost producer of PGE ounces
- Measured resource adds value to future growth
- Modular plant model for growth implies low capex and flexibility
- Smelting and base metal refining unlocks additional value

Investment Case

- **Business model**
 - High margin, low costs and low risk
- **Future**
 - Growth funded by robust cash flows
- **People**
 - Growth orientated and experienced team
- **Sector**
 - Positive PGM fundamentals
- **Attractive valuation**

Contacts



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