

For immediate release

26 November 2010

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

SYLVANIA RESOURCES LIMITED

ASX: SLV

AIM: SLV

Registration No: 091 415 968

ISIN: AU000000SLV8

PROPOSED REDOMICILE TO BERMUDA

The Directors of Sylvania Resources Limited (**Sylvania Resources** or the **Company**) are pleased to announce the Company's intention to redomicile the holding company of the group from Australia to Bermuda (the **Redomicile**).

The Redomicile proposal follows a review by management of Sylvania Resources' share register and corporate structure and is consistent with approximately 85% of the issued share capital of Sylvania Resources now being held by shareholders with a registered address in the United Kingdom. This review, and the fact that the Company's operations are based in South Africa, has led management to the conclusion that there are commercial benefits in having the Company's holding jurisdiction external to Australia.

Under the Redomicile proposal, all existing shares in Sylvania Resources will be exchanged for shares in Sylvania Platinum Limited (**Sylvania Platinum**), a company that has been incorporated in Bermuda to become the new holding company for the Sylvania Group. The Redomicile will be effected by a scheme of arrangement between Sylvania Resources and its shareholders.

Sylvania Resources intends to lodge with the Australian Securities and Investments Commission a draft scheme booklet that sets out all information that Sylvania Resources shareholders will need to consider to vote on the Redomicile. It is Sylvania Resources' current intention to lodge the scheme booklet in early December 2010. The draft scheme booklet will also be filed with the Court as Sylvania Resources shareholders will apply to the Court for an order of the Court to convene a scheme meeting. Once the Court has convened the scheme meeting, Sylvania Resources shareholders will then each be sent a copy of the scheme booklet, which will include a notice of scheme meeting and instructions on how to vote at the scheme meeting.

If shareholders approve the Redomicile proposal at the scheme meeting and the scheme is subsequently approved by the Court, it is currently envisaged that the scheme would take effect and that Sylvania Platinum would be admitted to the official list of ASX and to trading on AIM in February 2011.

The Company holds South African assets and now has a predominantly UK based shareholder base, and the Directors believe that accordingly its status as an Australian company no longer makes commercial sense. The Directors believe that some of the advantages of the proposed Redomicile are a reduction in operational and administrative costs associated with an Australian incorporated entity and the potential to create a more efficient and effective tax structure. In addition, the

Directors believe the Redomicile will make it more attractive for future corporate deals whilst also making it easier to access international investor markets, particularly North America. The Board also considers that the Redomicile will result in the cost, tax and corporate efficiency of the Company being enhanced while retaining its existing listings on ASX and AIM.

The Directors consider that potential disadvantages from the Redomicile proposal include the additional implementation costs associated with the Redomicile and reduced investor protection due to many provisions of the Corporations Act (such as the takeover protection provisions currently afforded to the shareholders of Sylvania Resources) no longer applying. While access to international capital markets may be improved, the Redomicile may limit the possibility of generating further interest from Australian investors.

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