

For immediate release

18 January 2011

Sylvania Resources Limited

SYLVANIA RESOURCES LIMITED

ASX: SLV

AIM: SLV

Registration No: 091 415 968

ISIN: AU000000SLV8

COURT CONVENES SCHEME MEETING

On 26 November 2010, the Directors of Sylvania Resources Limited (**Sylvania Resources** or the **Company**) announced the Company's intention to redomicile from Australia to Bermuda. The Company is now pleased to announce that the Supreme Court of Western Australia has today made orders to allow Sylvania Resources to convene a meeting of its members (**Scheme Meeting**) to consider the proposed scheme of arrangement between Sylvania Resources and its members (**Scheme**), to effect a merger with Sylvania Platinum Limited (**Sylvania Platinum**).

The Scheme Meeting will be held at 11.00am (western standard time) on 2 March 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

If the Scheme is implemented:

- shareholders of Sylvania Resources (**Sylvania Resources Shareholders**) will receive one common share in Sylvania Platinum (**Sylvania Platinum Share**) for each fully paid ordinary share in the capital of Sylvania Resources (**Sylvania Resources Share**); and
- holders of depositary interests that confer beneficial ownership in Sylvania Resources Shares (**Sylvania Resources DIs**) will receive one depositary interest that confers beneficial ownership in one Sylvania Platinum Share (**Sylvania Platinum DI**) for each Sylvania Resources DI,

except in the case of ineligible foreign holders, who will receive their Scheme consideration in cash. Please see below for further details.

Scheme Booklet

Details of the Scheme, including details of how Sylvania Resources Shareholders and holders of Sylvania Resources DIs can vote at the Scheme Meeting, are set out in the Scheme Booklet.

The Scheme Booklet, a copy of which is attached and will be made available on the Company's website, has been registered with the Australian Securities and Investments Commission. It is intended that the Scheme Booklet will be mailed to Sylvania Resources Shareholders and holders of Sylvania Resources DIs on or about 25 January 2011.

Sylvania Resources Shareholders and holders of Sylvania Resources DIs should read the Scheme Booklet in its entirety before making a decision as to whether or not to vote in favour of the Scheme.

Independent Expert

The Independent Expert, Deloitte Corporate Finance Pty Limited, has concluded that the Scheme is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs. A copy of the Independent Expert's Report is set out in Annex 4 of the Scheme Booklet.

Directors' Recommendation

The Directors of Sylvania Resources have carefully considered the Scheme and unanimously recommend that, in the absence of a superior proposal, Sylvania Resources Shareholders and holders of Sylvania Resources DIs vote in favour of the Scheme. Each of the Directors intend to vote all Sylvania Resources Shares held by (or on behalf of) them in favour of the Scheme.

Ineligible Foreign Holders

Sylvania Resources Shareholders and holders of Sylvania Resources DIs whose address on the applicable register at the Scheme Record Date (as defined in the Scheme Booklet) is a place outside Australia and its external territories, the Isle of Man, Jersey, Singapore, Guernsey, Hong Kong, Bermuda or the United Kingdom shall, unless Sylvania Resources and Sylvania Platinum agree otherwise, be deemed to be "Ineligible Foreign Holders" for the purposes of the Scheme.

Ineligible Foreign Holders will not be issued with Sylvania Platinum Shares or Sylvania Platinum DIs under the Scheme. Instead, the Sylvania Platinum Shares that would otherwise have been issued to, or for the benefit of, Ineligible Foreign Shareholders under the Scheme, will be issued to the sale nominee for the purposes of the Scheme (**Sale Nominee**).

Sylvania Platinum will procure that, as soon as practicable after implementation of the Scheme, the Sale Nominee sells those Sylvania Platinum Shares on the Australian Securities Exchange (**ASX**). Sylvania Platinum will pay, or procure the payment of, the net sale proceeds received (after deducting any applicable selling costs, tax and charges) to the Ineligible Foreign Holders. Further details are set out in section 8.11 of the Scheme Booklet.

Quotation on ASX and AIM Admission

Sylvania Platinum will apply for official quotation on ASX of all Sylvania Platinum Shares to be issued under the Scheme within seven days after the date of the Scheme Booklet. That application will be conditional upon the Scheme coming into effect pursuant to section 411(10) of the Corporations Act 2001 (Cth).

Sylvania Platinum will issue a pre-admission announcement plus appendix in connection with the proposed admission of Sylvania Platinum Shares to trading on AIM (Schedule 1 Announcement) on or about 25 January 2011. A copy of the Schedule 1 Announcement will be available on the website of Sylvania Resources and released to ASX.



It is currently expected that Sylvania Platinum Shares will begin trading on ASX and AIM on a normal settlement basis on or about 24 March 2011, subject to implementation of the Scheme.

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SCHEME BOOKLET

for a proposal to redomicile Sylvania Resources Limited ACN 091 415 968 by way of scheme of arrangement under which all existing shares in Sylvania Resources will be exchanged for shares in Sylvania Platinum Limited ARBN 147 331 726, a company incorporated in Bermuda

Your Directors unanimously recommend that you

VOTE IN FAVOUR

of the Redomicile Proposal

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Redomicile Proposal. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

ALLEN & OVERY

Australian and English Legal Advisers



Conyers Dill & Pearman

Bermudian Legal Advisers

IMPORTANT NOTICES

Defined terms

Capitalised terms and certain abbreviations used in this Scheme Booklet (other than in the Independent Expert's Report contained in Annex 4 and the summary of the Competent Person's Report contained in Annex 5) and the Proxy Form and/or Form of Instruction accompanying this Scheme Booklet have the defined meanings set out in the Glossary in section 11. The Independent Expert's Report and the summary of the Competent Person's Report contain their own defined terms which are sometimes different from those set out in the set out in the Glossary in section 11.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Redomicile Proposal and the Scheme and the manner in which the Scheme will be considered and, if approved, implemented. This Scheme Booklet provides all information required to be given to Sylvania Resources shareholders and holders of Sylvania Resources DIs, or that is otherwise material to the decision of Sylvania Resources shareholders or holders of Sylvania Resources DIs whether or not to vote in favour of the Scheme at the Scheme Meeting.

General

You should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you have any questions, you may contact Grant Button of Sylvania Resources on +618 9226 4777 between 9.00am and 5.00pm (WST) Monday to Friday. If you are in any doubt as to what to do, you should consult your financial, legal or other professional adviser immediately.

Responsibility statement

Sylvania Resources has provided, and is responsible for, the Sylvania Resources Information in this Scheme Booklet, and none of Sylvania Platinum and its directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the Sylvania Resources Information.

Sylvania Platinum has provided, and is responsible for, the Sylvania Platinum Information in this Scheme Booklet and none of Sylvania Resources and its directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the Sylvania Platinum Information.

Deloitte Touche Tohmatsu Ltd has prepared and is responsible for the report on the taxation implications of the Scheme contained in section 9 of this Scheme Booklet and none of Sylvania Platinum, Sylvania Resources and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in that report. The taxation comments in section 9 of the Scheme Booklet are general in nature only and it is recommended that investors seek their own independent tax advice on the consequences of the Scheme.

Deloitte Corporate Finance Pty Limited has prepared and is responsible for the Independent Expert's Report and none of Sylvania Platinum, Sylvania Resources and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in the Independent Expert's Report except in the case of Sylvania Platinum and Sylvania Resources in relation to information given by them respectively to the Independent Expert.

Venmyn Rand has prepared and is responsible for the summary of the Competent Person's Report contained in Annex 5 of this Scheme Booklet and none of Sylvania Platinum, Sylvania Resources and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of

the information in that summary except in the case of Sylvania Platinum and Sylvania Resources in relation to information given by them respectively to Venmyn Rand.

Role of ASIC

This Scheme Booklet contains the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act. A copy of this Scheme Booklet has been registered by ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme.

Role of ASX

This Scheme Booklet is the information memorandum required under condition 3 of Listing Rule 1.1 in connection with the proposed admission of Sylvania Platinum to the official list of, and listing of Sylvania Platinum Shares on, ASX. A copy of this Scheme Booklet has been provided to ASX. Neither ASX nor any of its officers takes any responsibility for the contents of this Scheme Booklet. The fact that ASX may admit Sylvania Platinum to its official list is not to be taken in any way as an indication of the merits of Sylvania Platinum.

Court order under subsection 411(1) of the Corporations Act

The fact that under subsection 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the notice of the Scheme Meeting does not mean that the Court has formed any view as to the merits of the proposed Scheme or as to how Sylvania Resources shareholders or holders of Sylvania Resources DIs should vote (they must reach their own decision on this matter) or has prepared, or is responsible for the content of, this Scheme Booklet or the explanatory statement contained within it.

AIM Listing

Sylvania Platinum will issue a pre-admission announcement plus appendix in connection with the proposed admission of Sylvania Platinum Shares to trading on AIM (**Schedule 1 Announcement**). A copy of the Schedule 1 Announcement will be provided to the London Stock Exchange and will be lodged by Sylvania Resources with ASX. There will be no information contained in the Schedule 1 Announcement that is material to the decision of Sylvania Resources shareholders or holders of Sylvania Resources DIs whether or not to vote in favour of the Scheme at the Scheme Meeting that is not contained in this Scheme Booklet.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. The forward looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views and expectations of Sylvania Resources or, in relation to the Sylvania Platinum Information, Sylvania Platinum concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential" or derived or similar words. Similarly, statements that describe the expectations goals objectives, plans or targets of Sylvania Platinum or Sylvania Resources are or may be forward looking statements.

These forward looking statements are based on certain assumptions regarding the operations of Sylvania Resources and Sylvania Platinum and the economic and regulatory environment in which Sylvania

Resources and Sylvania Platinum will operate in the future. They are subject to known and unknown risks and uncertainties that could cause the actual outcomes, and the actual performance or results of Sylvania Resources and Sylvania Platinum to be materially different from the outcomes, or the performance or results of Sylvania Resources and Sylvania Platinum expressed or implied by such statements, including, among other things, general economic conditions, changes in law, regulation or government policy and other risks specific to the resources industry. All forward looking statements should be read in light of such risks and uncertainties.

The forward looking statements in this Scheme Booklet reflect views and expectations held only at the date of this Scheme Booklet. Sylvania Resources believes that all forward looking statements included in the Sylvania Resources Information have been made on a reasonable basis and Sylvania Platinum believes that all forward looking statements included in the Sylvania Platinum Information have been made on a reasonable basis. However, none of Sylvania Resources, Sylvania Platinum and their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Scheme Booklet will actually occur. Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the ASX Listing Rules, Sylvania Resources, Sylvania Platinum and their respective directors disclaim any obligation to revise or update after the date of this Scheme Booklet any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Notice to persons outside Australia or the United Kingdom

This Scheme Booklet has been prepared having regard to the disclosure requirements applicable in Australia and the United Kingdom and Australian accounting standards. These disclosure requirements and accounting standards may be different from those in other countries. It is important that Sylvania Resources shareholders and holders of Sylvania Resources DIs who are not Australian or United Kingdom resident taxpayers or who are liable for tax outside Australia or the United Kingdom seek specific tax advice in relation to the Australian and overseas tax consequences of the Scheme.

This Scheme Booklet and the Scheme do not, either individually or in combination, constitute an offer to sell to Sylvania Resources shareholders or holders of Sylvania Resources DIs any securities in Sylvania Platinum or a solicitation of an offer to acquire from Sylvania Resources shareholders any securities in Sylvania Resources in any jurisdiction where such offer or solicitation would be illegal. Sylvania Resources shareholders or holders of Sylvania Resources DIs who are Ineligible Foreign Holders (which, as at the date of this Scheme Booklet, includes Sylvania Resources shareholders or holders of Sylvania Resources DIs with registered addresses in jurisdictions outside Australia and its external territories, the Isle of Man, Jersey, Singapore, Guernsey, Hong Kong, Bermuda and the United Kingdom) will not be issued with Sylvania Platinum Shares or Sylvania Platinum DIs (as the case may be) but will receive a cash payment instead. See section 1.3 for further details.

Hong Kong

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Scheme. If you are in doubt about any of the contents of this document, you should obtain independent professional advice.

Guernsey

THIS DOCUMENT HAS NOT BEEN APPROVED OR AUTHORISED BY THE GUERNSEY FINANCIAL SERVICES COMMISSION FOR CIRCULATION IN GUERNSEY. THIS DOCUMENT MAY NOT BE DISTRIBUTED OR CIRCULATED DIRECTLY OR INDIRECTLY TO MORE THAN 50 PERSONS IN THE BAILIWICK OF GUERNSEY OTHER THAN (I) BY A PERSON LICENSED TO DO

SO UNDER THE TERMS OF THE PROTECTION OF INVESTORS (BAILIWICK OF GUERNSEY) LAW, 1987, AS AMENDED, OR (II) TO THOSE PERSONS REGULATED BY THE GUERNSEY FINANCIAL SERVICES COMMISSION AS LICENSEES UNDER THE PROTECTION OF INVESTORS (BAILIWICK OF GUERNSEY) LAW, 1987, AS AMENDED, THE BANKING SUPERVISION (BAILIWICK OF GUERNSEY) LAW, 1994, THE INSURANCE BUSINESS (BAILIWICK OF GUERNSEY) LAW, 2002 OR THE REGULATION OF FIDUCIARIES, ADMINISTRATION BUSINESS AND COMPANY DIRECTORS ETC. (BAILIWICK OF GUERNSEY) LAW, 2000.

Privacy and personal information

Sylvania Resources and Sylvania Platinum and their respective share registries may collect personal information in the process of implementing the Redomicile Proposal or the Scheme. The personal information may include the names, addresses, other contact details, bank account details, details of the holdings of Sylvania Resources shareholders and holders of Sylvania Resources DIs, and the names of individuals appointed by Sylvania Resources shareholders and holders of Sylvania Resources DIs as proxies, corporate representatives or attorneys at the Scheme Meeting. Sylvania Resources shareholders and holders of Sylvania Resources DIs who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should in the first instance contact the Australian Registry on 1300 55 70 10 (from within Australia) or +61 89 323 2000 (from outside Australia) between 9.00am and 5.00pm (WST) Monday to Friday) or the United Kingdom Depository on +44 (0)870 702 000 between 9.00am and 5.00pm (GMT) Monday to Friday if they wish to request access to that personal information. The personal information is collected for the primary purpose of assisting Sylvania Resources and Sylvania Platinum to implement the Redomicile Proposal and the Scheme and conduct the Scheme Meeting. The personal information may be disclosed to the share registries of Sylvania Resources and Sylvania Platinum, to securities brokers, to third party service providers, including print and mail service providers and professional advisers, to Related Bodies Corporate of Sylvania Resources and Sylvania Platinum and each of their agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law or where the individual Sylvania Resources shareholder or holder of Sylvania Resources DIs has consented to such disclosure. Personal information of Sylvania Resources shareholders or holders of Sylvania Resources DIs may also be used to call them in relation to their shares or depository interests, the Redomicile Proposal or the Scheme. Sylvania Resources shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meetings should ensure that they inform such an individual of the matters outlined above.

Investment decisions

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, tax position or particular needs of any Sylvania Resources shareholder, holder of Sylvania Resources DIs or any other person. This Scheme Booklet should not be relied upon as the sole basis for any investment decisions in relation to Sylvania Platinum Shares, Sylvania Platinum DIs, Sylvania Resources Shares, Sylvania Resources DIs or any other securities, and you should seek independent financial, legal, tax or other professional advice before making any such investment decision.

References

All references to \$, A\$, dollars or cents in this Scheme Booklet are to Australian currency, unless otherwise specified.

All references to time in this Scheme Booklet are to the time in Perth, Australia, unless otherwise specified.

Date of this Scheme Booklet

This Scheme Booklet is dated 18 January 2011.

CONTENTS

Section	Page
Key dates.....	7
Chairman's letter.....	9
This Scheme Booklet.....	10
1. Summary of the Redomicile Proposal.....	14
2. Recommendation of the Sylvania Resources Directors and other matters relevant to your vote	20
3. Information about Sylvania Resources.....	24
4. Information about Sylvania Platinum	56
5. Information about Sylvania Platinum after the Scheme comes into effect.....	66
6. Risks of acquiring Sylvania Platinum Shares or Sylvania Platinum DIs	72
7. Summary of certain aspects of Bermudian law	82
8. Implementation of the Redomicile Proposal	91
9. Taxation implications.....	99
10. Additional information.....	107
11. Glossary.....	118

Annexes

1. Implementation Agreement
2. Scheme
3. Deed Poll
4. Independent Expert's Report
5. Summary of Competent Person's Report
6. Notice of Scheme Meeting

KEY DATES

Last time and date by which holders of Sylvania Resources DIs can return a Form of Instruction	3.00am (GMT) on 26 February 2011
Last time and date by which Proxy Forms can be lodged	11.00am (WST) on 28 February 2011
Time and date for determining eligibility of holders of Sylvania Resources DIs to vote at Scheme Meeting	7.00am (GMT) on 28 February 2011
Time and date for determining eligibility of Sylvania Resources shareholders to vote at Scheme Meeting	11.00am (WST) on 28 February 2011
Time and date of the Scheme Meeting	11.00am (WST) on 2 March 2011

If the resolution considered at the Scheme Meeting is approved:

Court hearing for approval of the Scheme	8 March 2011
Effective Date	9 March 2011
Last day of trading on ASX and cancellation of trading on AIM of Sylvania Resources Shares	9 March 2011
Commencement of trading of Sylvania Platinum Shares on ASX on a deferred settlement basis	10 March 2011
Time and date for determining entitlements of holders of Sylvania Resources DIs to Scheme Consideration under the Scheme	7.00am (GMT) 16 March 2011
Time and date for determining entitlements of Sylvania Resources shareholders to Scheme Consideration under the Scheme	7.00pm (WST) 16 March 2011
Implementation Date – issue of Sylvania Platinum Shares and Sylvania Platinum DIs under the Scheme and transfer of Sylvania Resources Shares to Sylvania Platinum	17 March 2011
Despatch of holding statements for Sylvania Platinum Shares issued under the Scheme	23 March 2011
Last day of deferred settlement trading of Sylvania Platinum Shares on ASX	23 March 2011
Sylvania Platinum Shares begin trading on ASX on normal settlement basis and commencement of trading of Sylvania Platinum Shares on AIM with holders of Sylvania Platinum DIs settling trades on AIM in CREST	24 March 2011

This timetable is indicative only. The actual timetable will depend upon the time at which the conditions precedent to the Scheme, including conditions relating to receipt of regulatory approvals, are satisfied or, if applicable, waived. Those conditions are summarised in section 1.6(a) of this Scheme Booklet. Sylvania Resources has the right to vary the timetable set out above subject to the approval of such variation by the Court and ASX where required. Any variation to the timetable set out above will be announced to ASX (www.asx.com.au) and AIM through RNS (the regulatory

information service provider used by Sylvania Resources) and published on Sylvania Resources' website (www.sylvaniareources.com).

CHAIRMAN'S LETTER

Dear Shareholders

On 26 November 2010, Sylvania Resources announced a proposal to establish a new corporate structure for the Sylvania Resources Group, by way of a redomicile to Bermuda. The Redomicile Proposal involves Sylvania Platinum Limited, a recently incorporated company in Bermuda, becoming the new holding company for the Sylvania Resources Group.

To effect the redomicile, Sylvania Resources is proposing a scheme of arrangement to its shareholders, under which shareholders will exchange their investment in the existing parent company, Sylvania Resources, for shares in Sylvania Platinum, on a one for one basis. The Redomicile Proposal does not involve any change in the ownership of the Sylvania Resources Group nor any change to the scale or scope of existing operations.

If the Redomicile Proposal is completed, Sylvania Platinum will own all of the shares in the currently listed Sylvania Resources and Sylvania Platinum will itself be admitted to the official list of ASX and to trading on AIM.

The redomicile is an internal restructuring, designed to create a number of benefits for the Sylvania Resources Group and its shareholders.

For the Redomicile Proposal to proceed, it must be approved by a requisite majority of Sylvania Resources shareholders in the Scheme Meeting and by the Supreme Court of Western Australia. The Scheme Meeting has been convened for 2 March 2011.

Details of the Scheme and all of its implications are explained in this Scheme Booklet. Proxy forms for Sylvania Resources shareholders who will not attend the meeting and Forms of Instruction for holders of Sylvania Resources DIs are included in this Scheme Booklet. We recommend that you read the Scheme Booklet in detail and encourage Sylvania Resources shareholders to attend and/or vote at the meeting and holders of Sylvania Resources DIs to complete their Forms of Instruction.

An Independent Expert's Report has been commissioned to report on the Redomicile Proposal. The Independent Expert, Deloitte Corporate Finance Pty Ltd, has concluded that the Redomicile Proposal is in the best interests of Sylvania Resources Shareholders and holders of Sylvania Resources DIs. The Independent Expert's Report forms part of this Scheme Booklet and is set out in Annex 4.

We strongly recommend this Scheme of Arrangement to all shareholders and holders of Sylvania Resources DIs. All of the Directors intend to vote for it and we encourage you to join us in doing so.

Yours faithfully



Richard Rossiter
Chairman
SYLVANIA RESOURCES LIMITED

THIS SCHEME BOOKLET

What is this Scheme Booklet for?

On 26 November 2010 Sylvania Resources announced a proposed redomicile of Sylvania Resources under which all existing shares in Sylvania Resources will be exchanged for shares in Sylvania Platinum, a company incorporated in Bermuda. Sylvania Resources has now entered into the Implementation Agreement which sets out certain arrangements agreed between Sylvania Resources and Sylvania Platinum in relation to the Redomicile Proposal.

The Redomicile Proposal is proposed to be implemented by way of a scheme of arrangement, on which you are entitled to vote. This Scheme Booklet contains information to assist you to decide how to vote on the Redomicile Proposal. In particular, section 2 sets the reasons for your directors' recommendation to vote in favour of the Redomicile Proposal, in the absence of a superior proposal. Those reasons, and possible reasons why you might consider voting against the Redomicile Proposal, are summarised immediately below.

Reasons to vote in favour of the Redomicile Proposal

The reasons for your Directors' recommendation to vote in favour of the Redomicile Proposal, include the following:

- a significant reduction in the operational and administrative costs associated with an Australian incorporated entity;
- the creation of a corporate structure that is more aligned with the needs of the international operation and shareholder base of Sylvania Resources and creates greater efficiencies in making board decisions;
- the creation of a more flexible corporate structure in terms of future transactions and investor interest;
- the Australian taxation provisions currently give rise to inefficiencies in potential future corporate actions. The Redomicile Proposal is expected to facilitate the removal of these inefficiencies; and
- the advantages described above can be achieved whilst retaining the existing listings on ASX and AIM.

The reasons for your Directors' recommendation are set out in full in section 2.2. Further, the Independent Expert has concluded that the Redomicile Proposal is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs.

Possible reasons to vote against the Redomicile Proposal

The possible reasons to vote against the Redomicile Proposal include the following:

- the change in jurisdiction of incorporation arising from implementation of the Redomicile Proposal may result in less rigorous investor protections under the Bermuda Companies Act than those existing under the Corporations Act. Section 7.3 of this Scheme Booklet sets out a summary of the key differences between the Corporations Act and the Bermuda Companies Act. For instance, no takeover protection will be afforded to Sylvania Platinum shareholders by the Bermuda Companies Act;

- implementation of the Redomicile Proposal will give rise to additional once-off transaction costs. However, these costs have largely been incurred to date and will be payable by Sylvania Resources irrespective of whether the Scheme is implemented or not. Further to this, implementation of the Redomicile Proposal may also result in additional costs being incurred including, for example, those costs involved in maintaining a register in Bermuda and ensuring compliance with applicable Bermudian laws; and
- the tax consequences of implementation of the Redomicile Proposal may not suit your particular financial circumstances.

The possible reasons to vote against the Redomicile Proposal are set out in full in section 2.3.

How to vote

The Scheme Meeting will be held at 11.00am (WST) on 2 March 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005.

Except as mentioned below, Sylvania Resources shareholders who are registered on the Sylvania Resources Share Register at 11.00am (WST) on 28 February 2011 may vote at the Scheme Meeting in person, by attorney, by corporate representative (in the case of corporate shareholders) or by proxy.

Holders of Sylvania Resources DIs who are registered on the Sylvania Resources DI Register at 7.00am (GMT) on 28 February 2011 may vote at the Scheme Meeting by instructing the registered holder of their Sylvania Resources Shares, the SLV Custodian, how to vote using the Form of Instruction enclosed with this Scheme Booklet. **Holders of Sylvania Resources DIs are strongly encouraged to vote by completing the Form of Instruction enclosed with this Scheme Booklet.**

For the purposes of this Scheme Booklet, any reference to **vote** or **voting** is to Sylvania Resources shareholders voting Sylvania Resources Shares or a holder of Sylvania Resources DIs giving their instructions to the SLV Custodian to vote their underlying Sylvania Resources Shares, as the context requires.

A shareholder who holds any Excluded Shares will not be entitled to vote the Excluded Shares at the Scheme Meeting.

Your Directors believe the Scheme is a matter of importance for all Sylvania Resources shareholders and holders of Sylvania Resources DIs and therefore urge you to vote on the Scheme if you are entitled to do so.

Before voting, you should read this Scheme Booklet carefully, including the Notice of Scheme Meeting set out in Annex 6 and the accompanying notes. If you have any questions consult your financial, legal or other professional adviser or call Grant Button at Sylvania Resources on +618 9226 4777 between 9.00am and 5.00pm (WST) Monday to Friday.

As at 11 January 2011, the Sylvania Resources Shares held by the SLV Custodian represented approximately 87.56% of the issued Sylvania Resources Shares. However, the SLV Custodian appears on the Sylvania Resources Share Register as a single member. Sylvania Resources has obtained an order from the Court that the individual holders of Sylvania Resources DIs each be individually counted as a "members" for the purposes of the test. Please refer to section 8.3 for further details.

Sylvania Resources shareholders wishing to vote in person

Sylvania Resources shareholders who are entitled to vote and wish to do so in person, should attend the Scheme Meeting to be held at 11.00am (WST) on 2 March 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005. Please bring your meeting registration forms with you to facilitate

admission to the meeting. The meeting registration form for the Scheme Meeting is the Proxy Form included with this Scheme Booklet.

Sylvania Resources shareholders wishing to vote by attorney or corporate representative

Sylvania Resources shareholders who are entitled to vote and wish to do so by attorney or corporate representative should ensure that their attorney or corporate representative attends the Scheme Meeting at the time, date and place referred to above. If you are attending as an attorney, you should bring the original power of attorney or a certified copy, unless you have already provided a certified copy of the power of attorney to Sylvania Resources. If you are attending as a representative of a corporate shareholder please bring evidence of your appointment to attend on behalf of that shareholder, unless previously lodged with the Australian Share Registry.

Sylvania Resources shareholders wishing to vote by proxy

Sylvania Resources shareholders who are entitled to vote and wish to do so by proxy should read the detailed notes relating to the appointment of proxies accompanying the Notice of Scheme Meeting set out in Annex 6. You should then complete the Proxy Form included with this Scheme Booklet. Your Proxy Form must be:

- sent to the Australian Registry (using the reply paid envelope included with this Scheme Booklet) at Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia;
- faxed to 1800 783 447 from within Australia or +61 3 9473 2555 from overseas; or
- sent to Sylvania Resources' registered office at Unit 2, Level 1 Churchill Court, 331-335 Hay Street, Subiaco, WA 6008, Australia,

in each case so that it is received by no later than 11.00am (WST) on 28 February 2011.

If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the Australian Registry at the same time as the Proxy Form (unless you have already provided a certified copy of the power of attorney to Sylvania Resources). If you complete and return a Proxy Form, you may still attend the meeting in person, revoke the proxy and vote at the meeting.

Voting by Holders of Sylvania Resources DIs

Holders of Sylvania Resources DIs can vote at the Scheme Meeting by instructing the registered holder of their Sylvania Resources Shares, the SLV Custodian, how to vote using the Form of Instruction enclosed with this Scheme Booklet. The SLV Custodian has declared its intention to cast its vote by proxy so holders of Sylvania Resources DIs are urged to carefully follow the instructions on the Form of Instruction.

Forms of Instructions must be:

- sent to the United Kingdom Depository (using the reply paid envelope included with this Scheme Booklet) at Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS99 6ZY; or
- faxed to +44 (0)870 703 6116,

in each case so that it is received by no later than 3.00am (GMT) on 26 February 2011 (being 96 hours prior to the commencement of the Scheme Meeting). This will enable the United Kingdom Depository to ensure that when the SLV Custodian submits its proxy material, this accurately reflects the votes of holders of Sylvania Resources DIs.

Holders of Sylvania Resources DIs are strongly encouraged to vote by completing the Form of Instruction enclosed with this Scheme Booklet.

Further details on how to vote are set out in Notice of Scheme Meeting set out in Annex 6.

1. SUMMARY OF THE REDOMICILE PROPOSAL

1.1 Overview

On 26 November 2010 Sylvania Resources announced a proposed redomicile of Sylvania Resources under which all existing shares in Sylvania Resources will be exchanged for shares in Sylvania Platinum, a company incorporated in Bermuda. Sylvania Resources has now entered into the Implementation Agreement which sets out certain arrangements agreed between Sylvania Resources and Sylvania Platinum in relation to the Redomicile Proposal.

The Redomicile Proposal is proposed to be implemented by way of a scheme of arrangement. A scheme of arrangement is an arrangement between a company and its shareholders which is voted on by those shareholders. If the required majority of shareholders vote in favour of the scheme and if it is then approved by the Court then the scheme is binding on the company and all of its shareholders.

If the Redomicile Proposal is approved by shareholders and the Court then:

- Sylvania Platinum will issue Sylvania Platinum Shares to Sylvania Resources' shareholders (other than Ineligible Foreign Holders) in exchange for their Sylvania Resources Shares and Sylvania Platinum DIs to holders of Sylvania Resources DIs (other than Ineligible Foreign Holders) in exchange for their Sylvania Resources DIs and Sylvania Resources will become a wholly-owned subsidiary of Sylvania Platinum;
- Sylvania Resources shareholders and holders of Sylvania Resources DIs will receive Sylvania Platinum Shares or Sylvania Platinum DIs in exchange for their Sylvania Resources Shares and Sylvania Resources DIs (except in the case of Ineligible Foreign Holders, who will receive their consideration in cash) as further described in sections 1.2 and 1.3; and
- Sylvania Platinum will be listed on ASX and AIM, and Sylvania Resources will be delisted from ASX and AIM so that effectively Sylvania Platinum will replace Sylvania Resources as the listed entity.

If the Redomicile Proposal is not approved by the required majority of shareholders or is not approved by the Court, the Redomicile Proposal will not proceed, Sylvania Resources shareholders will continue to hold Sylvania Resources Shares, holders of Sylvania Resources DIs will continue to hold Sylvania Resources DIs and Sylvania Resources will continue to operate as a separate company listed on ASX and AIM.

1.2 What you will receive if the Redomicile Proposal is approved

If the Redomicile Proposal is approved:

- Sylvania Resources shareholders (other than Ineligible Foreign Holders) will receive one Sylvania Platinum Share for each Sylvania Resources Share held at 7.00pm (WST) on the Scheme Record Date; and
- holders of Sylvania Resources DIs (other than Ineligible Foreign Holders) will receive one Sylvania Platinum DI for each Sylvania Resources DI held at 7.00am (GMT) on the Scheme Record Date.

These Sylvania Platinum Shares and Sylvania Platinum DIs will be issued to Sylvania Resources shareholders and holders of Sylvania Resources DIs (other than Ineligible Foreign Holders) on the Implementation Date. Holding statements and confirmations of CHESS holdings for Sylvania

Platinum Shares are expected to be despatched within five Business Days after the Implementation Date.

The Sylvania Platinum Shares issued as Scheme Consideration are expected to begin trading on ASX on a deferred settlement basis from the commencement of trading on the first trading day on ASX after the Effective Date. Normal trading of Sylvania Platinum Shares on ASX, and trading of Sylvania Platinum Shares on AIM with holders of Sylvania Platinum DIs settling trades on AIM in CREST, is expected to commence on the fifth trading day on ASX and AIM (as applicable) after the Implementation Date.

It is the responsibility of each person who is issued Sylvania Platinum Shares or Sylvania Platinum DIs under the Scheme to confirm their holding before trading in Sylvania Platinum Shares or Sylvania Platinum DIs to avoid the risk of selling shares or depositary interests that they do not own. Any person who sells Sylvania Platinum Shares or Sylvania Platinum DIs before they receive their holding statement or confirm their uncertificated holdings of Sylvania Platinum Shares or Sylvania Platinum DIs (as the case may be) does so at their own risk. To the maximum extent permitted by law Sylvania Resources and Sylvania Platinum disclaim all liability to persons who trade Sylvania Platinum Shares or Sylvania Platinum DIs before receiving their holding statements or confirming their uncertificated holdings.

1.3 Ineligible Foreign Holders

Ineligible Foreign Holders will not be issued with Sylvania Platinum Shares or Sylvania Platinum DIs under the Scheme. Instead, the Sylvania Platinum Shares that would otherwise have been issued to them under the Scheme, or which would have been issued to the SLV Custodian in respect of the Sylvania Platinum DIs that would otherwise have been issued to them under the Scheme, will be issued to the Sale Nominee on the Implementation Date.

Sylvania Platinum must procure that, as soon as practicable after the Implementation Date, the Sale Nominee sells those Sylvania Platinum Shares on ASX. Sylvania Platinum must pay, or procure the payment of, the net sale proceeds received (after deducting any applicable selling costs, tax and charges) to the Ineligible Foreign Holders. See section 8.11 for further details.

1.4 Directors' recommendation

The Sylvania Resources Directors are of the opinion that the Redomicile Proposal is in the best interests of Sylvania Resources shareholders as a whole and holders of Sylvania Resources DIs as a whole and unanimously recommend that Sylvania Resources shareholders and holders of Sylvania Resources DIs vote in favour of the Redomicile Proposal. As at the date of this Scheme Booklet, no other proposal for Sylvania Resources or its business or assets has emerged.

Each of the Sylvania Resources Directors who holds Sylvania Resources Shares, or on whose behalf Sylvania Resources Shares are held at the time of the Scheme Meeting, intends to vote those Sylvania Resources Shares in favour of the Redomicile Proposal. Sylvania Resources Shares held by the Sylvania Resources Directors represent approximately 0.61% of the issued share capital of Sylvania Resources at the date of lodgement of this Scheme Booklet with ASIC.

The reasons for the recommendation of the Sylvania Resources Directors are set out in section 2.

1.5 Independent Expert's opinion

Sylvania Resources commissioned the Independent Expert, Deloitte Corporate Finance Pty Limited, to prepare a report on the Redomicile Proposal to determine whether it is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs. A copy of the Independent Expert's Report is set out in Annex 4. The Independent Expert, Deloitte Corporate Finance Pty

Limited, has concluded that, in its opinion, the Redomicile Proposal is in the best interests of Sylvania Resources shareholders as a whole and holders of Sylvania Resources DIs as a whole.

1.6 Implementation Agreement

The arrangements agreed between Sylvania Resources and Sylvania Platinum in relation to the Redomicile Proposal in the Implementation Agreement include those set out below. A copy of the Implementation Agreement is contained in Annex 1.

(a) Conditions precedent

The Scheme is subject to a number of conditions precedent which must be satisfied (or, if applicable, waived) before the Scheme can come into effect. These conditions are summarised below and are set out in full in clause 3.1 of the Implementation Agreement:

- the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- Sylvania Resources shareholders approve the Scheme at the Scheme Meeting by the requisite majorities as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act;
- approval for listing of Sylvania Platinum Shares on ASX, admission of Sylvania Platinum Shares on AIM and the admission of Sylvania Platinum DIs to CREST to enable settlement of trades on AIM is obtained subject only to the Scheme taking effect and such other conditions as are acceptable to Sylvania Platinum and Sylvania Resources;
- all approvals of any Authority (as defined in the Implementation Agreement) which Sylvania Platinum and Sylvania Resources agree are necessary or desirable to implement the Redomicile Proposal are obtained and no Authority takes any action, or imposes any legal restraint or prohibition, to prevent implementation of the Redomicile Proposal;
- the Independent Expert does not change its conclusion or withdraw its report prior to the Scheme Meeting; and
- any additional conditions that may be imposed by the Court.

In accordance with the terms of the Implementation Agreement, either party may terminate the agreement if the conditions summarised above are not satisfied or waived by the Long Stop Date.

(b) Termination

Each of Sylvania Resources and Sylvania Platinum has the right to terminate the Implementation Agreement in the event that the Independent Expert changes its previously given conclusion that the Scheme is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs, or withdraws its report prior to the Scheme Meeting. If the Implementation Agreement is terminated, the Redomicile Proposal will not proceed.

1.7 Arrangements for holders of Sylvania Resources Options

Under the Implementation Agreement, Sylvania Resources has agreed to use all reasonable endeavours to procure that by no later than five Business Days before the Second Court Date, each holder of Sylvania Resources Options enters into a binding agreement with Sylvania Resources and Sylvania Platinum, conditional on the Scheme becoming Effective, under which the holder agrees to the cancellation of those Sylvania Resources Options in consideration for the grant by Sylvania

Platinum of an equivalent number of Sylvania Platinum Options on terms and conditions which replicate those of the Sylvania Resources Options. See section 8.12 for further details in connection with the cancellation of the Sylvania Resources Options and grant of new Sylvania Platinum Options. A summary of the terms and conditions of the Sylvania Platinum Options is set out in section 4.7.

If the Scheme is implemented then, to the extent it is permitted to do so, Sylvania Platinum intends to use the general compulsory acquisition provisions of the Corporations Act to acquire any Sylvania Resources Options not cancelled under these arrangements.

1.8 Arrangements for holders of Sylvania Resources Loan Shares

Under the Implementation Agreement, Sylvania Resources has agreed to use all reasonable endeavours to procure that, conditional on the Scheme becoming Effective, by no later than five Business Days before the Second Court Date, each holder of Sylvania Resources Loan Shares enters into a binding agreement with Sylvania Resources and Sylvania Platinum under which:

- (a) each loan provided by Sylvania Resources for the acquisition of the Sylvania Resources Loan Shares (each a **Share Loan**) is assigned by Sylvania Resources to Sylvania Platinum; and
- (b) the terms of each Share Loan are amended to provide that:
 - (i) the amount payable under each Share Loan is calculated by reference to the last sale price of Sylvania Platinum Shares on ASX on the date for repayment of the Share Loan, rather than the last sale price of Sylvania Resources Shares; and
 - (ii) Sylvania Platinum Shares issued to the holder in exchange for Sylvania Resources Loan Shares on implementation of the Scheme cannot be transferred until that holder's Share Loan is repaid in full.

1.9 Taxation implications of the Redomicile Proposal

A report from Deloitte Touche Tohmatsu Ltd on the taxation implications of the Redomicile Proposal for certain Sylvania Resources shareholders and holders of certain Sylvania Resources DIs is set out in section 9. This report is expressed in general terms and is not intended to provide tax advice in respect of the circumstances of any particular shareholder. Shareholders are recommended to obtain their own independent tax advice as to the consequences of the Scheme.

In summary, the taxation implications of the Redomicile Proposal include the following:

- the disposal of Sylvania Resources Shares by Australian Sylvania Resources shareholders will be a taxable event and may give rise to a gain or loss;
- Australian Sylvania Resources shareholders who hold their Sylvania Resources Shares on capital account can elect for capital gains tax (CGT) rollover relief if they would have a capital gain as a result of implementation of the Scheme;
- individual Australian Sylvania Resources shareholders and Australian trusts (who hold their Sylvania Resources Shares on capital account) who do not elect for CGT rollover relief (specifically, scrip for scrip rollover relief) if they would have made a capital gain as a result of implementation of the Scheme. If these shareholders make a capital loss as a result of the Scheme, this loss will not be required to be rolled over. We note that the Australian Government has proposed changes to the CGT rollover provisions. If these changes come into effect, then Australian Sylvania Resources shareholders may be entitled to rollover

relief under the replacement asset rollover provisions. These rollover provisions will take precedence over the scrip for scrip rollover provisions. In this situation, a Sylvania Resources shareholder can choose to apply the rollover where a capital loss is made under the replacement asset rollover provisions (there is no such choice under the scrip for scrip rollover provisions);

- individual Australian Sylvania Resources shareholders and Australian trusts (who hold their Sylvania Resources Shares on capital account) who do not elect for CGT rollover relief may reduce any capital gain by 50% if they held their Sylvania Resources Shares for more than 12 months. Australian complying superannuation fund Sylvania Resources shareholders who do not elect for CGT rollover relief may reduce any capital gain by one third if they held their Sylvania Resources shares for more than 12 months;
- UK shareholders that hold their Sylvania Resources Shares on capital account should not derive any taxable Australian capital gain or loss from the Scheme;
- Sylvania Resources shareholders resident in the UK that hold less than 5% in the capital of Sylvania Resources should be treated as if their new Sylvania Platinum Shares received in exchange for their Sylvania Resources Shares are the same as their previously held Sylvania Resources Shares. If they hold greater than 5%, they will be eligible for the treatment noted above (i.e. new Sylvania Platinum Shares being treated as if they were the old Sylvania Resources Shares) provided the Scheme is considered to be effected for bona fide commercial reasons and does not form part of a scheme of arrangement of which the main purpose (or one of the main purposes) is the avoidance of liability to capital gains tax or corporations tax. If a UK corporate Sylvania Resources shareholder holds more than 10% in the capital of Sylvania Resources, the disposal may qualify for substantial shareholdings exemption (SSE) whereby any gain will be exempt from tax. There are a number of conditions which need to be met and for the avoidance of doubt, no confirmation has been obtained that Sylvania Resources is a trading group (being one of the key conditions that must be satisfied for SSE to apply);
- dividends received by UK resident corporate shareholders from Sylvania Platinum paid out of the ordinary profits of that company may not be subject to UK corporation tax, but this will depend on the individual circumstances of the shareholder. Should distributions be paid out of a contributed surplus, this may have different taxation implications for corporate Sylvania Platinum shareholders or holders of Sylvania Platinum DIs which are not considered further here; and
- individual UK resident Sylvania Platinum shareholders may suffer a higher effective tax rate on their dividends than if dividends were paid by Sylvania Resources where they have a 10% or greater interest in the issued share capital of Sylvania Platinum. This is because a one-ninth tax credit which may currently be available to them in relation to dividends received from Sylvania Resources will not be available when they receive dividends from Sylvania Platinum. UK tax rules only allow for the one-ninth tax credit to be applied where the dividend is received by an individual owning a minority shareholding (i.e. less than 10% of the issued share capital of the company), or where the shareholder owns 10% or greater, where the dividend is paid from a “qualifying territory”, being a country that has an appropriate tax treaty with the UK. As Bermuda does not have a treaty with the UK, it will not fall within the definition of a qualifying territory. Sylvania Resources is resident in a qualifying territory (being Australia) and therefore, shareholders of Sylvania Resources who have a 10% or greater interest in Sylvania Resources are currently entitled to the one-ninth tax credit. Implementation of the Redomicile Proposal may therefore result in an increase in the effective rate of tax for UK individual shareholders of Sylvania Platinum on dividends paid from 0%, 25% and 36.11% (depending on the rate of tax individual UK shareholders

pay) to 10%, 32.5% and 42.5% respectively, where they own a 10% or greater interest in Sylvania Platinum. Should distributions be paid out of a contributed surplus, this may have different taxation implications for individual UK shareholders or holders of Sylvania Platinum DIs, which are not considered further here.

1.10 Scheme Meeting

On 18 January 2011, the Court made an order convening the Scheme Meeting. The fact that under subsection 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the notice of the Scheme Meeting does not mean that the Court has prepared, or is responsible for the content of, this Scheme Booklet or the explanatory statement contained within it or has formed any view as to the merits of the proposed Scheme or as to how Sylvania Resources shareholders or holder of Sylvania Resources DIs should vote.

The purpose of the Scheme Meeting is for Sylvania Resources shareholders and holders of Sylvania Resources DIs to consider whether or not to approve the Redomicile Proposal. Except as mentioned below, shareholders who are registered on the Sylvania Resources Share Register at 11.00am (WST) on 28 February 2011 and holders of Sylvania Resources DIs who are registered on the Sylvania Resources DI Register at 7.00am (GMT) on 28 February 2011 are entitled to vote at the Scheme Meeting. Please refer to the section headed "How to vote" on page 11 and the Notice of Scheme Meeting contained in Annex 6 for more details on how to vote.

A shareholder who holds any Excluded Shares will not be entitled to vote the Excluded Shares at the Scheme Meeting.

2. RECOMMENDATION OF THE SYLVANIA RESOURCES DIRECTORS AND OTHER MATTERS RELEVANT TO YOUR VOTE

2.1 Directors' recommendation

The Sylvania Resources Directors unanimously recommend that you vote in favour of the Redomicile Proposal at the Scheme Meeting, in the absence of a superior proposal. For the reasons set out below, the Sylvania Resources Directors unanimously believe that the Redomicile Proposal is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs.

Each of the Sylvania Resources Directors who holds Sylvania Resources Shares, or on whose behalf Sylvania Resources Shares are held at the time of the Scheme Meeting, intends to vote those Sylvania Resources Shares in favour of the Redomicile Proposal in the absence of a superior proposal. The interests of Sylvania Resources Directors in Sylvania Resources Shares and Sylvania Resources Options are set out in section 10.5 of this Scheme Booklet.

In making this recommendation the Sylvania Resources Directors compared the reasons for Sylvania Resources shareholders and holders of Sylvania Resources DIs to vote in favour of the Redomicile Proposal set out in section 2.2 against the possible reasons to vote against the Redomicile Proposal set out in section 2.3, taking into account the other relevant considerations set out in section 2.4.

2.2 Reasons to vote in favour of the Redomicile Proposal

(a) The Redomicile Proposal is expected to create a more flexible corporate structure in terms of future transactions and investor interest

It is expected that the Redomicile Proposal will create a corporate structure that is able to facilitate flexibility in the terms and conditions upon which the Sylvania Resources Group can participate in future corporate transactions and will make it easier to access international investor markets, particularly in North America. The Sylvania Resources Directors believe that international counterparties will be more likely to invest in and deal with a company incorporated in Bermuda than a company incorporated in Australia and, accordingly, the Redomicile Proposal will encourage and facilitate international corporate opportunities.

(b) Implementation of the Redomicile Proposal is expected to give rise to a significant reduction in the operational and administrative costs associated with an Australian incorporated entity

As an Australian incorporated public company, Sylvania Resources is required to have at least two Australian resident directors on its board. If the Redomicile Proposal is implemented, Sylvania Platinum will not be subject to the same requirement and will also incur less administrative costs in Australia. Administrative expenses that have been incurred by Sylvania Resources in Australia and would no longer be incurred if the Redomicile Proposal is implemented include remuneration payable in respect of consultancy and office management services, costs and expenses associated with maintaining offices in Perth and Sydney, Australian legal expenses and travel expenses incurred as a result of Sylvania Resources' head office and domicile being in Perth.

While the Redomicile Proposal will result in legal and administrative costs being incurred by Sylvania Platinum in Bermuda, the Sylvania Resources Directors understand that such costs will be significantly less than those that have previously been incurred in Australia. The Sylvania Resources Directors estimate that, having taken into account costs that will be incurred in Bermuda, existing administrative costs will be reduced by at least A\$800,000 per annum.

- (c) **Implementation of the Redomicile Proposal is expected to result in a corporate structure that is more aligned with the needs of the international operation and shareholder base of Sylvania Resources and to create greater efficiencies in making board decisions**

Sylvania Resources is currently subject to the Corporations Act and yet none of its operations are in Australia. The focus of the Sylvania Resources Group has become increasingly international, with the majority of Sylvania Resources' shareholders residing outside Australia and all of its operations being in South Africa. It is envisaged that this will continue with the management team to be located primarily in South Africa and the United Kingdom to facilitate day-to-day management of the Sylvania Platinum Group's operations and liaise with shareholders. The Redomicile Proposal would allow the Sylvania Resources Group to ensure that its board composition reflects this international focus, rather than requiring a minimum of two Australian resident directors as referred to in section 2.2(b) above. Over time, this is expected to result in greater efficiencies in making board decisions and in undertaking corporate transactions.

- (d) **Implementation of the Redomicile Proposal has the potential to create a more efficient tax structure**

Australia has a conduit foreign income (CFI) system which broadly allows foreign income to be flowed through Australian entities to foreign shareholders without any dividend withholding tax in certain circumstances. However, in the event that a dividend is paid by Sylvania Resources' foreign subsidiaries, the current group structure is not efficient from a CFI perspective. That is, these dividends will not, initially, be able to be flowed through Sylvania Resources to its foreign shareholders free of dividend withholding tax. As a result, foreign shareholders will receive a smaller after tax dividend.

Implementation of the Redomicile Proposal will allow future acquisitions to be acquired directly by Sylvania Platinum, which will eliminate this Australian tax inefficiency.

- (e) **The advantages described above can be achieved whilst retaining the existing listings on ASX and AIM**

If the Redomicile Proposal is implemented Sylvania Platinum will be listed on ASX and AIM in the same way as Sylvania Resources is currently listed on those exchanges. The advantages described above can therefore be obtained without affecting the way in which investors currently hold their investment in Sylvania Resources (other than in the case of Ineligible Foreign Holders, who will cease to hold such investment if the Scheme is implemented).

2.3 Possible reasons not to vote in favour of the Redomicile Proposal

Although the Sylvania Resources Directors unanimously recommend that you vote in favour of the Scheme in the absence of a superior proposal, and although the Independent Expert has concluded that the Scheme is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs, factors which may lead you to consider voting against the Scheme include the following:

- (a) **The change in jurisdiction of incorporation may result in less rigorous investor protections under the Bermuda Companies Act than those existing under the Corporations Act**

If the Redomicile Proposal is implemented, Sylvania Resources shareholders and holders of Sylvania Resources DIs will hold shares, or depository interests over shares, in a company incorporated in Bermuda, rather than a company incorporated in Australia. As a company incorporated in Bermuda, Sylvania Platinum will be subject to the provisions of the Bermuda Companies Act and will not be

subject to many of the provisions of the Corporations Act to which Sylvania Resources is currently subject and with which Sylvania Resources shareholders and holders of Sylvania Resources DIs are familiar.

A summary of certain provisions of Bermuda law to which Sylvania Platinum will be subject and a comparison of the key differences between the Corporations Act and the Bermuda Companies Act is set out in section 7.2 and section 7.3 respectively. Your Directors particularly draw your attention to the fact that the takeover protection provisions currently afforded to Sylvania Resources shareholders by chapter 6 of the Corporations Act will not apply to Sylvania Platinum. As set out in more detail in section 7, no takeover protection is provided by the Bermuda Companies Act.

If the Redomicile Proposal is implemented, Sylvania Platinum will be subject to all of the same ASX Listing Rules and AIM Rules to which Sylvania Resources is currently subject.

(b) Additional costs

The Redomicile Proposal may result in additional once-off transaction costs. The total one-off costs of implementing the Redomicile Proposal are estimated to be in the range of A\$2 million to A\$2.2 million. However, the majority of those costs (approximately A\$2 million) have already been incurred or will be incurred whether or not the Redomicile Proposal is approved by Sylvania Resources shareholders and holders of Sylvania Resources DIs. The balance of approximately A\$200,000 will only be incurred if the Redomicile Proposal is implemented. The estimated costs of A\$2 million to A\$2.2 million do not include the termination packages that may be payable to Mr Rossiter, Mr Button and Mr Carroll as referred to in section 10.7(b).

Implementation of the Redomicile Proposal may also result in additional costs being incurred including, for example, those costs involved in maintaining a register in Bermuda and ensuring compliance with applicable Bermudan laws.

(c) The tax consequences of implementation of the Redomicile Proposal may not suit your particular financial circumstances

Implementation of the Redomicile Proposal may have tax consequences for Sylvania Resources shareholders and holders of Sylvania Resources DIs. In particular, Ineligible Foreign Holders and certain other Sylvania Resources shareholders and holders of Sylvania Resources DIs may realise a gain on which they may be taxed, depending on their specific circumstances. A general guide to the Australian and UK taxation implications of the Redomicile Proposal is set out in section 9. This guide is expressed in general terms based on the taxation laws as they currently stand and individual Sylvania Resources shareholders should seek professional advice regarding the tax consequences applicable to their own circumstances.

2.4 Other relevant considerations

(a) The Independent Expert has concluded that the Redomicile Proposal is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs

Sylvania Resources commissioned the Independent Expert, Deloitte Corporate Finance Pty Limited, to prepare a report on the Redomicile Proposal to determine whether it is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs. A copy of the Independent Expert's Report is set out in Annex 4. The Independent Expert, Deloitte Corporate Finance Pty Limited, has concluded that, in its opinion, the Redomicile Proposal is in the best interests of Sylvania Resources shareholders and holders of Sylvania Resources DIs and has noted that the likely advantages of the Redomicile Proposal include the following:

- (i) a reduction in operational and administrative costs; and

(ii) greater efficiencies in making board decisions.

(b) Effect of Bermudian taxation laws for individual Sylvania Resources shareholders and holders of Sylvania Resources DIs

If the Redomicile Proposal is implemented, Sylvania Resources shareholders and holders of Sylvania Resources DIs will hold shares, or depositary interests over shares, in a company incorporated in Bermuda, rather than a company incorporated in Australia. This may have different consequences for Sylvania Resources shareholders and holders of Sylvania Resources DIs than Australian taxation laws. A summary of Bermudian tax considerations that are relevant to holding shares in, or depositary interests over, shares in a company incorporated in Bermuda is set out in section 7.4.

(c) No sale costs

Sylvania Resources shareholders and holders of Sylvania Resources DIs will not be required to pay brokerage or stamp duty on the disposal of their Sylvania Resources Shares or Sylvania Resources DIs in connection with the Redomicile Proposal.

(d) The Scheme may be implemented even if you vote against it

You should be aware that even if you do not vote, or you vote against the Redomicile Proposal, the Redomicile Proposal will still be implemented if it is approved by the requisite majority of Sylvania Resources shareholders and the Court. If this occurs, all Sylvania Resources Shares will be transferred to Sylvania Platinum and you will receive the Scheme Consideration for your Sylvania Resources Shares or Sylvania Resources DIs, even though you did not vote on, or voted against, the Redomicile Proposal.

3. INFORMATION ABOUT SYLVANIA RESOURCES

3.1 Overview

Sylvania Resources is a growing platinum group metals (PGM) producer with tailings retreatment operations and shallow mining exploration interests located in South Africa's PGM-rich Bushveld Igneous Complex. A Sylvania Resources Group structure chart is included in the summary of the Competent Person's Report.

Sylvania Resources was incorporated in Western Australia on 1 February 2000 and subsequently admitted to the official list of ASX on 9 February 2001. It was listed on AIM on 21 July 2006.

With its dual listing, Sylvania Resources has a geographically diverse shareholder base. To the best of its knowledge, and save as otherwise disclosed in this Scheme Booklet, Sylvania Resources is not directly or indirectly controlled by any corporation or any person or foreign government.

3.2 Strategy

Sylvania Resources' strategy is to build cash generative businesses that can fund future growth in the PGM sector. Core strategic drivers are:

- operational excellence;
- tailings growth;
- near surface exploration and mining;
- vertical integration to provide Sylvania Resources with downstream processing access; and
- mergers and acquisitions.

Sylvania Resources continues to expand its existing chrome tailings retreatment business, with five plants now successfully commissioned and another facility in a planning phase.

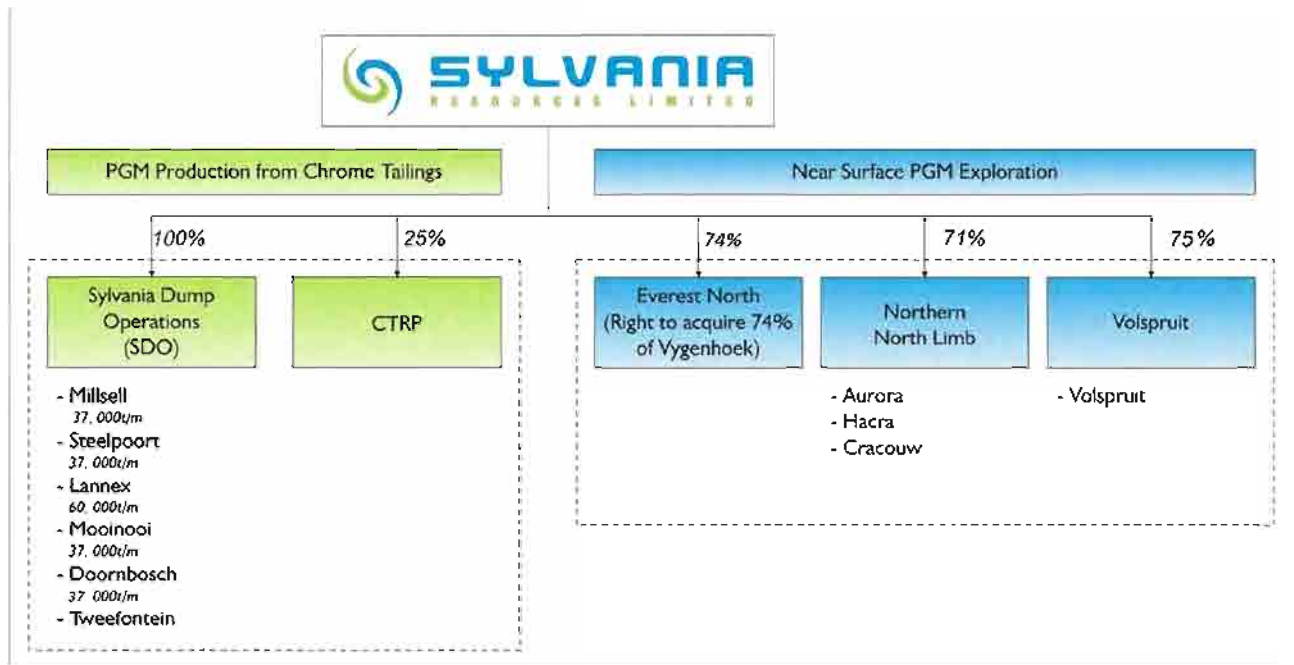
In relation to exploration and project development, Sylvania Resources continues to progress its near surface PGM projects in the northern limb of the Bushveld Igneous Complex and its development of a PGM mine at the Everest North project.

3.3 Business Operations

Sylvania Resources' operations are split into two core business units, being:

- PGM production from tailings retreatment operations (**PGM Production Business Unit**); and
- near surface PGM exploration (**Near Surface Exploration Business Unit**).

A summary of the Sylvania Resources Group's operations is as follows:



The PGM Production Business Unit focuses on strategic relationships and agreements with other mining companies. Sylvania Resources has constructed and is operating five processing facilities that re-treat chrome tailings from existing third party mining operations. This retreatment process is a low cost, high margin business designed specifically to extract PGMs.

The Near Surface Exploration Business Unit is focused on the discovery and development of PGMs that are capable of a low cost mining operation. Sylvania Resources is currently completing feasibility of the Voelspruit project, exploration of the Northern Platreef projects and the planning for the Everest North project.

As announced on 4 February 2010, Sylvania Resources and Jubilee Platinum Plc (**Jubilee**) entered into a framework agreement pursuant to which the parties agreed to start a joint venture company to undertake smelting and refining activities using Jubilee's "ConRoast" technology. On 26 November 2010, Sylvania Resources and Jubilee announced that they had entered into the "Voelspruit Smelting and Refining Agreement" to expand on the framework agreement by progressing a study into the design and construction of a smelter and refinery complex allocated to processing concentrate from the proposed Voelspruit mine that is currently being developed by Sylvania Resources. For further details of the Voelspruit project, please see section 3.3(b) below.

In addition, if Sylvania Resources and Jubilee are satisfied with the outcome of a scoping study that is proposed to be completed by 28 February 2011, the parties have agreed to incorporate a second company (the **Tailings Processing Company**) to undertake the processing of future platinum tailings opportunities. Sylvania Resources' PGM Production Business Unit and Near Surface Exploration Business Unit will not form part of the Tailings Processing Company arrangement.

(a) PGM Production Business Unit

Sylvania Resources' PGM production currently comes from (i) the Sylvania dump operations (being the retreatment of chrome tailings at the operation owned by Samancor Chrome Limited (**Samancor Chrome**)) and (ii) the Chrome Tailings Retreatment Plant managed by Aquarius Platinum South Africa (Pty) Limited (**AQPSA**). These operations are described in more detail below.

(i) Sylvania dump operations

Ownership

The Sylvania dump operations are operated by Sylvania Metals (Pty) Limited (**Sylvania Metals**). As announced on 29 September 2010, Sylvania Resources entered into a share exchange agreement (the **Share Exchange Agreement**) with Africa Asia Capital Limited (**AAC**) in relation to the rationalization of the shareholdings of Sylvania Metals. Pursuant to the terms of the Share Exchange Agreement, and following Sylvania Resources shareholder approval on 23 November 2010, Sylvania Resources now owns 100% of Sylvania Metals. As at 11 January 2011, AAC (through its nominee Rene Nominees (IOM) Limited) held 58,882,551 Sylvania Resources DIs issued pursuant to the Share Exchange Agreement.

In accordance with the terms of the Share Exchange Agreement, AAC has undertaken, subject to certain exceptions, not to sell 51,170,663 Sylvania Resources Shares (being all of the Sylvania Resources Shares issued to it under the Share Exchange Agreement other than the 7,711,888 Sylvania Resources Shares issued on 29 September 2010) for a period of 12 months after the date of issue of those Sylvania Resources Shares, being 1 December 2010, without the prior written consent of Sylvania Resources (which must not be unreasonably withheld or delayed). AAC has subsequently acknowledged and agreed that, upon implementation of the Scheme and subject to the same exceptions that apply to the Sylvania Resources Shares under the Share Exchange Agreement, it will not sell 51,170,663 of its Sylvania Platinum Shares before 1 December 2011, without the prior written consent of Sylvania Platinum (which must not be unreasonably withheld or delayed).

The Share Exchange Agreement also gives AAC the right to nominate up to two individuals for appointment to the boards of each of Sylvania Resources and Sylvania Metals. In accordance with the ASX Listing Rules and Sylvania Resources' constitution, those directors appointed to the board of Sylvania Resources will be subject to the same retirement and re-election process as the existing directors. Subsequent to the announcement of the Redomicile Proposal, Sylvania Platinum has agreed that AAC has the right to nominate for appointment up to two directors to fill casual vacancies on the board of Sylvania Platinum. As at the date of this Scheme Booklet, AAC has advised Sylvania Resources and Sylvania Platinum that it has no current intention to exercise its right to nominate for appointment any directors to the board of Sylvania Resources or Sylvania Platinum and, in any event, will not exercise that right until after completion of the Redomicile Proposal other than with the prior written agreement of Sylvania Platinum (which must not be unreasonably withheld or delayed).

Operations

On 31 March 2006, Sylvania Resources entered into a services and supply agreement with Samancor Chrome Limited (Registration No: 1926/008883/06) (**Samancor Chrome**), a company incorporated in South Africa, pursuant to which Sylvania Resources agrees to provide various services to Samancor Chrome in relation to Samancor Chrome's mining operations including, but not limited to, mining sites in and around Steelpoort and Moonooi. This agreement, as amended by the parties on 9 January 2007, 13 February 2008 and 22 September 2010, (the **Samancor Service and Supply Agreement**) contains the material terms and conditions set out below. Sylvania Resources' rights under the Samancor Service and Supply Agreement have subsequently been assigned to Sylvania Metals.

- (a) (**Services**): Samancor Chrome has appointed Sylvania Metals exclusively to collect and process all by-product from historical tailing dams and material generated by certain specified mining operations and extract chrome ore from that material for sale to Samancor Chrome in accordance with the Samancor Service and Supply Agreement. Samancor Chrome is required to purchase the minimum tonnage of 12,000 tonnes of chrome ore per calendar month for the duration of the Samancor Service and Supply Agreement. Sylvania Metals is required to rehabilitate the sites upon which it provides such services and dispose of any waste materials generated through the provision of the services.

- (b) **(PGM Rights):** Sylvania Metals has the right to extract PGMs from materials that have been processed by Sylvania Metals in accordance with the Samancor Service and Supply Agreement and to sell those PGMs to any third parties.
- (c) **(Term):** The Samancor Service and Supply Agreement terminates on the latest of:
 - (i) the application of services to all the base materials contained in the tailings dams and materials generated from Samancor Chrome's specified mining activities;
 - (ii) five years from the effective date of the Samancor Service and Supply Agreement; or
 - (iii) such time as the Samancor Service and Supply Agreement is terminated in accordance with its terms.
- (d) **(Termination):** Either party may terminate the Samancor Service and Supply Agreement upon 120 days' notice where the other party has defaulted under the Samancor Service and Supply Agreement as a result of a material breach which remains unremedied during the notice period.

Samancor Chrome shall have the right to terminate the portion of the Samancor Service and Supply Agreement as it relates to services to be provided by Sylvania Metals if any of the following events of default occurs and remains unremedied for 120 days after Samancor Chrome provides written notice to Sylvania Metals of such event of default:

- (i) a judgement of any competent court being given against Sylvania Metals, where such judgement is not satisfied within 120 days;
- (ii) the major portion of the assets used by Sylvania Metals in providing the services under the Samancor Service and Supply Agreement being disposed of;
- (iii) the revocation of any of the permissions, permits, licences and rights required by Sylvania Metals to provide the services;
- (iv) Sylvania Metals (including its representatives, employees, agents or sub-contractors) being involved in illegal actions or committing any crime whatsoever on or at the relevant mine sites in connection with the performance of the Samancor Service and Supply Agreement;
- (v) Sylvania Metals fails to use its best endeavours to produce, in any quarter during the term of the Samancor Service and Supply Agreement, an amount of chrome ore specified by Samancor Chrome in accordance with the Samancor Service and Supply Agreement;
- (vi) Sylvania Metals fails to produce the minimum tonnage of 12,000 tonnes of chrome ore per calendar month or fails to pay to Samancor Chrome the relevant monetary penalty under the Samancor Service and Supply Agreement (as further described below); or
- (vii) Sylvania Metals fails to make payment of any monies due and owing to Samancor Chrome.

In the event of Samancor Chrome exercising its right to terminate the portion of the Samancor Service and Supply Agreement as relates to the provision of services or terminating the Samancor Service and Supply Agreement for breach, Sylvania shall be

entitled to continue extracting PGMs in accordance with the Samancor Service and Supply Agreement. However, Sylvania Metals shall pay Samancor Chrome 1% of the gross receipts derived from the sale of PGMs.

- (e) **(Warranties):** Sylvania Metals warrants that each plant (being all machinery and equipment installed and erected by Sylvania Metals at the relevant mine sites) is capable of processing at least 30,000 metric tonnes of base material per calendar month to be processed by Sylvania Metals in accordance with the Samancor Service and Supply Agreement.
- (f) **(Indemnities):** Sylvania Metals indemnifies Samancor Chrome, and its officers, employees, agents and sub-contractors for any loss or damage suffered by Sylvania Metals or Samancor Chrome or the officers, employees or agents of either party or any of their sub-contractors or any third party whatsoever, arising from any cause in connection with the Samancor Service and Supply Agreement.
- (g) **(Governing Law):** The Samancor Service and Supply Agreement is governed by the laws of South Africa.

Sylvania Metals currently has five fully operational plants pursuant to the Samancor Service and Supply Agreement, namely Millsell, Steelpoort, Lannex, Doornbosch and Mooinooi. Sylvania Metals has also committed to the construction of the Tweefontein plant. Further details of these plants are set out below.

Sylvania Metals has also secured a right to treat run of mine (**ROM**) material from Samancor Chrome where supplied.

Off-take agreements

Sylvania Metals has an off-take agreement with Impala Refining Services Limited (**Impala Refining**) and with Rustenburg Platinum Mines Limited in respect of concentrate from its plants.

Plants

- **Millsell** (operational from June 2007, capacity of chrome recovery plant: 37,000 t/m).

The Millsell plant was successfully commissioned during June 2007, with the plant's first PGM concentrate being sold the following month. Since June 2007, the Millsell operation has demonstrated ongoing performance improvement with steady growth in plant availability and recoveries.

The chrome waste dumps are mined mechanically and by way of small scale hydro mining. Current risings from the Millsell mine are fed directly into Sylvania Metal's chrome plant.

Capital expenditure on Millsell to date has totalled R64 million (A\$9.4 million).

- **Steelpoort** (operational from September 2007, capacity of chrome recovery plant: 37,000 t/m)

The Steelpoort plant was commissioned in September 2007 to re-treat tailings from the Steelpoort mine. As with Millsell, the waste dumps are mined using a combination of both mechanical and hydro methods, with current risings being fed directly into Sylvania Metals' chrome plant.

Capital expenditure on Steelpoort to date has totalled R68.2 million (A\$10 million).

- **Lannex** (operational from June 2009, capacity of chrome recovery plant: 60,000 t/m)

As announced on 14 April 2010, the Lannex plant is currently operating at a reduced capacity due to constraints on the amount of tailings that can be deposited on the current temporary tailings dam. The new tailings dam is expected to be operational in June 2011 and Lannex will then ramp up to full capacity.

The total plant construction cost to date has totalled R155.5 million (A\$22.8 million).

- **Doornbosch** (operational from August 2010, capacity of chrome recovery plant 37,000 t/m)

The Doornbosch plant completed commissioning in July 2010. Plant feed for Doornbosch is sourced from current risings and waste dumps from the Doornbosch mine. The waste dumps are mined using mainly mechanical methods.

Due to limitations of the Doornbosch mine, the chrome plant is yet to reach full capacity. With a revised platinum recovery strategy currently in operation at the plant (involving the increase of load circulation), recoveries from the plant have increased and the plant is operating as expected.

The total plant construction cost to date has totalled R90.3 million (A\$13.3 million).

- **Mooinooi** (operational from March 2010, capacity of chrome recovery plant 37,000 t/m)

The Mooinooi plant treats current risings and tailings dams from the Mooinooi, Elandsdrift and Buffelsfontein mines. The first PGM concentrate was produced in November 2009. In addition the plant incorporates a run of mine section which was commissioned in June 2010 to process MG2 ore from the Mooinooi mine.

The total plant construction cost to date has totalled R85.6 million (A\$12.6 million).

- **Tweefontein**

Planning of the equipment configurations and processing options for the Tweefontein plant are currently underway.

The exchange rate used in this section 3.3(a)(i) is A\$1:R6.805, as at 10 December 2010.

(ii) **Chromite Tailings Retreatment Plant (CTRP)**

Sylvania South Africa (Pty) Ltd (**Sylvania SA**), a wholly owned Subsidiary of Sylvania Resources, has a 25% unincorporated joint venture interest in the CTRP at Kroondal on the western limb of the Bushveld Igneous Complex. CTRP is managed by AQPSA and treats chrome tailings from Xstrata plc's operations to recover PGMs.

(b) **Near Surface PGM Exploration Business Unit**

Sylvania Resources' near-surface mining exploration and development interests comprise the Everest North project (**Everest North**), the Volspruit project and the exploration of the Northern Platreef projects Aurora and Hacra. Further details of these projects are set out below.

- **Everest North**

The Everest North development project is operated by Sylvania SA. It is located on the farm Vygenhoek in the Mpumalanga Province, which is on the eastern limb of the Bushveld Igneous Complex. Sylvania Resources has a 74% interest in the Everest North project.

On 24 May 2005, Sylvania SA entered into an agreement with AQPSA, pursuant to which Sylvania SA agreed to act as independent contractor to manage and carry out prospecting work at Everest North. Upon completion of the required exploration work, Sylvania SA submitted an application for the mining right for PGMs over Mineral Area 2 of the Vygenhoek 10TJ farm in the Lydenburg magisterial district. However, AQPSA disputed Sylvania SA's right to do so and the matter was referred to arbitration.

While an arbitration hearing date was initially set for July 2010, both parties agreed in June 2010 to explore the possibility of a commercial settlement. As a result, Sylvania SA and AQPSA are currently investigating the business model to develop the Everest North mine to the mutual advantage of both parties. Should an agreement not be reached between the parties, the matter will then be heard by an arbitrator on a date to be arranged.

- **Volspruit project**

Sylvania Resources' Volspruit project is located on the Volspruit and Zoetveld farms to the south of the town of Mokopane on the southern end of the northern limb of the Bushveld Igneous Complex. Sylvania Resources has a 75% interest in this project.

Sylvania Resources has completed an exploration programme which has defined two separate orebodies known as the northern and southern orebodies.

Sylvania Resources is currently undertaking a feasibility study to allow for the submission of a mining right application in the first quarter of 2011. It has also agreed to conduct a feasibility study into smelting and refining of concentrates from the Volspruit project.

- **Hacra project**

The Hacra project comprises prospecting rights over three farms on the northern limb of the Bushveld Igneous Complex, Harriet's Wish 393LR, Aurora 397LR and Cracouw 391LR. Sylvania Resources has a 71% stake in the Hacra project, and Sika Bopha Trading (Pty) Ltd, a BEE entity, owns the remaining 29%.

A geological model has been constructed from the five new holes that were drilled and the historical boreholes. External consultants are currently conducting an independent review of the geological model prior to submitting proposals for further exploration for ore resource definition.

- **Aurora project**

The Aurora Project comprises prospecting rights over seven farms located in the northern limb of the Bushveld Igneous Complex: Kransplaats 422LR, Nonnenwerth 421LR, La Pucella 693LR, Altona 696LR, Non PlusUltra 683LR, Schaffhausen 689LR and Luge 697LR. Details of the ownership structure are set out in the summary of the Competent Person's Report.

Detailed re-logging of selected borehole cores, interpretation of the stratigraphy and the stratigraphic review logging of all boreholes has been completed and a geological model constructed. Sylvania Resources' management has commissioned an external independent review of the geological model to determine the economic parameters for a pre-feasibility study.

3.4 Board and senior management

(a) Members of the Sylvania Resources Board

The members of the Sylvania Resources Board are as follows:

T M McConnachie (aged 55) – Chief Executive Officer

Mr McConnachie has over 25 years of experience in mining, beneficiation of ferroalloys and precious metals. He was the founder of Merafe Resources Limited (formerly South African Chrome & Alloys Limited), a successful chrome mining company, black empowered and listed on the Johannesburg Stock Exchange. He is well known for identifying mining opportunities and has started many new green-field operations in gold, manganese, aluminium, graphite and tantalite. He has been CEO of a number of mining services and smelting companies in South Africa. Mr McConnachie is a member of the Board's remuneration committee.

R D Rossiter BSc (Hons) MSc (aged 55) – Non-Executive Chairman

Mr Rossiter was appointed in August 2007 and acts as non-executive Chairman. He leads the Board in implementing its strategy of becoming a significant platinum group metal producer. He began his career as a geologist with General Mining Union Corporation in South Africa. He subsequently qualified in mine management and held various production management and business development roles. He later joined the financial sector as a mining analyst and then moved to Australia where he later was responsible for corporate advisory, mergers and acquisitions and divestments. Mr Rossiter is a member of the Board's remuneration and audit committees.

L M Carroll B Com, MAP, H. Dip. Corporate Law, H. Dip. Property Management, Dip Business Management (aged 65) – Finance Director and Joint Company Secretary

Mr Carroll was appointed in August 2007 and acts as Finance Director having worked for Sylvania Resources previously in its South African operations, principally in developing and structuring financial reporting and systems. He has over 40 years experience in the resources industry and has served as executive and non-executive director on a number of private and publicly listed companies. He also served as COO of a listed oil and gas company. Mr Carroll is a member of the Board's remuneration and audit committees.

G M Button CPA (aged 48) – Executive Director and Joint Company Secretary

Mr Button was a director and company secretary of Sylvania Resources for four years until June 2007. He rejoined Sylvania as company secretary in January 2009 and was appointed to the Board in May 2009. Mr Button is a qualified accountant with 19 years experience at a senior management level in the resources industry. He has acted as an executive director, managing director, finance director, chief financial officer and company secretary for a range of publicly listed companies. Mr Button is a member of the Board's remuneration and audit committees.

(b) Senior management

Together with Mr McConnachie, Mr Carroll and Mr Button, the following persons make up the senior management team of Sylvania Resources.

N Trevarthen – Deputy Chief Executive Officer BSc (Hons)

Mr Trevarthen joined Sylvania Resources on 1 September 2010 and his main focus is on operations in South Africa. He holds a Bachelor of Science degree in Mining Engineering from the London

School of Mining. He joined the Anglo Group in 1979 after completing his studies and has most recently returned from Guinea where he was managing director of the Siguri Mine. During the 31 years with the Anglo Group, he held a number of management positions within AngloGold where he gained both operational and corporate experience which will assist the Sylvania Group in implementing its current expansion plans and achieving its long-term strategies.

Mr Zoran Marinkovic – Director of Sylvania Metals (Pty) Ltd
BSc (Chem Eng), University of Belgrade

Mr Marinkovic has worked in a number of industries, including the petrochemical, shipping and mining sectors in Europe. Among the senior positions he has held are those of site director and special adviser for Mostec Limited, where he was based at a shipyard in the Ukraine; production director at the High Density PolyEthylene Plant (HDPE) at the Petrochemical Complex of Pancevo in Yugoslavia; and, most recently, co-owner and director of ABM International Limited, a Belgrade-based company trading in chrome and other metals on the European and Russian markets as well as undertaking research and consulting in the area of chromium waste and tailings. Since January 2006, Mr Marinkovic has been responsible for developing and controlling Sylvania's chromium and PGM projects pursuant to the Samancor Service and Supply Agreement. He is currently working on progressing new projects that will expand Sylvania's supply of PGM base material.

Mr Anton De Vos – Internal Legal Adviser
BProc. University of the Free State

Mr A de Vos is admitted as an attorney, notary and conveyancer in South Africa. He had his own legal practice for many years before being appointed as legal adviser to Sylvania Resources.

Lewanne Carminati – Financial Manager
BComm (Hons), CA (SA)

Ms Carminati started her career in finance in 2005, and has gained experience in both the contracting and mining industry. Ms Carminati joined Sylvania Resources in July 2009.

Mr Ben Kruger – Management Accountant
NHD (Cost and Management Accounting), Technikon RSA

Mr Kruger has spent 17 years in the field of cost and financial accounting, working in the mining, manufacturing, printing and services industries. His responsibilities have included general accounting, finance, project accounting and costing. While employed by the De Beers Group and Gold Fields Limited, he was exposed to opencast, shallow underground and deep-level mining. This experience included his involvement in a feasibility study for Gold Fields' South Deep mine. Mr Kruger joined Sylvania in October 2007.

3.5 Historical financial information

The audited historical financial information has been extracted from Sylvania Resources' audited financial statements for the financial years ended 30 June 2009 and 30 June 2010. The information in this section is a summary only of the audited financial statements and has been prepared for inclusion in this Scheme Booklet. Copies of Sylvania Resources' audited financial statements (including all notes) have been published in Sylvania Resources' annual reports, which can be accessed through Sylvania's announcements at www.asx.com.au.

The unaudited financial information for the four months ended 31 October 2010 has been prepared in accordance with the accounting policies set out in the audited financial statements for the financial year ended 30 June 2010. The accounting policies have been consistently applied over the historical periods presented.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Reviewed 4 months ended 31 October 2010 \$	Audited Year ended 30 June 2010 \$	Audited Year ended 30 June 2009 \$
Revenue	2(a)	13,277,491	29,812,970	19,318,639
Raw materials and consumables used		(9,710,537)	(17,752,553)	(10,849,719)
Share of net profit of jointly controlled entity accounted for using the equity method		42,199	865,972	317,002
Profit from operations		3,609,153	12,926,389	8,785,922
Foreign exchange loss		(7,051)	(3,436,741)	(244,303)
Impairment of available-for-sale financial assets		(10,000)	(90,000)	(1,710,898)
Transfer of gains on investment from equity upon acquisition of subsidiary		-	5,420,747	-
Impairment of mining property	2(c)	-	(4,923,880)	-
Share based payment expense	2(c)	(565,953)	(5,102,121)	(2,744,523)
Other income	2(b)	21,938	247,406	274,743
Other expenses	2(c)	(2,875,510)	(11,260,827)	(7,526,382)
Profit / (Loss) before interest and income tax expense		172,577	(6,219,027)	(3,165,441)
Finance income		393,791	834,197	2,531,679
Finance costs		(22,044)	(157,235)	(62,142)
Profit / (Loss) before income tax expense		544,324	(5,542,065)	(695,904)
Income tax expense	3	(1,040,420)	(3,061,505)	(3,060,868)
Net loss		(496,096)	(8,603,570)	(3,756,772)
Other comprehensive (loss) / income				
Net change in fair value of available-for-sale financial assets		247,787	(5,392,192)	5,853,835
Exchange differences on translation of foreign operations		(7,396,143)	(2,636,008)	15,274,026
Income tax relating to components of other comprehensive income		2,087,349	738,082	(4,330,834)
Other comprehensive (loss) / income for the year, net of tax		(5,061,007)	(7,290,118)	16,797,027
Total comprehensive (loss) / income for the year		(5,557,103)	(15,893,688)	13,040,255
Loss attributable to:				
Owners of the parent		(1,071,117)	(7,925,116)	(3,524,073)
Non-controlling interest		575,021	(678,454)	(232,699)
		(496,096)	(8,603,570)	(3,756,772)
Total comprehensive (loss) / income attributable to:				
Owners of the parent		(5,557,103)	(15,893,688)	11,379,209
Non-controlling interest		-	-	1,661,046
		(5,557,103)	(15,893,688)	13,040,255
		Cents	Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of Sylvania Resources:				
Basic loss per share	4	(0.44)	(3.53)	(1.97)
Diluted loss per share	4	(0.44)	(3.53)	(1.97)

STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed	Audited	
		31 October 2010	30 June 2010	30 June 2009
		\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents	6	22,386,081	23,478,101	32,214,884
Trade and other receivables	7	15,137,073	13,560,454	7,871,069
Inventories	8	532,587	753,668	441,512
Current tax asset		2,421,275	2,617,173	2,203,701
Total current assets		40,477,016	40,409,396	42,731,166
Non-current assets				
Other financial assets	9	417,540	437,275	8,080,416
Investments accounted for using the equity method	19	2,896,547	3,797,167	3,967,132
Deferred exploration expenditure	10	69,268,584	69,348,483	1,826,958
Property, plant & equipment	11	71,397,896	76,999,597	65,264,576
Total non-current assets		143,980,567	150,582,522	79,139,082
Total assets		184,457,583	190,991,918	121,870,248
Liabilities				
Current liabilities				
Trade and other payables	12	4,621,095	5,696,097	7,263,337
Borrowings	13	214,596	310,576	149,649
Current tax liability		11,036	11,673	12,114
Total current liabilities		4,846,727	6,018,346	7,425,100
Non-current liabilities				
Borrowings	13	404,190	442,019	234,570
Deferred tax liability		24,444,144	24,700,159	7,376,401
Provisions	14	884,807	935,855	912,644
Total non-current liabilities		25,733,141	26,078,033	8,523,615
Total liabilities		30,579,868	32,096,379	15,948,715
Net assets		153,877,715	158,895,539	105,921,533
Equity				
Issued capital	15	187,359,762	181,216,925	117,945,504
Reserves	16	2,054,835	5,974,869	7,250,196
Accumulated losses	17	(35,536,882)	(28,296,255)	(20,371,139)
Parent entity interest		153,877,715	158,895,539	104,824,561
Non-controlling interest		-	-	1,096,972
Total equity		153,877,715	158,895,539	105,921,533

STATEMENT OF CASH FLOWS

		Reviewed 4 months ended 31 October 2010 \$	Year ended 30 June 2010 \$	Audited Year ended 30 June 2009 \$
Cash flows from operating activities				
Receipts from customers		11,741,109	24,051,879	29,572,612
Payments to suppliers and employees		(11,181,514)	(28,854,812)	(9,686,549)
Interest received		336,618	823,971	2,914,891
Other income		115,991	645,010	300,953
Income tax paid		-	752,868	(3,248,283)
Net cash inflow / (outflow) from operating activities	18	1,012,204	(2,581,084)	19,853,624
Cash flows from investing activities				
Payments for property, plant & equipment	11	(1,299,722)	(22,233,196)	(30,647,410)
Payments for available-for-sale financial assets		-	(1,800)	(1,616,297)
Payments for exploration and evaluation	10	(405,911)	(1,409,522)	(123,396)
Proceeds from borrowings		331,835	388,266	-
Loans (from)/to related parties		(158,801)	-	(544,458)
Proceeds from the sale of plant and equipment		6,778	120,845	-
Proceeds from sale of exploration asset		-	-	316,600
Proceeds from sale of available-for-sale financial assets		-	-	25,280
Repayment of loan from related party		-	76,023	3,612
Net cash outflow from investing activities		(1,525,821)	(23,059,384)	(32,586,069)
Cash flows from financing activities				
Proceeds from issue of shares		-	18,699,500	93,000
Capital raising costs		(26,673)	(1,147,530)	(49,255)
Net cash inflow from financing activities		(26,673)	17,551,970	43,745
Net decrease in cash held		(540,290)	(8,088,498)	(12,688,700)
Effect of exchange fluctuations on cash held		(551,730)	(3,676,904)	1,280,020
Cash acquired through business combination		-	3,028,619	-
Cash at the beginning of the financial period		23,478,101	32,214,884	43,623,564
Cash at the end of the financial period	6	22,386,081	23,478,101	32,214,884

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The reviewed condensed consolidated financial statements for the four months ended 31 October 2010 have been prepared in accordance with AASB 134.

The reviewed condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Sylvania Resources Group's annual financial statements as at 30 June 2010.

(a) Significant accounting policies

The accounting policies adopted in the preparation of the reviewed condensed consolidated financial statements are consistent with those followed in the preparation of the Sylvania Resources Group's annual financial statements for the year ended 30 June 2010, except for the adoption of new standards and interpretations as of 1 July 2010, noted below:

(i) AASB 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions

The standard has been amended to clarify the accounting for group cash-settled share-based payment transactions. This amendment also supersedes AASB & UIG Interpretation 8 and AASB & UIG Interpretation 11. The adoption of this amendment did not have any impact on the financial position or performance of the Sylvania Resources Group.

(ii) AASB 139 Financial Instruments: Recognition and Measurement – Eligible Hedged Items

The amendment addresses the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment had no effect on the financial position nor performance of the Sylvania Resources Group.

(iii) AASB & UIG Interpretation 17 Distribution of Non-cash Assets to Owners

This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation had no effect on the financial position nor performance of the Sylvania Resources Group.

Improvements to AASBs (issued May 2008)

In May 2008, the Australian Accounting Standards Board issued their first omnibus of amendments to its standards. All amendments issued are effective for Sylvania Resources as at 31 October 2010, apart from the following:

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies when a subsidiary is classified as held for sale, all its assets and liabilities are classified as held for sale, even when the entity remains a non-controlling interest after the sale transaction. The amendment is applied prospectively and had no impact on the financial position nor financial performance of the Sylvania Resources Group

Improvements to AASBs (issued April 2009)

In April 2009, the Australian Accounting Standards Board issued their second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Sylvania Resources Group:

- AASB 8 Operating Segment Information: Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Sylvania Resources Group's chief operating decision maker does review segment assets and liabilities, the Sylvania Resources Group has continued to disclose this information.
- AASB107 Statement of Cash Flows: Explicitly states that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.
- AASB 136 Impairment of Assets: The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 before aggregation for reporting purposes. The amendment has no impact on the Sylvania Resources Group as the annual impairment test is performed before aggregation

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Sylvania Resources Group:

- AASB 2 Share-based Payment
- AASB 5 Non-current Assets Held for Sale and Discontinued Operations
- AASB 101 Presentation of Financial Statements
- AASB 117 Leases
- AASB 138 Intangible Assets
- AASB 139 Financial Instruments: Recognition and Measurement
- AASB & UIG Interpretations 16 Hedge of a Net Investment in a Foreign Operation

The Sylvania Resources Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

2. Revenue and expenses

	Reviewed	Audited	
	4 months ended 31 October 2010 \$	Year ended 30 June 2010 \$	Year ended 30 June 2009 \$
(a) Revenue			
Sale of goods	13,277,491	29,812,970	19,318,639
(b) Other income			
Sale of mining tenements	-	-	82,545
Net gain / (loss) on disposal of non-current asset	1,576	(55,274)	(13,272)
Net gain / (loss) on sale of available-for-sale financial assets	-	-	5,918
Royalty termination	-	250,000	-
Administration recovery	5,532	16,962	64,690
Sundry income	14,830	35,718	-
Reduction in decommissioning costs	-	-	134,862
	21,938	247,406	274,743
(c) Expenses			
Loss from ordinary activities before income tax expense includes the following specific expenses:			
Consulting	755,037	3,545,066	2,335,837
Depreciation – plant and equipment	2,734,225	3,269,293	1,786,457
Depreciation – other assets	31,575	114,190	67,275
Finance costs	22,044	157,235	62,142
Foreign exchange loss	7,051	3,436,741	244,303
Operating lease payments	133,452	391,480	273,929
Devaluations of fair value through profit or loss financial assets	10,000	90,000	1,710,898
Impairment of mining properties	-	4,923,880	-
Share based payments expense	565,953	5,102,121	2,744,523
Superannuation expense	2,354	21,476	20,826

3. Income tax expense

	Reviewed 4 months ended 31 October 2010	Audited	
		Year ended 30 June 2010	Year ended 30 June 2009
The following amounts have been recognised against profit and loss.	\$	\$	\$
Current taxation			
Current period	55,565	(1,548,837)	(3,100,212)
Deferred tax			
Current period	984,855	4,610,342	6,161,080
	<u>1,040,420</u>	<u>3,061,505</u>	<u>3,060,868</u>
Income tax relating to components of other comprehensive income			
Income taxation on foreign currency translation reserves	2,087,349	738,082	(4,330,834)

4. Earnings per share

	Reviewed 4 months ended 31 October 2010	Audited	
		Year ended 30 June 2010	Year ended 30 June 2009
	Cents per share	Cents per share	Cents per share
Basic loss per share - cents per share	(0.44)	(3.53)	(1.97)
Diluted loss per share – cents per share	(0.44)	(3.53)	(1.97)

	Reviewed 4 months ended 31 October 2010	Audited	
		Year ended 30 June 2010	Year ended 30 June 2009
	\$	\$	\$
Reconciliations of loss used in calculating loss per share			
Loss attributable to the ordinary equity holders of the company used in calculating basic loss per share	(1,071,117)	(7,925,116)	(3,524,073)
Loss attributable to the ordinary equity holders of the company used in calculating diluted loss per share	(1,017,117)	(7,925,116)	(3,524,073)
Weighted average number of shares used as the denominator			
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	242,669,044	224,724,096	178,854,273
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	<u>242,669,044</u>	<u>224,724,096</u>	<u>178,854,273</u>

Diluted loss per share

At 31 October 2010 the Sylvania Resources Group has recorded a loss. Therefore, the issue of ordinary shares upon exercise of Sylvania Resources Options would not result in a diluted loss per share.

5. Segment information

For management purposes the chief operating decision maker, being the Sylvania Resources Directors, reports its results per project. The Sylvania Resources Group currently has three operational retreatment processing plants, one retreatment processing plant in its final stages of commissioning, one retreatment processing plant operating at reduced capacity and an open cast mining exploration project.

The operating results of each project are monitored separately by the Sylvania Resources Directors in order to assist them in making decisions regarding resource allocation as well as enabling them to evaluate performance. Segment performance is evaluated on PGM ounce production and operating costs.

The following tables present revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 October 2010 and financial years ended 30 June 2010 and 30 June 2009.

4 months to 31 October 2010

	Millsell \$	Steelpoort \$	Lannex \$	Mooinooi \$	Doornbosch \$	Northern limb \$	Other \$	Consolidated \$
Segment assets								
Capital expenditure	6,297,030	7,179,678	21,527,408	22,565,517	12,894,439	67,594,838	2,607,570	140,666,480
Other assets	2,817,590	3,703,561	1,398,971	2,000,575	1,329,289	541,089	32,000,028	43,791,103
Segment liabilities	1,368,928	1,560,809	4,679,902	4,905,579	2,803,157	14,694,625	566,871	30,579,871
Segment revenue	3,714,400	4,121,392	1,440,300	2,410,295	1,591,104	-	-	13,277,491
Segment result	2,252,172	2,114,492	(686,987)	138,602	209,960	-	(439,086)	3,609,153
Unallocated expenses							(4,105,249)	(4,105,249)
Total segment loss								(496,096)
Included within the segment results.								
Depreciation	317,608	343,810	750,778	817,327	465,166	-	71,111	2,765,800
Direct operating costs	1,143,081	1,661,555	1,373,158	1,428,190	913,902	-	424,851	6,944,737
Interest revenue							393,791	393,791
Income tax expense							1,040,420	1,040,420
Cash flow information								
Net cash flow from operating activities	2,252,172	2,114,492	(686,987)	138,602	209,960	-	(439,086)	3,609,153
Net cash flow from investing activities	(49,271)	(81,882)	(502,872)	(344,244)	(209,228)	(388,844)	(129,292)	(1,705,633)

Year ended 30 June 2010

	Millsell \$	Steelport \$	Lannex \$	Mooitooi \$	Doombosch \$	Northern limb \$	Other \$	Consolidated \$
Segment assets								
Capital expenditure	6,930,921	7,856,623	21,483,855	24,333,626	13,884,185	63,919,198	7,939,672	146,348,080
Other assets	4,322,034	4,666,915	906,870	2,277,880	116	1,871,759	30,598,264	44,643,838
Segment liabilities								
	1,217,819	1,380,472	3,774,887	4,275,615	2,439,563	1,394,163	17,613,860	32,096,379
Segment revenue								
	12,067,278	11,504,834	3,389,049	2,851,809	-	-	-	29,812,970
Segment result								
	7,358,327	6,284,526	(1,291,700)	896,610	(23,442)	-	(297,932)	12,926,389
Unallocated expenses								
Total segment loss								
							(21,529,959)	(21,529,959)
								(8,603,570)
Included within the segment results:								
Depreciation	898,467	942,760	1,037,566	298,498	20,738	-	71,264	3,269,293
Direct operating costs	2,912,018	4,277,548	3,643,183	1,656,701	2,704	-	1,991,106	14,483,260
Transfer of gain on investment from equity upon acquisition of subsidiary	-	-	-	-	-	-	5,420,747	5,420,747
Interest revenue	-	-	-	-	-	-	834,197	834,197
Income tax expense	-	-	-	-	-	-	3,061,505	3,061,505
Cash flow information								
Net cash flow from operating activities	7,358,327	6,284,526	(1,291,700)	896,610	(23,442)	-	(15,805,405)	(2,581,084)
Net cash flow from investing activities	(162,915)	(611,733)	(2,667,439)	(10,969,522)	(7,581,902)	(1,409,522)	343,649	(23,059,384)

Year ended 30 June 2009

	Millisell \$	Steelpoort \$	Lannex \$	Mooitooi \$	Doombosch \$	Northern limb \$	Other \$	Consolidated \$
Segment assets								
Capital expenditure	7,945,845	8,489,531	25,585,552	14,058,158	6,516,901	-	2,668,589	65,264,576
Other assets	3,164,215	2,590,893	35,471	89,196	-	-	50,725,897	56,605,672
Segment liabilities								
	1,941,727	2,074,588	6,252,345	3,435,395	1,592,536	-	652,124	15,948,715
Segment revenue								
Segment revenue	7,567,959	11,603,211	33,611	-	-	-	113,858	19,318,639
Segment result	2,883,809	6,516,676	(629,923)	(139,298)	(28,694)	-	183,352	8,785,922
Unallocated expenses							(12,542,649)	(12,542,694)
Total segment loss								(3,756,772)
Included within the segment results:								
Depreciation	837,448	892,795	1,463	924	227	-	53,600	1,786,457
Direct operating costs	3,009,254	3,300,945	660,788	137,451	28,421	-	1,865,000	9,001,859
Interest revenue	-	-	-	-	-	-	2,531,679	2,531,679
Income tax expense	-	-	-	-	-	-	3,060,868	3,060,868
Cash flow information								
Net cash flow from operating activities	2,883,809	6,516,676	(629,923)	(139,298)	(28,694)	-	11,251,054	19,853,264
Net cash flow from investing activities	(794,293)	(811,305)	(15,315,561)	(7,209,688)	(6,277,518)	-	(2,177,704)	(32,586,069)

6. Cash and cash equivalents

	Reviewed		Audited	
	31 October 2010	30 June 2010	30 June 2009	
	\$	\$	\$	
Cash at bank and on hand	3,137,661	2,603,934	4,046,199	
Short term deposits	19,248,420	20,874,167	28,168,685	
	22,386,081	23,478,101	32,214,884	

7. Trade and other receivables

	Reviewed		Audited	
	31 October 2010	30 June 2010	30 June 2009	
	\$	\$	\$	
Trade receivables	14,066,674	11,759,790	5,903,252	
Other receivables	199,068	94,812	414,699	
Prepayments	871,331	1,705,852	1,553,118	
	15,137,073	13,560,454	7,871,069	

8. Inventories

	Reviewed		Audited	
	31 October 2010	30 June 2010	30 June 2009	
	\$	\$	\$	
Stores and materials	532,587	753,668	441,512	

Stores and materials

Strategic spares held in stock for engineering breakdowns. Spares and materials are carried at the lower of cost or net realisable value.

9. Other financial assets

	Reviewed		Audited	
	31 October 2010	30 June 2010	30 June 2009	
	\$	\$	\$	
<i>Available for sale investments carried at fair value</i>				
Listed shares	347,540	324,875	8,080,416	
Listed options	-	32,400	-	
	347,540	357,275	8,080,416	
<i>Financial assets at fair value through profit and loss</i>				
Listed shares	70,000	80,000	-	
Total	417,540	437,275	8,080,416	

Available for sale financial assets consist of investments in ordinary shares and options, and therefore have no fixed maturity date or coupon rate.

10. Deferred exploration expenditure

4 month period ended 31 October 2010	Mineral rights	Deferred exploration expenditure	Total
	\$	\$	\$
	Balance at 1 July 2010	361,880	68,986,603
Foreign currency movements	(19,740)	(466,070)	(485,810)
Direct expenditure for the period		405,911	405,911
Balance at 31 October 2010	342,140	68,926,444	69,268,584

Year ended 30 June 2010	Mineral rights	Deferred exploration expenditure	Total
	\$	\$	\$
	Balance at 1 July 2009	316,600	1,510,358
Acquired through business combination	55,922	65,883,405	65,939,327
Foreign currency movements	(10,642)	52,014	41,372
Direct expenditure for the year	-	1,540,826	1,540,826
Balance at 30 June 2010	361,880	68,986,603	69,348,483

Year ended 30 June 2009	Mineral rights	Deferred exploration expenditure	Total
	\$	\$	\$
	Balance at 1 July 2008	568,274	1,160,036
Disposal of mining rights	(303,474)	-	(303,474)
Foreign currency movements	51,800	232,608	284,408
Direct expenditure for the year	-	117,714	117,714
Balance at 30 June 2009	316,600	1,510,358	1,826,958

Ultimate recovery of exploration and evaluation expenditure carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively, by sale of the respective areas.

11. Property, plant and equipment

4 months ended 31 October 2010	Mining Property	Construction in progress	Plant and equipment	Equipment	Leasehold Improvements	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2010										
Cost or fair value	5,002,928	23,476,958	53,863,021	726,021	42,956	249,611	74,228	141,451	578,491	84,155,665
Accumulated Depreciation	-	-	(6,465,421)	(156,755)	(21,131)	(119,759)	(36,881)	(71,292)	(284,829)	(7,156,068)
Net book value	5,002,928	23,476,958	47,397,600	569,266	21,825	129,852	37,347	70,159	293,662	76,999,597
Period ended 31 October 2010										
Operating net book value	5,002,928	23,476,958	47,397,600	569,266	21,825	129,852	37,347	70,159	293,662	76,999,597
Exchange differences	(272,894)	(1,267,819)	(2,535,218)	(28,400)	(954)	(6,406)	(1,841)	(2,073)	(14,816)	(4,130,421)
Additions	-	218,774	1,062,607	-	-	13,678	2,409	2,254	-	1,299,722
Disposals	-	-	-	-	-	-	-	(5,202)	-	(5,202)
Depreciation charge	-	(455,296)	(2,199,307)	(43,523)	(2,696)	(26,919)	(5,923)	(773)	(31,362)	(2,765,800)
	4,730,034	21,972,617	43,725,682	497,343	18,175	110,205	31,992	64,365	247,484	71,397,896
At 31 October 2010										
Cost or fair value	4,730,034	22,427,913	52,390,410	697,621	42,002	256,883	74,796	136,430	563,675	81,319,764
Accumulated Depreciation	-	(455,296)	(8,664,728)	(200,278)	(23,827)	(146,678)	(42,805)	(72,065)	(316,191)	(9,921,868)
	4,730,034	21,972,617	43,725,682	497,343	18,175	110,205	31,991	64,365	247,484	71,397,896

Year ended 30 June 2010	Mining Property	Construction in progress	Plant and equipment	Equipment	Leasehold Improvements	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2009	10,384,363	38,073,021	19,420,798	273,508	41,147	151,719	58,605	101,062	530,801	69,035,024
Cost or fair value	-	-	(3,395,329)	(54,471)	(13,267)	(51,301)	(23,747)	(42,199)	(190,134)	(3,770,448)
Accumulated Depreciation	10,384,363	38,073,021	16,025,469	219,037	27,880	100,418	34,858	58,863	340,667	65,264,576
Net book value										
Year ended 30 June 2010	10,384,363	38,073,021	16,025,469	219,037	27,880	100,418	34,858	58,863	340,667	65,264,576
Opening net book value	(457,555)	(1,594,817)	(81,308)	(1,830)	(1,018)	(3,087)	(1,227)	(1,984)	(13,073)	(2,155,899)
Exchange differences	-	7,411,229	14,104,943	454,343	2,827	102,746	3,502	53,323	100,285	22,233,198
Additions	-	-	(78,064)	-	-	(2,792)	(468)	-	(39,522)	(120,846)
Disposals	-	(20,412,475)	20,412,475	-	-	-	10,950	(10,950)	-	-
Reallocations between asset classes	-	-	-	-	-	-	-	-	-	-
Acquired through business combination	-	-	84,177	-	-	1,025	2,866	-	-	88,068
Impairment	(4,923,880)	-	(3,070,092)	(102,284)	(7,864)	(68,458)	(13,134)	(29,093)	(94,695)	(4,923,880)
Depreciation charge	5,002,928	23,476,958	47,397,600	569,266	21,825	129,852	37,347	70,159	293,662	76,999,597
At 30 June 2010	5,002,928	23,476,958	53,863,021	726,021	42,956	249,611	74,228	141,451	578,491	84,155,665
Cost or fair value	-	-	(6,465,421)	(156,755)	(21,131)	(119,759)	(36,881)	(71,292)	(284,829)	(7,156,068)
Accumulated Depreciation	5,002,928	23,476,958	47,397,600	569,266	21,825	129,852	37,347	70,159	293,662	76,999,597

Year ended 30 June 2009	Mining Property	Construction in progress	Plant and equipment	Equipment	Leasehold Improvements	Computer equipment and software	Furniture and fittings	Office equipment	Motor vehicles	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2008										
Cost or fair value	8,685,342	6,811,505	15,185,495	235,076	36,013	85,351	53,422	66,871	335,958	31,495,033
Accumulated Depreciation	-	-	(1,738,616)	(15,119)	(5,735)	(30,619)	(13,869)	(25,382)	(87,376)	(1,916,716)
Net book value	8,685,342	6,811,505	13,446,879	219,957	30,278	54,732	39,553	41,489	248,582	29,578,317
Year ended 30 June 2009										
Opening net book value	8,685,342	6,811,505	13,446,879	219,957	30,278	54,732	39,553	41,489	248,582	29,578,317
Exchange differences	1,699,021	2,679,492	2,665,406	38,432	5,134	11,453	7,009	5,263	50,150	7,161,360
Additions	-	28,582,024	1,569,897	-	-	58,918	-	37,594	144,693	30,393,126
Disposals	-	-	-	-	-	(4,003)	-	(10,492)	-	(14,495)
Reallocations between asset classes	-	-	-	-	-	-	(1,826)	1,826	-	-
Depreciation charge	-	-	(1,656,713)	(39,352)	(7,532)	(20,682)	(9,878)	(16,817)	(102,758)	(1,853,732)
	10,384,363	38,073,021	16,025,469	219,037	27,880	100,418	34,858	58,863	340,667	65,264,576
At 30 June 2009										
Cost or fair value	10,384,363	38,073,021	19,420,798	273,508	41,147	151,719	58,605	101,062	530,801	69,035,024
Accumulated Depreciation	-	-	(3,395,329)	(54,471)	(13,267)	(51,301)	(23,747)	(42,199)	(190,134)	(3,770,448)
	10,384,363	38,073,021	16,025,469	219,037	27,880	100,418	34,858	58,863	340,667	65,264,576

Capital commitment

At 31 October 2010, commitments were signed for continued improvements and construction at Millsell, Steelport, Launex, Mooinooi and Doornbosch plants.

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Within 1 year	3,666,721	5,171,528	4,698,926
After 1 year but not more than 5 years	-	-	-
More than 5 years	-	-	-
	<u>3,666,721</u>	<u>5,171,528</u>	<u>4,698,925</u>

12 Trade and other payables

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Trade payables	2,429,047	3,409,202	4,968,534
Other payables	2,192,048	2,286,895	2,294,803
	<u>4,621,095</u>	<u>5,696,097</u>	<u>7,263,337</u>

13. Borrowings

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Secured			
Current liabilities			
Payable within one year	214,596	310,576	149,649
Non-current liabilities			
Payable within 1-5 years	404,191	442,019	234,570

14. Provisions

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Provision for rehabilitation	<u>884,807</u>	<u>935,855</u>	<u>912,644</u>
Movement in provision			
Balance at beginning of financial period	935,855	912,644	355,158
Arising during the period	<u>(51,048)</u>	<u>23,211</u>	<u>557,486</u>
Balance at end of financial period	<u>884,807</u>	<u>935,855</u>	<u>912,644</u>

Provision is made for close down, restoration and environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) in the financial period when the related environmental disturbance occurs, based on the estimated future costs using information available at the balance date.

Rehabilitation is performed and paid for on an on-going basis as mining properties are depleted. The majority of the rehabilitation will be undertaken progressively over the life of the mine during the depletion of each respective mining property. It is expected that the life of each mine could vary between 5 and 50 years.

15. Issued capital

(a) Share capital

	Consolidated					
	Oct 2010 No of shares	2010 No of shares	2009 No of shares	Oct 2010 \$	2010 \$	2009 \$
Ordinary shares						
Ordinary shares fully paid	248,408,142	240,696,254	179,354,273	187,359,762	181,216,925	117,945,504
Employee share plan shares	2,383,000	2,383,000	2,808,000	-	-	-
	250,791,142	243,079,254	182,162,273	187,359,762	181,216,925	117,945,504

Holders of ordinary shares are entitled to receive dividends as declared from time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	\$
1 July 2010	Opening balance	240,696,254		181,216,925
29 September 2010	Issued during the period (refer note 21)	7,711,888	0.80	6,169,510
	Transaction costs			(26,673)
	On issue at the end of the period	248,408,142		187,359,762

(c) Movements in employee share plan shares issued with limited recourse employee loans

Date	Details	Number of shares
1 July 2010	On issue at beginning of the period	2,383,000
	Issued during the period	-
	On issue at the end of the period	2,383,000

(d) Share option plan

Share options

Sylvania Resources Options exercisable:	Number of Sylvania Resources Options		
	31 October 2010	30 June 2010	30 June 2009
-at \$0.75 per share on or before 30 June 2010	-	-	600,000
-at \$1.63 per share on or before 30 June 2011	2,816,500	2,816,500	-

-at \$1.05 per share on or before 30 June 2012	3,000,000	3,000,000	-
-at \$1.40 per share on or before 30 June 2011	359,909	359,909	-
-at \$2.67 per share on or before 30 June 2011	600,000	600,000	300,000
-at \$2.89 per share on or before 30 June 2011	400,000	400,000	200,000
	<u>7,176,409</u>	<u>7,176,409</u>	<u>1,100,000</u>

16. Reserves

Consolidated	Net Unrealised Gains Reserve \$	Share Based Payments Reserve \$	Foreign Currency Translation Reserve \$	Non-controlling interests premium reserve \$	Total \$
At 1 July 2008	-	989,100	(13,447,935)	-	(12,458,835)
Unrealised gain / (loss) on available-for-sale financial assets	5,853,835	-	-	-	5,853,835
Currency translation differences	-	-	12,927,781	-	12,927,781
Tax effect	-	-	(3,878,334)	-	(3,878,334)
Non-controlling interest premium reserve	-	-	-	2,388,887	2,388,887
Share and option-based payments transferred to share capital	-	(327,662)	-	-	(327,662)
Share and option-based payments expense	-	2,744,524	-	-	2,744,524
At 30 June 2009	<u>5,853,835</u>	<u>3,405,962</u>	<u>(4,398,488)</u>	<u>2,388,887</u>	<u>7,250,196</u>
Unrealised gain/(loss) on available-for-sale financial assets	28,554	-	-	-	28,554
Transfer to profit and loss	(5,420,747)	-	-	-	(5,420,747)
Currency translation differences	-	-	(2,054,732)	-	(2,054,732)
Tax effect	-	-	575,325	-	575,325
Share and option-based payments transferred to share capital	-	494,152	-	-	494,152
Share and option-based payments expense	-	5,102,121	-	-	5,102,121
At 30 June 2010	<u>461,642</u>	<u>9,002,235</u>	<u>(5,877,895)</u>	<u>2,388,887</u>	<u>5,974,869</u>
Unrealised gain/(loss) on available-for-sale financial assets	247,787	-	-	-	247,787
Currency translation differences	-	-	(6,574,685)	-	(6,574,685)
Tax effect	-	-	1,840,911	-	1,840,911
Share and option-based payments expense	-	565,953	-	-	565,953
At 31 October 2010	<u>709,429</u>	<u>9,568,188</u>	<u>(10,611,669)</u>	<u>2,388,887</u>	<u>2,054,835</u>

Nature and purpose of reserves

- Net unrealised gains reserve - this reserve records fair value changes on available for sale investments.
- Foreign currency translation reserve - the foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign controlled entities.
- Share based payment reserve - this reserve is used to record the value of equity benefits provided to employees, consultants and directors as part of their remuneration.

- Non-controlling interests premium reserve - this reserve arises as a result of the difference between the amount initially recognised in relation to the minority shareholders in Sylvania Metals (Pty) Ltd and Sylvania Minerals (Pty) Ltd and the nil consideration received.

17. Accumulated losses

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Opening balance	(28,296,255)	(20,371,139)	(16,847,066)
Part consideration for the acquisition of the non-controlling interest through the issue of Sylvania Resources Limited	(6,169,510)	-	-
Loss for the period	(1,071,117)	(7,925,116)	(3,524,073)
Closing balance	(35,536,882)	(28,296,255)	(20,371,139)

18. Reconciliation of profit after tax to net cash outflow from operating activities

- (a) Reconciliation of profit / (loss) from ordinary activities after income tax to net cash inflow / (outflow) from operating activities

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Loss from ordinary activities	(496,096)	(8,603,570)	(3,756,772)
Depreciation	2,765,800	3,383,482	1,853,732
Joint venture cash distribution	(28,810)	(725,637)	1,510,100
Equity accounted net profit from joint venture	753,950	750,600	(270,985)
Capital (gain) on sale of non-current assets	(1,576)	55,274	13,272
Net (gain) / loss on sale of available-for-sale financial assets	-	-	(5,918)
Payments for exploration & evaluation	17,955	126,163	-
Impairment of available for sale assets	10,000	90,000	1,710,898
Impairment of mining property	-	4,923,880	-
Net foreign exchange differences	7,051	3,436,741	244,303
Gain on investment through business combination	-	(5,420,747)	-
Share-based compensation	565,953	5,102,121	2,744,523
(Increase)/decrease in prepayments & other debtors	(107,306)	335,056	(40,208)
(Increase)/decrease in debtors	(2,303,721)	(6,632,750)	8,699,682
(Increase)/decrease in accrued interest	(57,173)	(10,227)	383,212
(Increase)/decrease in GST/VAT recoverable	129,552	268,487	(268,090)
(Increase)/decrease in inventories	185,163	(334,458)	(214,072)
(Increase)/decrease in tax assets	-	(61,280)	-
Net exchange differences on payment to supplies and employees	(416,789)	(607,893)	(471,950)
Increase/(decrease) in trade creditors	(980,154)	(1,628,632)	3,569,334
Increase/(decrease) in accruals and other creditors	(3,265)	(237,838)	1,496,573
Increase/(decrease) in GST/VAT recoverable	(68,750)	154,359	(393,027)
Increase/(decrease) in group tax clearing	-	(5,720)	(11,851)
Increase/(decrease) in income tax expense	1,040,420	3,061,505	3,060,868
Net cash inflow/(outflow) from operating activities	1,012,204	(2,581,084)	19,853,624

(b) Non-cash financing and investing activities

A total of 7,711,888 Sylvania Resources Shares were issued as part consideration for the 26% acquisition of Sylvania Metals (Proprietary) Limited from Asia Africa Capital Limited.

19. Interest in joint venture

	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Retained earnings attributable to interest in jointly controlled entity			
Balance at beginning of financial period	1,716,878	1,601,506	2,794,604
Distribution received from jointly controlled entity	(753,950)	(750,600)	(1,510,100)
Share of jointly controlled entity's profit from ordinary activities after income tax	42,199	865,972	317,002
Balance at end of financial period	1,005,127	1,716,878	1,601,506
Reserves attributable to interest in jointly controlled entity			
	-	-	-
	-	-	-
Carrying amount of investment in jointly controlled entity			
Balance at beginning of the financial period	5,650,947	5,675,910	6,915,025
Other	-	-	-
Distribution received from jointly controlled entity	(753,950)	(750,600)	(1,510,100)
Distribution received in respect of management fees	(13,389)	(140,335)	(46,017)
Share of jointly controlled entity's profit from ordinary activities, after income tax	42,199	865,972	317,002
Balance at end of financial period	4,925,807	5,650,947	5,675,910
Foreign currency translation movements			
Balance at beginning of financial period	(1,853,780)	(1,708,778)	(2,510,558)
Movement during the financial period	(175,480)	(145,002)	801,780
Balance at end of financial period	(2,029,260)	(1,853,780)	(1,708,778)
	2,896,547	3,797,167	3,967,132
Share of joint venture entity's results and financial position			
	Reviewed	Audited	
	31 October 2010	30 June 2010	30 June 2009
	\$	\$	\$
Current assets	1,880,967	1,989,487	1,904,596
Non-current assets	795,662	841,567	981,505
Total assets	2,676,629	2,831,054	2,886,101
Current liabilities	302,435	319,884	255,369
Non-current liabilities	1,599	1,691	-
Total liabilities	304,034	321,575	255,369
Revenue	494,583	2,003,490	1,270,707
Expenses	20,042	86,618	(953,705)
Management fees	(472,426)	(1,224,135)	-
Profit from ordinary activities before income tax	42,199	865,973	317,002
Income tax expense	-	-	-
Profit from ordinary activities after income tax	42,199	865,973	317,002

Contingencies & commitments

The jointly controlled entity does not have any contingencies or capital commitments.

20. Related party disclosure

(a) Loans to / (from) related parties

The following table provides detail of advances to / (from) related parties during the year and outstanding balances at balance date:

	Reviewed 31 October 2010	2010	Audited 2009
	4 months ended	Year end	Year end
	\$	balance	balance
		\$	\$
<i>Loans to related parties</i>			
T M McConnachie	7,015	-	250,000
L M Carroll	3,660	-	-
Ehlobo Metals (Pty) Ltd	-	618,195	577,748
	<u>10,675</u>	<u>618,195</u>	<u>827,748</u>

The nature of these transactions represents payments made in South Africa on behalf of the above companies.

No allowance for doubtful debts have been raised in relation to any outstanding balances as amounts were either repaid after reporting date, or full payment is expected where balances are still outstanding.

Terms and conditions

All loans were granted on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between related parties. No interest is charged on these loans as outstanding balances are normally settled within 30 – 60 days.

Outstanding balances are unsecured and are repayable in cash.

(b) Joint venture

The Sylvania Resources Group has a 25% interest in the assets, liabilities and output of an un-incorporated joint venture, CTRP, which operates a chrome tailings retreatment plant at Kroondal in South Africa (2010 and 2009: 25%).

Terms and conditions with related parties

Payments made on behalf of related parties are made in arm's length transactions both at normal market prices and on normal commercial terms

Outstanding balances at the end of the four months to 31 October 2010 are unsecured, interest free and settlement occurs in cash.

(c) Transactions with related parties

Administration recoveries were received from and service fees paid to the following related parties during the period ended 31 October 2010 and financial years ended 30 June 2010 and 2009 for expenses incurred on their behalf:

	Reviewed 31 October 2010 4 months ended	Audited 2010 Year end balance	2009 Year end balance
<i>Service fees paid to related parties</i>			
Summer Sun Trading 210 (Pty) Ltd	1,038	6,152	-
Realm Resources Ltd (formerly Morning Star Holdings (Australia) Ltd)	11,537	-	-
Integrated Geological Solutions (Pty) Ltd	-	443,985	-
Southridge Properties (Pty) Ltd	2,805	16,167	137,627
<i>Recoveries from related parties</i>			
Realm Resources Ltd (formerly Morning Star Holdings (Australia) Ltd)	-	16,961	37,358
Dwyka Resources Ltd	-	-	9,532
Ferrum Crescent Ltd (formerly Washington Resources Ltd)	-	6,946	9,532
	15,380	490,211	194,049

21. Events subsequent to balance date

On 29 September 2010 Sylvania Resources entered into the Share Exchange Agreement to acquire a further 26% interest in Sylvania Metals so that Sylvania Resources would own 100% of Sylvania Metals. In accordance with the terms of the Share Exchange Agreement, 7,711,888 Sylvania Resources Shares were issued to AAC on 29 September 2010 and a further 51,170,663 Sylvania Resources Shares were issued on 1 December 2010

3.6 Material change in financial position

As detailed at section 3.3(a)(i) above, Sylvania Resources entered into the Share Exchange Agreement on 29 September 2010 to consolidate its ownership in its dump operations by acquiring a further 26% shareholding in Sylvania Metals so that Sylvania Resources would own 100% of Sylvania Metals. The issue of shares in Sylvania Resources to AAC in accordance with the terms of the Share Exchange Agreement was approved by the Sylvania Resources shareholders at a general meeting on 23 November 2010. 7,711,888 Sylvania Resources Shares were issued to AAC on 29 September 2010 and a further 51,170,663 Sylvania Resources Shares were issued on 1 December 2010.

Other than as disclosed elsewhere in this Scheme Booklet, the only material change in Sylvania Resources' financial position since 30 June 2010, being the date of the last audited financial statements of Sylvania Resources, has been the impact of foreign currency translations on the net carrying values of assets.

The functional and presentation currencies of Sylvania Resources and any Australian subsidiary of Sylvania Resources is the Australian dollar. The functional currency of any foreign subsidiaries of Sylvania Resources is the South African Rand. Assets and liabilities are translated into the presentation currency of Sylvania Resources at the ruling rate of exchange at the balance date. Income and expenses are translated at the weighted average rate of exchange for the period. Differences arising on the translation are taken directly to a separate component of equity.

3.7 Current trading and outlook

The current trading environment and outlook for the remainder of the financial year is consistent with previous guidance on production outlook. The dump operations continue to show steady growth and, as previously announced to the market, are on track to attain PGM production of 40,000 ounces per annum for the year ending 30 June 2011.

Other than production rates, the trading performance of the Sylvania Resources Group is sensitive to fluctuations in exchange rates and the basket of commodity prices. The last two years have seen extreme fluctuations in both exchange rates and commodity prices which have had an impact on past performance. Sylvania Resources does not foresee any change in this volatility in exchange rates or commodity prices or their impact on future performance.

While costs are likely to increase in line with current inflation expectations, Sylvania Resources intends to mitigate these increases through additional production volumes leading to downward pressure on unit costs.

3.8 Additional information

Certain additional information in relation to Sylvania Resources, Sylvania Resources Shares and Sylvania Resources DIs is set out in section 10.

4. INFORMATION ABOUT SYLVANIA PLATINUM

4.1 Overview

Sylvania Platinum was incorporated under the Bermuda Companies Act on 24 August 2010 with registration number 44512. Sylvania Platinum was registered as a foreign company under the Corporations Act on 12 November 2010 with ARBN 147 331 726.

Sylvania Platinum has not traded since its incorporation. If the Redomicile Proposal is implemented, Sylvania Platinum will become a non-operating holding company. Immediately after implementation of the Redomicile Proposal, the only asset that Sylvania Platinum will hold will be the Sylvania Resources Shares.

Further information on Sylvania Platinum if the Redomicile Proposal is implemented is set out in section 5.

4.2 Sylvania Platinum Directors

As at the date of this Scheme Booklet, the Sylvania Platinum Directors are the same as the Sylvania Resources Directors. Details of the Sylvania Resources Directors are set out in section 3.4(a). Further information on the Sylvania Platinum Directors if the Redomicile Proposal is implemented is set out in section 5.3(a).

4.3 Current capital structure

As at the date of this Scheme Booklet, Sylvania Platinum has two Sylvania Platinum Subscriber Shares issued, one of which is held by Sylvania Resources and one of which is held by Grant Button, a director of Sylvania Resources and Sylvania Platinum. If the Redomicile Proposal is implemented, the two Sylvania Platinum Subscriber Shares will be repurchased by Sylvania Platinum at their par value and cancelled and converted into two authorised but unissued Sylvania Platinum Shares immediately following implementation of the Scheme.

The authorised and issued share capital of Sylvania Platinum as at the date of this Scheme Booklet is as follows:

Authorised capital	US\$
2 Sylvania Platinum Subscriber Shares with a par value of US\$0.10 each	0.20
999,999,998 Sylvania Platinum Shares with a par value of US\$0.10 each.	9,999,999.80
Issued capital	
2 Sylvania Platinum Subscriber Shares (to be repurchased by Sylvania Platinum and cancelled on completion of the Scheme)	0.20

Further information on the capital structure of Sylvania Platinum and the listing of Sylvania Platinum Shares and Sylvania Platinum DIs if the Redomicile Proposal is implemented is set out in section 5.4.

4.4 Rights and liabilities attaching to Sylvania Platinum Shares

The rights and liabilities attaching to Sylvania Platinum Shares are set out in the Sylvania Platinum bye-laws and are affected by the Bermuda Companies Act and the common law of Bermuda. If the Redomicile Proposal is implemented the rights and liabilities attaching to Sylvania Platinum Shares will also be affected by the ASX Listing Rules and the AIM Rules.

A summary of the principal rights and liabilities attaching to Sylvania Platinum Shares is set out below. Section 4.5 also contains a summary of certain material differences between the rights attaching to Sylvania Platinum Shares and the equivalent rights attaching to Sylvania Resources Shares.

Sylvania Platinum's bye-laws will be available on its website, www.sylvaniaplatinum.com, following the Implementation Date. In addition, Sylvania Resources will make a copy of Sylvania Platinum's bye-laws available free of charge to Sylvania Resources shareholders. Please contact Grant Button of Sylvania Resources between 9.00am and 5.00pm (WST) Monday to Friday on +618 9226 4777 to request a copy.

(a) Profits and dividends

The directors of Sylvania Platinum may in their sole discretion (subject to any preferred dividend rights attached to any class of shares and to the Bermuda Companies Act) declare and pay a dividend or make a distribution out of contributed surplus to the shareholders of Sylvania Platinum according to their rights and interests, including interim dividends, which may be declared and paid in proportion to the amount paid up on each share. Payment or satisfaction of any dividend or distribution out of contributed surplus may be made in cash or by the issue of fully paid Sylvania Platinum Shares or by the distribution of specific assets.

Contributed surplus is a North American concept recognised under the generally accepted accounting principles of the Canadian Institute of Chartered Accountants, which are applied in Bermuda. Contributed surplus includes proceeds from donated shares, credits resulting from the redemption or conversion of shares at less than the amount of the nominal capital or par value, the excess value of shares acquired over the nominal value of those shares issued in a share exchange (should the board of directors of Sylvania Platinum elect to treat it as such) and donations of cash or other assets to the company.

Sylvania Platinum does not have any current intention to declare and pay a dividend or make a distribution out of contributed surplus.

(b) Voting rights

Subject to any rights or restrictions attaching to any class of shares in Sylvania Platinum, at any general meeting of Sylvania Platinum, each shareholder of Sylvania Platinum entitled to vote may vote in person or by proxy, or, if it is a company, by representative each of whom shall be entitled to speak and to one vote on a show of hands and each shareholder of Sylvania Platinum present in person or by proxy, or, if it is a company, by representative shall be entitled on a poll to one vote for each fully paid Sylvania Platinum share held.

No shareholder of Sylvania Platinum shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of Sylvania Platinum Shares have been paid. On a poll a shareholder or proxy or representative, if entitled to more than one vote, need not use all his votes or cast all the votes he uses in the same way.

(c) Appointment and removal of directors

Shareholders of Sylvania Platinum in general meeting may by ordinary resolution appoint any person as a new director, or as a director to fill up all or any vacated offices resulting from one or more directors retiring at, or ceasing to hold office at the conclusion of, that meeting.

The board of directors or shareholders of Sylvania Platinum in general meeting shall have the power to appoint any person as a director to fill a vacancy on the board of directors occurring as a result of the death, disability, disqualification or resignation of any director or as a result of an increase in the size of the board of directors.

Sylvania Platinum's directors who are subject to retirement by rotation shall retire from office at annual general meetings of Sylvania Platinum's shareholders.

(d) Rights to convene general meetings

The President or Chairman (if any) or the board of directors of Sylvania Platinum may convene a special general meeting whenever in their judgment such a meeting is necessary.

The board of directors of Sylvania Platinum shall, on the requisition of shareholders of Sylvania Platinum holding at the date of the deposit of the requisition no less than one-tenth of such of the paid up share capital of Sylvania Platinum carrying the right to vote, proceed to convene a special general meeting and the provisions of the Bermuda Companies Act shall apply.

(e) Rights on a winding up

Subject to the terms of issue of Sylvania Platinum Shares, if Sylvania Platinum shall be wound up, the liquidator may, with the sanction of a resolution of Sylvania Platinum's shareholders and any other sanction required by the Bermuda Companies Act, divide amongst the shareholders of Sylvania Platinum in specie or kind the whole or any part of the assets of Sylvania Platinum (whether they shall consist of property of the same kind or not) and may for such purposes set such values as the liquidator deems fair upon any property to be so divided and may determine how such division shall be carried out as between the shareholders of Sylvania Platinum or different classes of shareholders. The liquidator may, with such a sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the shareholders of Sylvania Platinum as the liquidator shall think fit, but so that no shareholder of Sylvania Platinum shall be compelled to accept any shares or other assets upon which there is any liability.

(f) Variation of rights

If, at any time, the share capital of Sylvania Platinum is divided into different classes of shares, the rights attached to any class may, unless otherwise provided by the terms of issue of the shares of that class, be varied with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of such shares at which the quorum is at least two persons holding or representing by proxy, one-third of the issued shares of that class.

4.5 Material differences in rights attaching to Sylvania Resources Shares and rights attaching to Sylvania Platinum Shares

Copies of Sylvania Resources' constitution and Sylvania Platinum's bye-laws are available for inspection and comparison at Sylvania Resources' registered office during normal business hours. Copies are also available on Sylvania Resources' website before the Implementation Date and will subsequently be available on Sylvania Platinum's website following the Implementation Date.

The rights attaching to Sylvania Resources Shares are derived from both Sylvania Resources' constitution and the Corporations Act. The rights attaching to Sylvania Platinum's Shares are derived from Sylvania Platinum's bye-laws, the Bermuda Companies Act and the common law of Bermuda.

(a) Reports and notices

There are no material differences between the provisions in Sylvania Resources' constitution and Sylvania Platinum's bye-laws that relate to reports and notices.

(b) General Meetings

The provisions in both Sylvania Resources' constitution and Sylvania Platinum's bye-laws in relation to general meetings are substantially similar, including the use of proxies.

(c) Voting

There are no material differences between the provisions of Sylvania Resources' constitution and Sylvania Platinum's bye-laws that relate to voting.

(d) Dividends

The material difference between Sylvania Resources' constitution and Sylvania Platinum's bye-laws in relation to dividends and distributions is that the directors of Sylvania Resources may only declare and authorise distributions from the profits of Sylvania Resources whereas the directors of Sylvania Platinum may also declare and pay a dividend or make a distribution out of contributed surplus.

(e) Winding up

There are no material differences between the provisions in Sylvania Resources' constitution and Sylvania Platinum's bye-laws that relate to winding up.

(f) Transfer of shares

There are no material differences between the provisions in Sylvania Resources' constitution and Sylvania Platinum's bye-laws that relate to the transfer of shares.

(g) Future increases in capital

There are no material differences between the provisions in Sylvania Resources' constitution and Sylvania Platinum's bye-laws with respect to future increases in capital.

(h) Variation of rights attaching to shares

The provisions in both Sylvania Resources' constitution and Sylvania Platinum's bye-laws in relation to the variation of rights attaching to shares differ slightly in terms of the procedure to be followed.

Under Sylvania Resources' constitution, the company may vary or cancel rights attached to a class of shares or convert shares from one class into another by a special resolution of the company and:

- (i) a special resolution passed at a meeting of the members holding shares in that class;
or
- (ii) obtaining the written consent of members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

Under Sylvania Platinum's bye-laws, if at any time where the share capital is divided into different classes of shares, the rights attaching to any class of shares may be varied by:

- (i) obtaining the written consent of the holders of 75% of the issued shares of that class; or
- (ii) a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of that class. The quorum at such meeting must be 2 persons at least holding or representing by proxy one third of the issued shares of that class.

Apart from the above, there are no material differences between the provisions in Sylvania Resources' constitution or Sylvania Platinum's bye-laws that relate to variation of rights attaching to shares.

(i) Directors

There are no material differences between the provisions in Sylvania Resources' constitution or Sylvania Platinum's bye-laws relating to the rotation, election and retirement of directors.

4.6 Rights and liabilities attaching to Sylvania Platinum Subscriber Shares

The Sylvania Platinum Subscriber Shares will become non-voting shares, will be repurchased by Sylvania Platinum and will be cancelled immediately upon the issue of the Sylvania Platinum Shares in accordance with the Scheme.

The rights attaching to Sylvania Platinum Subscriber Shares are summarised below.

(a) Rights attaching to Sylvania Platinum Subscriber Shares prior to an issue of shares in Sylvania Platinum of a different class

The Sylvania Platinum Subscriber Shares shall have exclusive voting rights at meetings of the shareholders during any period when shares of another class of shares, or classes of shares, in the capital of Sylvania Platinum have not been issued.

The Sylvania Platinum Subscriber Shares shall cease to have any rights on the initial issue of Sylvania Platinum Shares and shall immediately thereafter be purchased by Sylvania Platinum at the par value thereof and cancelled and redesignated as Sylvania Platinum Shares.

(b) Rights attaching to Sylvania Platinum Subscriber Shares after an issue of shares in Sylvania Platinum of a different class

On the issue of shares in any other class in the capital of Sylvania Platinum, the Sylvania Platinum Subscriber Shares shall cease to have any voting rights at meetings of the shareholders of Sylvania Platinum and from that date, the Sylvania Platinum Subscriber Shares shall be non-voting and the right to receive notices of meetings of shareholders and/or attend meetings of shareholders shall terminate. Subject to the foregoing and the provisions of Sylvania Platinum's bye-laws, the rights for the time being attached to any issued Sylvania Platinum Subscriber Shares shall not be altered or abrogated without the consent in writing of the holders of not less than 75% of the issued Sylvania Platinum Subscriber Shares or with the sanction of a resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy.

(c) Dividends/distributions

On the issue of shares of any other class in the capital of Sylvania Platinum, the Sylvania Platinum Subscriber Shares shall have no right to participate in any dividend declared or paid, or in any distribution made out of contributed surplus.

4.7 Terms and Conditions of Sylvania Platinum Options

(a) Sylvania Platinum Employee Options

The terms and conditions of the Sylvania Platinum Employee Options are summarised below:

- (i) Upon the exercise of each Sylvania Platinum Employee Option, the holder will become entitled to one (1) Sylvania Platinum Share.
- (ii) The exercise price in connection with each tranche of Sylvania Platinum Employee Options is set out in section 8.12(c).
- (iii) The expiry date in connection with each tranche of Sylvania Platinum Employee Options is set out in section 8.12(c). Sylvania Platinum Employee Options will lapse if not exercised prior to the expiry date, or on the first to occur of the following:
 - (A) if the holder ceases to be a director, consultant or full time or part time employee of Sylvania Platinum or any Subsidiary of Sylvania Platinum for any reason other than set out in paragraph (B) below, one month thereafter; and
 - (B) if the holder dies, retires, is retrenched, becomes bankrupt, wound up or deregistered, 12 months thereafter.
- (iv) Sylvania Platinum Employee Options may be exercised at any time before their expiry date by notice in writing to the directors of Sylvania Platinum accompanied by payment of the exercise price.
- (v) A Sylvania Platinum Employee Option holder is required to exercise the Sylvania Platinum Employee Option in order to participate in a bonus or entitlement issue of Sylvania Platinum Shares made by Sylvania Platinum. Sylvania Platinum Employee Option holders will be provided with written notice of the terms of the issue to shareholders and afforded that period as determined by the ASX Listing Rules to exercise their Sylvania Platinum Employee Options if they wish to participate in the bonus or entitlement issue.
- (vi) If, prior to the expiry of a Sylvania Platinum Employee Option, there is a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of Sylvania Platinum, all rights of the holder will be adjusted in the manner required by the ASX Listing Rules.
- (vii) All Sylvania Platinum Shares issued upon exercise of the Sylvania Platinum Employee Options will, from the date they are issued, rank equally in all respects with Sylvania Platinum's then issued Sylvania Platinum Shares.
- (viii) Shares allotted and issued pursuant to the exercise of a Sylvania Platinum Employee Option will be allotted within the time prescribed by the ASX Listing Rules. Sylvania Platinum will apply for official quotation of Sylvania Platinum Shares issued pursuant to the exercise of the Sylvania Platinum Employee Options in accordance with the ASX Listing Rules.
- (ix) A certificate will be issued for the Sylvania Platinum Employee Options.

- (x) Application will not be made for official quotation of the Sylvania Platinum Employee Options on ASX or AIM.
- (xi) Sylvania Platinum Employee Options are not transferable except with the prior written approval of Sylvania Platinum's board of directors.
- (xii) Sylvania Platinum is not obliged to give a Sylvania Platinum Employee Option holder copies of any notices, circulars and other documents sent by Sylvania Platinum to its shareholders until the Sylvania Platinum Employee Option holder becomes a shareholder by exercising any or all of its Sylvania Platinum Employee Options.

(b) Sylvania Platinum Consideration Options

The terms and conditions of the Sylvania Platinum Consideration Options are summarised below:

- (i) Upon the exercise of each Sylvania Platinum Consideration Option, the holder will become entitled to one (1) Sylvania Platinum Share.
- (ii) The exercise price of each Sylvania Platinum Consideration Option is \$1.40.
- (iii) The Sylvania Platinum Consideration Options will expire on 30 June 2011. Sylvania Platinum Consideration Options may be exercised at any time before their expiry date by notice in writing to the directors of Sylvania Platinum accompanied by payment of the exercise price.
- (iv) A Sylvania Platinum Consideration Option holder is required to exercise the Sylvania Platinum Consideration Option in order to participate in a bonus or entitlement issue of Sylvania Platinum Shares made by Sylvania Platinum. Sylvania Platinum Consideration Option holders will be provided with written notice of the terms of the issue to shareholders and afforded that period as determined by the ASX Listing Rules to exercise their Sylvania Platinum Consideration Options if they wish to participate in the bonus or entitlement issue.
- (v) If, prior to the expiry of a Sylvania Platinum Consideration Option, there is a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of Sylvania Platinum, all rights of the holder will be adjusted in the manner required by the ASX Listing Rules.
- (vi) All Sylvania Platinum Shares issued upon exercise of the Sylvania Platinum Consideration Options will, from the date they are issued, rank equally in all respects with Sylvania Platinum's then issued Sylvania Platinum Shares.
- (vii) Shares allotted and issued pursuant to the exercise of a Sylvania Platinum Consideration Option will be allotted within the time prescribed by the ASX Listing Rules. Sylvania Platinum will apply for official quotation of Sylvania Platinum Shares issued pursuant to the exercise of the Sylvania Platinum Consideration Options in accordance with the ASX Listing Rules.
- (viii) A certificate will be issued for the Sylvania Platinum Consideration Options.
- (ix) Application will not be made for official quotation of the Sylvania Platinum Consideration Options on ASX or AIM.
- (x) Sylvania Platinum Consideration Options are not transferable except with the prior written approval of Sylvania Platinum's board of directors.

- (xi) Sylvania Platinum is not obliged to give a Sylvania Platinum Consideration Option holder copies of any notices, circulars and other documents sent by Sylvania Platinum to its shareholders until the Sylvania Platinum Consideration Option holder becomes a shareholder by exercising any or all of its Sylvania Platinum Consideration Options.

4.8 Rights and liabilities attaching to Sylvania Platinum DIs

(a) Implementation of the Scheme

On the Implementation Date, Sylvania Platinum will issue the DI Shares to the SLV Custodian. In accordance with the depositary interest arrangement to be established by Sylvania Platinum, the SLV Custodian will transfer the DI Shares to the SLP Custodian who will issue to each holder of Sylvania Resources DIs the number of Sylvania Platinum DIs to which such holder is entitled under the Scheme.

(b) Overview of Sylvania Platinum DIs

Shares of non-UK registered companies cannot be held and transferred directly into the CREST system. CREST is a computerised paperless transfer and settlement system, which allows shares and other securities to be held in electronic rather than paper form. Shareholders of Sylvania Platinum who wish to hold and transfer Sylvania Platinum Shares in uncertificated form may do so pursuant to a depositary interest arrangement which will be established by Sylvania Platinum. Depositary interests facilitate the trading and settlement of shares in non-UK companies into CREST.

Sylvania Platinum Shares will not themselves be admitted to CREST. Instead, the SLP Custodian will issue depositary interests (being the Sylvania Platinum DIs) in respect of the Sylvania Platinum Shares. The Sylvania Platinum DIs will be independent securities constituted under English law that may be held and transferred through the CREST system. The main difference between holding Sylvania Platinum DIs and holding Sylvania Platinum Shares is that the holder of the Sylvania Platinum DIs will have beneficial ownership of the underlying Sylvania Platinum Shares instead of legal title. Legal title in the Sylvania Platinum Shares will be held by the SLP Custodian. The Sylvania Platinum Shares will be registered in the name of the SLP Custodian for the benefit of the holder of the Sylvania Platinum DIs. Sylvania Platinum Shares represented by Sylvania Platinum DIs will be held on bare trust for the holders of Sylvania Platinum DIs.

Each Sylvania Platinum DI will be treated as one Sylvania Platinum Share for the purposes of determining eligibility for dividends, and voting entitlements. In respect of any dividends declared, Sylvania Platinum will provide the SLP Custodian with funds for the payment of such dividends and the United Kingdom Depositary will transfer those funds to the holders of Sylvania Platinum DIs. In respect of voting, the SLP Custodian will cast votes in respect of Sylvania Platinum Shares as directed by the holders of Sylvania Platinum DIs which the relevant Sylvania Platinum Shares represent.

SLV DI Scheme Holders will, subject to the terms of the Scheme, be issued such number of Sylvania Platinum DIs as represents what would otherwise be their entitlement to receive Sylvania Platinum Shares. Holders of Sylvania Platinum DIs will have all the same economic benefits as if they were holding the underlying Sylvania Platinum Shares. In particular, holders of Sylvania Platinum DIs will be able to transfer and settle transactions electronically on AIM in CREST. Following completion of the Scheme, Sylvania Platinum's Share Register will be kept in Bermuda and there will be a branch register located in Australia. A depositary interest arrangement will be maintained in the UK to support CREST settlement and a register of Sylvania Platinum DIs will be maintained in the UK by the United Kingdom Depositary.

The holders of Sylvania Platinum Shares will be registered in Sylvania Platinum's Share Register. Holders on the Australian branch register will receive a holding statement. The holding statement

sets out the number of Sylvania Platinum Shares issued to (or subsequently transferred to or by) each holder. The holding statement will also advise the holder of the holder reference number of their holding. A holding statement will be provided to holders on a periodic basis if there is a change in their holding of Sylvania Platinum Shares.

(c) Converting from a Sylvania Platinum DI to a Sylvania Platinum Share

Holders of Sylvania Platinum DIs may at any time convert their Sylvania Platinum DIs into Sylvania Platinum Shares to trade on ASX and similarly holders of Sylvania Platinum Shares may exchange their Sylvania Platinum Shares into Sylvania Platinum DIs to enable them to trade on AIM and settle such trades through CREST. Holders wanting to move between the two markets should in the first instance contact their broker to make the necessary arrangement.

(d) Attendance at Meetings – Voting Entitlements

Holders of Sylvania Platinum DIs will receive notices of general meetings of shareholders of Sylvania Platinum. As holders of Sylvania Platinum DIs will not be the legal owners of the underlying Sylvania Platinum Shares, the registered holder of the Sylvania Platinum Shares underlying the Sylvania Platinum DIs, the SLP Custodian, will be entitled to vote at Sylvania Platinum meetings at the instruction of the holder of the Sylvania Platinum DIs.

(e) Communication with holders of Sylvania Platinum DIs

Sylvania Platinum's United Kingdom Depository will have access to the registration details and holding balances of each holder of Sylvania Platinum DIs. This will enable Sylvania Platinum to communicate with holders of Sylvania Platinum DIs when processing corporate actions, such as dividends, bonus issues and rights issues and when sending notices and announcements from Sylvania Platinum, such as Sylvania Platinum's annual report.

(f) Further Information

Further information in relation to Sylvania Platinum DIs and the matters referred to above may be obtained by calling the United Kingdom Depository on +44 (0)870 702 000 or any stockbroker.

4.9 Corporate Governance

Sylvania Platinum's board of directors is responsible for the overall corporate governance of Sylvania Platinum and is committed to the principles underpinning best practice in corporate governance, applied in a manner that meets ASX and AIM standards and best addresses the directors of Sylvania Platinum's accountability to Sylvania Platinum shareholders.

The following policies and procedures have been adopted and are available for viewing on Sylvania Resources' website until the Implementation Date and on Sylvania Platinum's website after such date:

- board charter;
- code of conduct;
- audit committee charter;
- remuneration committee charter and remuneration policy;
- nomination committee charter;

- whistleblower policy;
- process for performance evaluation;
- policy and procedure for selection and appointment of directors;
- policy for trading in company securities;
- shareholder communication policy;
- policy on assessing the independence of directors;
- procedure for the selection, appointment and rotation of external auditor;
- policy on continuous disclosure;
- risk management policy; and
- diversity policy.

5. INFORMATION ABOUT SYLVANIA PLATINUM AFTER THE SCHEME COMES INTO EFFECT

5.1 Overview

If the Redomicile Proposal is implemented and the Scheme comes into effect, Sylvania Platinum will become a non-operating holding company. Immediately after implementation of the Restructure, the only asset that Sylvania Platinum will hold will be the Sylvania Resources Shares.

5.2 Business operations

(a) General

If the Redomicile Proposal is implemented the business operations of Sylvania Platinum will be the same as the business operations of Sylvania Resources, as described in section 3.

(b) Intentions of Sylvania Platinum

Except as described below and elsewhere in this Scheme Booklet, implementation of the Scheme will have no effect on the business, assets or operations of Sylvania Resources, and Sylvania Platinum:

- intends to continue the business of Sylvania Resources as currently conducted;
- does not intend to make any major changes to the business of Sylvania Resources or redeploy any fixed assets of Sylvania Resources; and
- does not intend to change or affect the future employment of the present employees of Sylvania Resources.

(c) Competent Person's Report

In connection with the proposed admission to trading of Sylvania Platinum Shares on AIM, Sylvania Platinum has commissioned a report setting out all material assets and liabilities of Sylvania Resources. That report is the Competent Person's Report. A summary of the Competent Person's Report is set out in Annex 5 of this Scheme Booklet.

5.3 Directors and senior management

(a) Directors

Details of the current Sylvania Platinum Directors, who are the same as the current Sylvania Resources Directors, are set out in section 3.4(a). If the Redomicile Proposal is implemented, it is envisaged that the Australian resident directors of Sylvania Platinum (namely Mr Rossiter and Mr Button) will resign as directors of Sylvania Platinum if AAC exercises its right to nominate two directors to be appointed to the board of Sylvania Platinum, subject to the qualifications and experience of any such nominees, or if other suitable replacements have been found. It is also envisaged that Mr Carroll may resign as a director of each of Sylvania Platinum and Sylvania Resources (subject to Sylvania Platinum having a replacement director with appropriate financial expertise), but will, together with Mr Button, continue to act as assistant secretary of Sylvania Platinum. Mr Button will remain as a director of Sylvania Resources and has agreed to provide services to the Sylvania Platinum Group in relation to Australian compliance and regulatory issues. The timing of any changes to the Sylvania Platinum board will be dependent upon if and when AAC nominates any directors to the Sylvania Platinum board, on the qualifications and experience of any

such nominees, if and when any other potential replacements are identified and on confirmation of suitability of any potential replacements from the Company's Nomad. As at the date of this Scheme Booklet, AAC has advised Sylvania Resources and Sylvania Platinum that it has no current intention to exercise its right to nominate for appointment any directors to the board of Sylvania Resources or Sylvania Platinum and, in any event, will not exercise that right until completion of the Redomicile Proposal other than with the prior written agreement of Sylvania Platinum (which must not be unreasonably withheld or delayed). In addition, Sylvania Platinum will only commence identifying and considering suitable replacement directors after completion of the Redomicile Proposal.

(b) Senior management

If the Redomicile Proposal is implemented, Sylvania Platinum will become a non-operating holding company. Immediately after implementation of the Restructure, the only asset that Sylvania Platinum will hold will be the Sylvania Resources Shares. The current senior management of Sylvania Resources will continue to operate the business conducted by Sylvania Resources as a wholly-owned subsidiary of Sylvania Platinum. Details of senior management of Sylvania Resources are set out in section 3.4(b).

(c) Employees

If the Redomicile Proposal is implemented, it is envisaged that Jackie Barry will resign as Administration Manager of Sylvania Resources once a replacement with appropriate qualifications and experience has been identified. The Sylvania Platinum Group will commence considering such a replacement following completion of the Redomicile Proposal.

5.4 Capital structure and listings

(a) Capital structure

If the Redomicile Proposal is implemented, and assuming that all Sylvania Resources Options are cancelled as described in section 8.12, the number of issued securities in the capital of Sylvania Platinum immediately after implementation of the Redomicile Proposal (based on the number of issued securities in the capital of Sylvania Platinum and Sylvania Resources as at the date of this Scheme Booklet) will be as follows:

	Sylvania Platinum Shares	Sylvania Platinum Options
Number of Sylvania Platinum Shares to be issued pursuant to the Scheme	301,961,805	-
Number of Sylvania Platinum Options to be issued as consideration for the cancellation of Sylvania Resources Options as described in section 8.12	-	12,992,909
Number of issued securities in the capital of Sylvania Platinum immediately following implementation of the Scheme	301,961,805	12,992,909¹

Notes:

- ¹ This assumes that all holders of Sylvania Resources Options will enter into an agreement with Sylvania Platinum pursuant to which they agree to the cancellation of their Sylvania Resources Options in exchange for the grant of Sylvania Platinum Options. Please refer to section 8.12 for further details.

Legal title to all Sylvania Platinum Shares that are represented by the Sylvania Platinum DIs to be issued to holders of Sylvania Resources DIs will be held by the SLP Custodian whose name will be registered in Sylvania Platinum's Share Register. All other holders of Sylvania Platinum Shares will also be registered in Sylvania Platinum's Share Register.

(b) Exchanging between Sylvania Platinum Shares and Sylvania Platinum DIs

A holder of Sylvania Platinum Shares will be entitled to exchange all or part of their holding of Sylvania Platinum Shares for Sylvania Platinum DIs and vice versa, in the same way that Sylvania Resources shareholders and holders of Sylvania Resources DIs are currently entitled to exchange their holdings. Further details on how to do this can be obtained by contacting the Australian Registry on 1300 55 70 10 (from within Australia) or +61 8 9323 2000 (from outside Australia) between 9.00am and 5.00pm (WST) Monday to Friday) or the United Kingdom Depository on +44 (0)870 702 000 between 9.00am and 5.00pm (GMT) Monday to Friday.

(c) Continuation of ASX and AIM listings

The Redomicile Proposal is conditional on approval from ASX for listing of Sylvania Platinum Shares on ASX and admission to trading of Sylvania Platinum Shares on AIM being obtained. Sylvania Platinum will also procure admission of the Sylvania Platinum DIs to CREST to enable settlement of trades on AIM. Therefore, if the Redomicile Proposal proceeds, Sylvania Platinum Shares will be listed on ASX and admitted to trading on AIM with holders of Sylvania Platinum DIs settling trades on AIM in CREST, in exactly the same way as Sylvania Resources Shares and Sylvania Resources DIs are currently listed, admitted and settled. If approval is not obtained from ASX or admission to trading on AIM does not occur, then the relevant condition to the Redomicile Proposal will not be met and the Redomicile Proposal will not proceed, even if the Scheme is approved by Sylvania Resources shareholders and holders of Sylvania Resources DIs and by the Court.

(d) Nominated advisor and broker

In connection with the proposed admission to trading on AIM of Sylvania Platinum Shares, Sylvania Platinum is required to appoint a nominated advisor and broker. The nominated advisor is responsible to the London Stock Exchange for assessing the appropriateness of Sylvania Platinum to be admitted to trading on AIM and for advising Sylvania Platinum on its responsibilities under the rules of AIM both before and after admission to trading. Sylvania Platinum has appointed Ambrian Partners Limited as nominated advisor and broker. Ambrian Partners Limited currently acts as nominated advisor and broker to Sylvania Resources Limited.

5.5 Pro-forma historical financial information

(a) Introduction

This section 5.5 sets out a summary pro-forma historical statement of financial position as at 31 October 2010 for Sylvania Platinum as if the Redomicile Proposal had been implemented.

(b) Basis of preparation

The pro-forma consolidated statement of financial position for Sylvania Platinum included in this section has been prepared in accordance with the Australian accounting standards adopted by the Australian Accounting Standards Board (AASB). The pro-forma statement of financial position complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB). The pro-forma statement of financial position is presented in an abbreviated form and consequently does not comply with all the presentation and disclosure requirements of AASB and IFRS. Any adjustments that have been made are shown as consolidation adjustments.

(c) Acquisition Accounting

AASB 3 Business Combinations (IFRS 3 Business Combinations) requires that all business combinations are accounted for using the purchase method. This involves assigning fair values at the settlement date to the identifiable assets, liabilities and contingent liabilities, including intangible assets assumed.

A formal analysis of the fair value of the net assets acquired will be performed post completion of the transaction. Sylvania Platinum is permitted to adjust the assessment of fair values for up to 12 months following the settlement date of the respective acquisition agreements with the amounts being classified as provisional during any interim period.

(d) Unaudited pro-forma statement of financial position

PRO FORMA STATEMENT OF FINANCIAL POSITION

	Reviewed Sylvania Resources 31 October 2010 \$	Unaudited Sylvania Platinum 31 October 2010 \$	Unaudited Consolidation adjustments 31 October 2010 \$	Note	Unaudited Pro-forma adjustments 31 October 2010 \$	Note	Unaudited Consolidated merger Sylvania Platinum Group 31 October 2010 \$
Assets							
Current assets							
Cash and cash equivalents	22,386,081	0.22	(8,988)	1	-	-	22,377,093.22
Trade and other receivables	15,137,073	-	-	-	-	-	15,137,073
Inventories	532,587	-	-	-	-	-	532,587
Current tax asset	2,421,275	-	-	-	-	-	2,421,275
Total current assets	40,477,016	0.22	(8,988)				40,468,028.22
Non-current assets							
Other financial assets	417,540	-	-	-	-	-	417,540
Investments accounted for using the equity method	2,896,547	-	-	-	-	-	2,896,547
Deferred exploration expenditure	69,268,584	-	-	-	-	-	69,268,584
Property, plant & equipment	71,397,896	-	-	-	-	-	71,397,896
Total non-current assets	143,980,567	-	-				143,980,567
Total assets	184,457,583	0.22	(8,988)				184,448,595.22
Liabilities							
Current liabilities							
Trade and other payables	4,621,095	8,988	(8,988)	1	2,121,795	2	6,742,890
Borrowings	214,596	-	-	-	-	-	214,596

Current tax liability	11,036	-	-	-	11,036
Total current liabilities	4,846,727	8,988	(8,988)	2,121,795	6,968,522
Non-current liabilities					
Borrowings	404,190	-	-	-	404,190
Deferred tax liability	24,444,144	-	-	-	24,444,144
Provisions	884,807	-	-	-	884,807
Total non-current liabilities	25,733,141	-	-	-	25,733,141
Total liabilities	30,579,868	8,988	(8,988)	2,121,795	32,701,663
Net assets	153,877,715	(8,987.78)	-	(2,121,795)	151,746,932.22
Equity					
Issued capital	187,359,762	0.22	-	-	187,359,762.22
Reserves	2,054,835	-	-	-	2,054,835
Accumulated losses	(35,536,882)	(8,988)	-	(2,121,795)	(37,667,665)
Parent entity interest	153,877,715	(8,987.78)	-	(2,121,795)	151,746,932.22
Non-controlling interest	-	-	-	-	-
Total equity	153,877,715	(8,987.78)	-	(2,121,795)	151,746,932.22

The pro-forma statement of financial position reflects the following consolidation, pro-forma adjustments and assumptions:

1. The cost to incorporate Sylvania Platinum was incurred by Sylvania Resources. The loan accounts in which these costs were raised have been eliminated on consolidation of the two entities.
2. The estimated cost of implementing the Redomicile Proposal has been calculated to be \$2.2 million. At 31 October 2010, costs of \$78,205 had been incurred by Sylvania Resources.
3. The pro-forma statement of financial position has been prepared based on the assumption that the Scheme will be approved by the shareholders of Sylvania Resources.

5.6 Outlook for Sylvania Platinum

The current outlook for the operations of the Sylvania Platinum Group is consistent with previous guidance on production outlook. The dump operations continue to show steady growth and, as previously announced to the market, are on track to attain PGM production of 40,000 ounces per annum for the year ending 30 June 2011.

Other than production rates the trading performance of the Sylvania Platinum Group is sensitive to fluctuations in exchange rates and the basket of commodity prices. The last two years have seen extreme fluctuations in both exchange rates and commodity prices which have had an impact on past performance. Sylvania Platinum does not foresee any change in this volatility in exchange rates or commodity prices or their impact on future performance.

While costs are likely to increase in line with current inflation expectations, Sylvania Platinum intends to mitigate these increases through additional production volumes leading to downward pressure on unit costs.

The Sylvania Platinum Directors and the Sylvania Resources Directors have given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information for Sylvania Platinum. The Sylvania Platinum Directors and the Sylvania Resources Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

If the Redomicile Proposal is implemented, the performance of Sylvania Platinum will reflect a number of factors that are outside its control and cannot be predicted with sufficient certainty to provide a reasonable basis for the inclusion of forecast financial information. Such factors may significantly affect any assumptions relating to Sylvania Platinum's revenues and costs which would need to be made in preparing any forecast financial information. For further discussion on the risk factors affecting Sylvania Platinum, refer to section 6.

5.7 Dividend policy

Sylvania Resources does not have any current intention to declare or pay a dividend on Sylvania Resources Shares and Sylvania Platinum does not have any current intention to declare or pay a dividend on Sylvania Platinum Shares. The Sylvania Platinum dividend policy will be reviewed annually by the directors of Sylvania Platinum.

5.8 Employee incentive plans

Sylvania Platinum does not currently have any employee incentive plans. After completion of the Redomicile Proposal, Sylvania Platinum will consider adopting an appropriate incentive plan. Any such plan will only be implemented if it is approved by the Sylvania Platinum shareholders.

6. RISKS OF ACQUIRING SYLVANIA PLATINUM SHARES OR SYLVANIA PLATINUM DIS

6.1 Introduction

If the Redomicile Proposal is implemented, Sylvania Resources shareholders and holders of Sylvania Resources DIs (other than Ineligible Foreign Holders) will be issued Sylvania Platinum Shares or Sylvania Platinum DIs under the Scheme. There are a number of risks associated with an investment in Sylvania Platinum.

If the Redomicile Proposal is implemented the business operations of Sylvania Platinum will be the same as the business operations of Sylvania Resources. Many of the risks of an investment in Sylvania Platinum are therefore the same as the risks to which Sylvania Resources shareholders and holders of Sylvania Resources DIs are currently exposed. Some of these risks are described in section 6.2. There may be additional risks arising from the change in jurisdiction of incorporation of Sylvania Resources in Australia to Sylvania Platinum in Bermuda. Some of these risks are described in section 6.3.

The risks summarised below are not exhaustive and do not take into account the individual circumstances of Scheme Shareholders. Neither Sylvania Resources nor Sylvania Platinum gives any assurances or guarantees of future performance or profitability of, or payment of dividends by, the Sylvania Platinum Group. Additionally neither Sylvania Resources nor Sylvania Platinum gives any assurances or guarantees that the risks set out in this Scheme Booklet will not change. The future dividends, the value of the Sylvania Platinum Group's assets and the market value or price of the Sylvania Platinum DIs or the Sylvania Platinum Shares quoted on ASX and AIM may be influenced by these and other risk factors. Some of the risks may be mitigated by the use of safeguards and appropriate systems and controls. However, many risks that may affect the Sylvania Platinum Group are outside the control of Sylvania Platinum, Sylvania Resources and the Sylvania Platinum Group. The past performance of Sylvania Resources is not necessarily representative of the future performance of the Sylvania Platinum Group or the value of Sylvania Platinum Shares or Sylvania Platinum DIs.

Each Scheme Shareholder should consult their professional adviser if they have any queries.

6.2 Risks common to Sylvania Resources and Sylvania Platinum

Some of the main risks of an investment in Sylvania Platinum to which Sylvania Resources shareholders and holders of Sylvania Resources DIs are already exposed through their investment in Sylvania Resources are as follows.

Risks relating to the Sylvania Platinum Group's operations and industry

(a) General/specific operational risks

There can be no guarantee that Sylvania Platinum Group's current and proposed operations will achieve projected throughput and recovery levels for the chrome washing and PGM recovery plants.

(b) General economic conditions

The financial markets globally have experienced significant volatility and market participants have faced significant liquidity constraints since the onset of the global financial crisis, which began to unfold in the autumn of 2007 and worsened after August 2008. The global financial turmoil has significantly affected South Africa's economy, causing a decrease of South Africa's GDP, a collapse

in the real estate market, failures and restructurings of banks, significant declines in debt and equity prices and a substantial outflow of capital. A side effect of those events was an increased concern about the stability of the financial markets generally and the strength of counterparties, and many lenders and institutional investors reduced funding to borrowers, which significantly reduced the liquidity in the global financial system.

In response to the crisis, the governments of many countries, including UK and South Africa, took unprecedented actions to restore investor confidence, provide liquidity and support medium-term growth. While many countries, including South Africa, have recently reported improvement of the situation in the financial markets, a further economic downturn could still occur, and additional state support measures might be required. Adverse changes arising from systemic risks in global financial systems could slow or disrupt the UK and South African economies, thereby adversely affecting the Sylvania Platinum Group's access to capital and the cost of capital and, more generally, its business, prospects, financial condition, cash flows and results of operations.

(c) Nature of mineral exploration and mining

Mineral exploration and development is a speculative business, characterised by a number of significant uncertainties. For example, unprofitable efforts may result not only from the failure to discover mineral deposits but also from finding mineral deposits that are insufficient in quantity and/or quality to return a profit from production. Even deposits that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining operation may fail to perform adequately. The marketability of minerals acquired or discovered by the Sylvania Platinum Group may be affected by numerous factors which are beyond the Sylvania Platinum Group's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and metals, and environmental protection, a combination of which may result in the Sylvania Platinum Group not receiving an adequate return on invested capital.

While the discovery of a mineral structure may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures may be required to establish reserves by drilling, constructing, mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Sylvania Platinum Group's projects or the current or proposed exploration programmes on any of the properties in respect of which the Sylvania Platinum Group has exploration rights will result in a profitable commercial mining operation.

The Sylvania Platinum Group's operations are subject to all of the hazards and risks normally incidental to the exploration, development and production of precious metals and base metals, any of which activities could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. The Sylvania Platinum Group's activities may be subject to prolonged disruptions due to adverse weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material.

Development and operation of mines and production and processing facilities may also be affected by mechanical difficulties, operational errors, labour disputes, damage to or shortage of equipment, earthquakes, fires or other natural disasters, civil unrest, leaks or pollution. These events are largely beyond the control of the Sylvania Platinum Group. Disruption to production may have an adverse effect on the financial performance of the Sylvania Platinum Group.

Whether a precious metal or a base metal deposit will be commercially viable depends on a number of factors, some of which are particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals or base metals and environmental protection). The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Sylvania Platinum Group not receiving an adequate return on invested capital.

(d) Actual reserves and resources may be lower than current estimates

Declared mineral resources are best estimates that may change as new information becomes available. Consequently, the Sylvania Platinum Group's mineral resources (and when appropriate, ore reserves) may be revised up or down. Actual mineral resources may not conform to geological, metallurgical or other expectations and the volume and grade of ore recovered may be below the estimated levels. Mineral resource data is not indicative of the future results of operations. If the Sylvania Platinum Group's actual mineral resources are less than current estimates, the Sylvania Platinum Group's business, results or operations and financial condition may be materially and adversely affected.

(e) Geology and reserves

To assess, commission and maintain precious and base metal production into the future, beyond the life of the current resources or to increase production materially above projected levels, the Sylvania Platinum Group will be required to delineate further reserves. Any precious and base metal exploration programme entails risks relating to the location of economic ore bodies, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities at any site chosen for mining. No assurance can be given that any exploration programme will result in any new commercial mining operation or in the discovery of new resources.

A decline in the market price of precious and base metals may render ore reserves containing relatively lower grades of mineralisation uneconomic.

(f) Exploitation risks

There can be no assurance that any resources recovered can be brought into profitable production.

Market price fluctuations, increased production costs or reduced recovery rates, or other factors may render the present estimated or inferred resources of the Sylvania Platinum Group uneconomical or unprofitable to develop at a particular site or sites.

Further the Sylvania Platinum Group may not be able to exploit commercially viable discoveries which it owns or in which it acquires an interest. Exploitation may require external approvals or consents from relevant authorities and the granting of these approvals and consents is beyond the Sylvania Platinum Group's control. The granting of such approvals and consents may be withheld for lengthy periods, not given at all, or granted subject to the satisfaction of certain conditions which the Sylvania Platinum Group may not be able to meet. As a result of such delays, the Sylvania Platinum Group may incur additional costs, losses or lose revenue or part or all of its equity in a licence. If at any stage the Sylvania Platinum Group is precluded from pursuing its exploration programme or the exploration programme is not continued, the Sylvania Platinum Group's business, result of operations, financial condition and/or growth prospects may be materially and adversely affected. Additionally, should the regulatory regime in an applicable jurisdiction in which the Sylvania Platinum Group operates or wishes to exploit mining rights be modified in a manner which adversely affects natural resources facilities or projects, including taxes and permit fees, the returns to the Sylvania Platinum Group may be adversely affected.

(g) Commercial risks of mineral exploration and extraction

Even if the Sylvania Platinum Group recovers quantities of minerals, there is a risk the Sylvania Platinum Group will not achieve a commercial return. The Sylvania Platinum Group may not be able to sell the minerals to customers at a price and quantity which would cover its operating and other costs.

(h) Metal price risk

The market price of metals is volatile and beyond the Sylvania Platinum Group's control and may adversely affect the feasibility or future profitability of potential projects. The level of interest rates, the rate of inflation, world supply of precious and base metals and stability of exchange rates can all cause significant fluctuations in precious and base metal prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems and political developments. The decision to put a mine into production, and the commitment of the funds necessary for that purpose, must be made long before the first revenues from production will be received. Metal price fluctuations as well as forecast production costs between the time that such a decision is made and the commencement of production can completely change the economics of any mine. Although it is possible to protect against metal price fluctuations by hedging in certain circumstances, the volatility of metal prices represents a substantial risk in the mining industry generally, which no amount of planning or technical expertise can eliminate.

The earnings of Sylvania Resources are, and the earning of Sylvania Platinum will be, significantly affected by local and worldwide PGM prices and the state of the ferrochrome industry. Specifically, a prolonged downturn in the ferrochrome price may result in a reduction in the supply of chrome tailings, thereby diminishing the Sylvania Platinum Group's retreatment rates. Low PGM or ferrochrome prices or weak demand for ferrochrome products will have a materially adverse effect on the Sylvania Platinum Group. It is not possible to accurately predict future movements in metal prices or supply and demand dynamics for the ferrochrome industry, particularly in the current uncertain economic environment.

(i) Insurance

While the Sylvania Platinum Group may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or that certain risks could be excluded from coverage. There are also risks against which the Sylvania Platinum Group cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Sylvania Platinum Group's earnings and competitive position in the future and, potentially, its financial position. In addition, the potential costs that could be associated with compliance with applicable laws and regulations may also cause substantial delays and require significant capital outlays, adversely affecting the Sylvania Platinum Group's earning and competitive position in the future and, potentially, its financial position.

(j) Operational targets and delays

The Sylvania Platinum Group's operational targets will be subject to the completion of planned operational goals on time and according to budget, and are dependent on the effective support of the Sylvania Platinum Group's personnel, systems, procedures and controls. Any failure of these may result in delays in the achievement of operational targets with a consequent material adverse impact on the business, operations and financial performance of the Sylvania Platinum Group.

(k) No geographical diversification

The Sylvania Platinum Group's assets are all located in the Republic of South Africa. Any circumstance or event which negatively impacts the ownership or development of the Sylvania Platinum Group's assets or which negatively affects the Republic of South Africa could materially affect the financial performance of the Sylvania Platinum Group more significantly than if it had a diversified asset base.

(l) Exploitation, exploration and mining licences

The Sylvania Platinum Group's tailings treatment business, together with its exploration and mining activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. There is no guarantee that, upon completion of any exploration, a mining licence will be granted with respect to exploration territory. There can also be no assurance that any exploration licence will be renewed or if so, on what terms. These licences place a range of past, current and future obligations on the Sylvania Platinum Group. In some cases there could be adverse consequences for breach of these obligations, ranging from penalties to, in extreme cases, suspension or termination of the relevant licence or related contract.

(m) Competition

The mining industry is intensely competitive in all of its phases and the Sylvania Platinum Group competes with many companies possessing greater financial and technical resources than itself. Competition in the minerals and mining industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in the Sylvania Platinum Group being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining industry could materially adversely affect the Sylvania Platinum Group's prospects for mineral exploration and success in the future.

(n) Decommissioning costs

The Sylvania Platinum Group's mining activities are subject to various laws and regulations governing the protection of the environment.

External experts are used to conduct environmental impact assessments from which environmental management programs are designed. As part of these assessments and programs, a financial determination is made as to the cost of environmental remediation involved in decommissioning the Sylvania Platinum Group's plants.

The Sylvania Platinum Group estimates the rehabilitation provision covering the cost of rehabilitating the land and the cost of dismantling and decommissioning the plants. An annual assessment of adequacy of the current provisioning for rehabilitation expense is undertaken by management in conjunction with an environmental audit performed by an independent expert. While such financial provisions are considered to be adequate, the amounts calculated for some of the Sylvania Platinum Group's plants are yet to be approved by South Africa's Department of Mineral Resources.

The financial determination referred to above requires management and independent experts to make a number of assumptions including restoration activities and discount rate. A change in these assumptions, or a change in the applicable environmental laws, could result in a change in the provision in a future period. Any such adjustments in the provision for rehabilitation of the land are

expensed and adjustments to the decommissioning costs are raised against the decommissioning asset.

(o) Risks of potential future acquisitions

In the future, as part of its growth strategy, the Sylvania Platinum Group may acquire other companies or businesses, including mineral interests. Acquisitions by the Sylvania Platinum Group may require the use of significant amounts of cash, dilutive issues of equity securities and the incurrence of debt, each of which could have a material adverse effect on the Sylvania Platinum Group's business, results of operations, financial condition or the market price of shares.

Acquisitions involve numerous risks, including difficulties with the assimilation of the operations of any acquired business or group and the diversion of management's attention from other business concerns. If such acquisitions do occur, there can be no assurance that the Sylvania Platinum Group's business, results of operations or financial conditions would not be materially and adversely affected thereby. The implementation of future acquisitions which the Sylvania Platinum Group may wish to make could be affected by regulatory and other restraints and factors.

(p) Dependence on key personnel

In common with other services and businesses in this industry sector, the Sylvania Platinum Group's business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Sylvania Platinum Group is, and will continue to be to a significant extent, dependent on the expertise and experience of the key personnel and the loss of one or more of such key personnel could have a material adverse effect on the Sylvania Platinum Group. The Sylvania Platinum Group will compete with numerous other mineral companies (many of which have greater resources) and individuals in the search for and acquisition of mineral assets, as well as for the recruitment and retention of qualified employees and contractors.

As indicated in section 5.3(a), it is envisaged that the Australian resident directors of Sylvania Platinum (namely Mr Rossiter and Mr Button) will resign as directors of Sylvania Platinum following implementation of the Redomicile Proposal. However, it is intended that such directors will only resign as directors once replacements with suitable qualifications and experience have been found.

(q) Dilution of shareholders' interests

The Sylvania Platinum Group is likely to need to raise additional funds in the future to finance its investments and acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Sylvania Platinum Group other than on a pro rata basis to existing shareholders, the percentage ownership of the shareholders may be reduced, shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Sylvania Platinum Shares.

(r) Exchange rate risk

The Sylvania Resources Group currently reports its financial results and maintains its accounts in Australian dollars. The Sylvania Platinum Group will report its financial results and maintain its accounts in US dollars and the PGM industry is a US dollar based business. The removal of the Australian dollar from the Sylvania Platinum Group's exchange rate matrix following implementation of the Scheme will make Sylvania Platinum's currency less complicated to hedge and easier for investors to understand.

(s) Environmental risk

The development of mines and production of metals can be hazardous to the environment and environmental damage may occur that is costly to remedy. If Sylvania Platinum is responsible for any environmental damage, it may incur substantial remediation costs or liabilities to third parties.

The Sylvania Platinum Group may be involved in operations that may be subject to environmental and safety regulation (including regular environmental impact assessments and permitting). This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean up costs and obligations and liability for toxic or hazardous substances for which the Sylvania Platinum Group may become liable as a result of its activities may be impossible to assess against the current legal framework and current enforcement practices of the various jurisdictions. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Sylvania Platinum Group.

(t) Counterparty risk

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements to which any of the members of the Sylvania Platinum Group are party and obtain a benefit (such as service and supply agreements, off-take agreements, concentrate sales, currency and metal price hedging agreements) will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations.

(u) Samancor Service and Supply Agreement

There is a risk that Samancor Chrome may terminate the Samancor Service and Supply Agreement. If the Samancor Service and Supply Agreement was terminated, Sylvania Metals would lose the right to treat chrome tailings from Samancor Chrome's mines on the western and eastern limbs of the Bushveld Igneous Complex to recover PGMs. This would mean that Sylvania Platinum's plants (namely Milsell, Steelpoort, Lannex, Doombosch and Mooinooi) would be required to cease operations which would materially affect the Sylvania Platinum Group's operations, financial position and results.

Litigation and regulatory risks

(v) Litigation risks

Legal proceedings may arise from time to time in the course of the Sylvania Platinum Group's activities. There have been several cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Sylvania Platinum Directors cannot preclude that such litigation may be brought against the Sylvania Platinum Group or a member of the Sylvania Platinum Group in the future from time to time.

(w) Vygenhoek mining application (Everest North)

On 24 May 2005, Sylvania SA entered into an agreement with AQPSA, pursuant to which Sylvania SA agreed to act as independent contractor to manage and carry out prospecting work at Everest North. Upon completion of the required exploration work, Sylvania SA submitted an application for the mining right for PGMs over Mineral Area 2 of the Vygenhoek 10TJ farm in the Lydenburg magisterial district. However, AQPSA disputed Sylvania SA's right to do so and the matter was referred to arbitration.

While an arbitration hearing date was initially set for July 2010, both parties agreed in June 2010 to explore the possibility of a commercial settlement to the benefit of AQP SA and Sylvania SA. Should an agreement not be reached between the parties, the matter will then be heard by an arbitrator on a date to be arranged. However, there can be no guarantee that the decision of the arbitrator will be favourable upon Sylvania SA.

(x) Regulatory approval

The directors believe that the Sylvania Platinum Group holds or will obtain all necessary approvals, licences and permits under applicable laws and regulations in respect of its main projects and believes it is presently complying in all material respects with the terms of such approvals, licences and permits. However, such approvals, licences and permits are subject to change in various circumstances and further project specific governmental decrees and/or legislative enactments may be required. There can be no guarantee that the Sylvania Platinum Group will be able to obtain or maintain all necessary approvals, licences and permits that may be required and/or that all project specific costs between the time that such a decision is made and the commencement of production can completely change the economics of any mine.

(y) Economic, political, judicial, administrative, taxation or other regulatory factors

The Sylvania Platinum Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in South Africa (which is where the Sylvania Platinum Group will operate and hold its major assets), in Australia, in the UK or elsewhere. These risks and uncertainties include, but are not limited to: hyperinflation; labour unrest; risk of war or civil unrest; expropriation and nationalisation; renegotiations or nullification of existing concessions, licences, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; terrorist activities; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplied from, a particular jurisdiction.

Risks relating to South Africa

(z) Risks relating to South Africa

The Sylvania Platinum Group's operations may also be affected to varying degrees by political and social instability, crime, the AIDS crisis, failure of basic infrastructure, extreme fluctuations in currency exchange rates and inflation, all of which are beyond the control of the Sylvania Platinum Group.

In addition to exposure to the risks that are common to mining operators, the Sylvania Resources Group is, and the Sylvania Platinum Group will be, subject to the political and economic uncertainties associated with operating in South Africa. Whilst the mining regulatory environment is developing, it lacks clarity in a number of areas and is subject to interpretation, review and amendment. A current risk pertaining to the mining industry is compliance with black economic empowerment requirements as prescribed by the regulatory framework for mining.

(aa) Infrastructure risk

Infrastructure in South Africa is under strain, notably utilities such as electricity and water supply. The Sylvania Platinum Group will heavily depend on the reliable and continuous delivery of sufficient quantities of power and water to its processing facilities and in future to its mines and production. South Africa has experienced, and to a limited extent continues to experience, widespread and prolonged power outages. Should a serious failure of basic infrastructure take place or lack of availability of water resources arise or high occurrences of power outages across the

country occur, production at the Sylvania Platinum Group's operations in South Africa could be materially and adversely impacted.

(bb) Black economic empowerment and social development

The Sylvania Platinum Group must comply, and remain compliant, with the South African mining charter (the **Mining Charter**), the Minerals and Petroleum Resources Development Act 2002 (South Africa) (**MPRD Act**), the mining codes, the black economic empowerment (**BEE**) participation requirements and the approved social and labour plan in order to retain prospecting and mining rights. Any failure by the Sylvania Platinum Group or any of its contractual counterparties (including, without limitation, Samancor Chrome) to satisfy and to continue to satisfy such BEE and social development obligations and requirements could jeopardise the prospecting rights held by the Sylvania Platinum Group and materially and adversely affect its operations, financial position and results. In addition, compliance with any future changes to the obligations and requirements of the Mining Charter, the MPRD Act, the mining codes and the BEE participation requirements may increase the costs of the Sylvania Platinum Group's operations and affect profitability.

General Risk Factors

(cc) Investment in publicly quoted securities

Investment in securities traded on AIM is perceived to involve a higher degree of risk and be less liquid than investment in companies whose securities are listed on the "Official List" in the UK and traded on the London Stock Exchange's main market for listed securities. An investment in Sylvania Platinum Shares or Sylvania Platinum DIs whether quoted on ASX or traded on AIM may be difficult to realise. Prospective investors should be aware that the value of Sylvania Platinum Shares or Sylvania Platinum DIs may go down as well as up and that the market price of the Sylvania Platinum Shares or Sylvania Platinum DIs may not reflect the underlying value of the Sylvania Platinum Group. Investors may therefore realise less than, or lose all of, their investment.

(dd) Potentially volatile share price and liquidity

The share price of emerging companies quoted on AIM and ASX can be highly volatile and shareholdings illiquid. The price at which the Sylvania Platinum Shares are quoted and the price at which investors may realise their Sylvania Platinum Shares or Sylvania Platinum DIs may be influenced by a significant number of factors, some specific to the Sylvania Platinum Group and its operations and some which affect quoted companies generally. These factors could include the performance of the Sylvania Platinum Group, large purchases or sales of Sylvania Platinum Shares or Sylvania Platinum DIs, legislative changes and general, economic, political or regulatory conditions.

(ee) Market perception

The market price of the Sylvania Platinum Shares and Sylvania Platinum DIs could be subject to significant fluctuations due to a change in sentiment in the market following implementation of the Scheme.

Any such fluctuations could result from national and global economic and financial conditions, the market's response to the Redomicile Proposal, the PGM volume trend, market perceptions of Sylvania Resources and Sylvania Platinum, regulatory changes affecting Sylvania Platinum's operations, variations in Sylvania Platinum's operating results, business developments of Sylvania Platinum or its competitors and liquidity of financial markets.

The operating results and prospects of Sylvania Platinum from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of Sylvania Platinum Shares and Sylvania Platinum DIs.

6.3 Risks arising from the change of jurisdiction

(a) Changes to corporate law environment

As a company incorporated in Bermuda, Sylvania Platinum is not subject to many provisions of the Corporations Act to which Sylvania Resources is currently subject. It does, however, remain subject to some provisions of the Corporations Act as a result of its registration as a foreign company in Australia and to the ASX Listing Rules as a result of the continued listing on ASX. This will result in reduced investor and shareholder protections following implementation of the Scheme. For example, Sylvania Platinum shareholders will not be afforded the takeover protection provisions contained in Chapter 6 of the Corporations Act and currently available to Sylvania Resources shareholders. As set out in further detail in section 7 of this Scheme Booklet, no takeover protection is provided by the Bermuda Companies Act.

(b) Changes to tax environment

Should there be any changes in Bermudian tax law, this may impact on the tax efficiency of Sylvania Platinum's corporate structure. In particular, if Bermuda imposes a dividend withholding tax regime, this could have an adverse cash impact on shareholders of Sylvania Platinum.

7. SUMMARY OF CERTAIN ASPECTS OF BERMUDIAN LAW

7.1 Introduction

If the Redomicile Proposal is implemented, Sylvania Resources shareholders and holders of Sylvania Resources DIs will hold shares in, or depository interests over, shares in a company incorporated in Bermuda, rather than a company incorporated in Australia. As a company incorporated in Bermuda, Sylvania Platinum:

- will be subject to the provisions of the Bermuda Companies Act, and will not be subject to many provisions of the Corporations Act; and
- will be subject to Bermudian taxation laws, which may have different consequences for Sylvania Resources shareholders and holders of Sylvania Resources DIs than Australian taxation laws.

A summary of the significant provisions of the Bermuda Companies Act to which Sylvania Platinum will be subject and the key differences from the equivalent provisions of the Corporations Act is set out in sections 7.2 and 7.3 respectively. A summary of Bermudian tax considerations that are relevant to holding shares in, or depository interests over, shares in a company incorporated in Bermuda is set out in section 7.4.

7.2 Summary of certain provisions of Bermudian law

Set out below is a summary of certain provisions of Bermuda company law. As a number of these provisions are capable of being qualified by the constitutive documents of a company, it is important that this summary be read in conjunction with the memorandum of association and bye-laws of Sylvania Platinum. Copies of Sylvania Resources' constitution and Sylvania Platinum's bye-laws are available on Sylvania Resources' website before the Implementation Date and will subsequently be available on Sylvania Platinum's website following the Implementation Date. Copies will also be available for inspection and comparison at Sylvania Resources' registered office during normal business hours.

The following statements are summaries, and they do not address all aspects of Bermuda law that may be relevant to Sylvania Platinum or its shareholders.

(a) Duties of Directors

The bye-laws of Sylvania Platinum provide that its business is to be managed and conducted by its board of directors (the **Sylvania Platinum Board**). At common law of Bermuda, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfil the duties of their office honestly. This duty includes the following elements: (i) a duty to act in good faith in the best interests of the company; (ii) a duty not to make a personal profit from opportunities that arise from the office of director; (iii) a duty to avoid conflicts of interest; and (iv) a duty to exercise powers for the purpose for which such powers were intended. The Bermuda Companies Act also imposes a duty on directors and officers of a Bermuda company to: (i) act honestly and in good faith with a view to the best interests of the company; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the Bermuda Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company.

(b) Challenging the Actions of Directors

Directors and officers of a Bermuda company generally owe fiduciary duties to the company, and not to the company's individual shareholders. Sylvania Platinum shareholders may not have a direct cause of action against Sylvania Platinum's directors (see "Shareholders' Suits" below).

(c) Shareholders' Suits

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

The bye-laws of Sylvania Platinum contain a provision by virtue of which its shareholders waive any claim or right of action that they have, both individually and on Sylvania Platinum's behalf, against any director or officer in relation to any action or failure to take action by such director or officer, except in respect of any fraud or dishonesty of such director or officer.

(d) Interested Directors

Bermuda law and Sylvania Platinum's bye-laws provide that if a director has an interest in a material contract or proposed material contract with Sylvania Platinum or any of its subsidiaries or has a material interest in any person that is a party to such a contract, the director must disclose the nature of that interest at the first opportunity either at a meeting of directors or in writing to the directors. Sylvania Platinum's bye-laws provide that, after a director has made such a declaration of interest, he is allowed to be counted for purposes of determining whether a quorum is present and to vote on a transaction in which he has an interest, unless disqualified from doing so by the chairman of the relevant board meeting.

(e) Indemnification of Directors

The Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favour or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act.

Sylvania Platinum's bye-laws provide that it indemnifies its officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. Such bye-laws further provide that the shareholders waive all claims or rights of action that they might have, individually or in right of the company, against any of the Sylvania Platinum's directors or officers for any act or failure to

act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. Section 98A of the Bermuda Companies Act permits Sylvania Platinum to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not Sylvania Platinum may otherwise indemnify such officer or director.

(f) Inspection of Corporate Records

Members of the general public have a right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's memorandum of association, including its objects and powers, and certain alterations to the memorandum of association. The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented to the annual general meeting. The register of shareholders of a company is also open to inspection by shareholders without charge, and by members of the general public on payment of a fee. The register of shareholders is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of shareholders for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside of Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Where a company, the shares of which are listed on an appointed stock exchange (such as ASX), sends its summarised financial statements its shareholders pursuant to section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarised financial statements) must be made available for inspection by the public at the company's registered office.

(g) Voting Rights and Quorum Requirements

Under Bermuda law, the voting rights of shareholders are regulated by the company's bye-laws and, in certain circumstances, by the Bermuda Companies Act. Pursuant to Sylvania Platinum's bye-laws, the quorum required for a general meeting of shareholders is two or more persons entitled to vote present in person or by proxy. Generally, except as otherwise provided in the bye-laws, or the Bermuda Companies Act, any action or resolution requiring approval of the shareholders may be passed by a simple majority of votes cast.

Any individual who is a shareholder of Sylvania Platinum and who is present at a meeting may vote in person, as may any corporate shareholder that is represented by a duly authorised representative at a meeting of shareholders. Sylvania Platinum's bye-laws also permit attendance at general meetings by proxy, provided the instrument appointing the proxy is in the form specified in the bye-laws or such other form as the Sylvania Platinum Board may determine. Under Sylvania Platinum's bye-laws, each holder of common shares is entitled to one vote per common share held.

(h) Approval of Corporate Matters by Written Consent

The Bermuda Companies Act provides that shareholders may take action by written consent. A resolution in writing is passed when it is signed by the shareholders of the company who at the date of the notice of the resolution represent such majority of votes as would be required if the resolution had been voted on at a meeting or when it is signed by all the shareholders of the company or such other majority of shareholders as may be provided by the bye-laws of the company.

(i) Variation of Rights Attaching to Shares

Pursuant to Sylvania Platinum Bye-Laws, if, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. Sylvania Platinum's bye-laws further provide the rights of issued shares shall not, unless otherwise expressly provided by the terms of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(j) Transfer of Shares

The Sylvania Platinum Directors may refuse to register any transfer of uncertificated shares where the AIM Rules or ASX Listing Rules so permit and shall refuse to register any transfer of shares where the AIM Rules or ASX Listing Rules so require or where the transfer is in breach of the AIM Rules or ASX Listing Rules or the Bermuda Companies Act.

As Sylvania Platinum Shares are traded on AIM, Sylvania Platinum is required under the AIM Rules to use all reasonable endeavours to comply with AIM Rule 17 and Chapter 5 of the Disclosure and Transparency Rules of the Financial Services Authority Handbook (**DTR5**) notwithstanding that Bermudian law does not contain similar provisions. For non-United Kingdom companies, DTR5 requires that shareholders notify the company if their shareholding exceeds or drops below 3% of the total issued capital of the company. DTR5 also requires shareholders to notify the company every 1% increase or decrease in their shareholding above 3% of the total issued capital of the company. AIM advises companies incorporated outside of the United Kingdom to include provisions in their bye-laws in similar terms to these rules in order to ensure compliance.

Accordingly, the Sylvania Platinum Bye-Laws set out the terms of DTR5. The directors of Sylvania Platinum have the power to require by notice any person whom they believe to have an interest in Sylvania Platinum Shares to provide information to Sylvania Platinum regarding the nature of that interest.

(k) Calling of Shareholders Meetings

Under Bermuda law, a company is required to convene at least one general meeting of shareholders each calendar year. Bermuda law provides that a special general meeting of shareholders may be called by the board of directors of a company and must be called upon the request of shareholders holding not less than 10% of the paid-up capital of the company carrying the right to vote at general meetings. Bermuda law also requires that shareholders be given at least five days' advance notice of a general meeting, but the accidental omission to give notice to any person does not invalidate the proceedings at a meeting. Sylvania Platinum's bye-laws provide that the President or the Chairman (if any) may convene an annual general meeting or a special general meeting. Under Sylvania Platinum's bye-laws, at least 21 days' notice of an annual general meeting or a special general meeting must be given to each shareholder entitled to vote at such meeting. This notice requirement is subject to the ability to hold such meetings on shorter notice if such notice is agreed: (i) in the case of an annual general meeting by all of the shareholders entitled to attend and vote at such meeting; or (ii) in the case of a special general meeting by a majority in number of the shareholders entitled to attend and vote at the meeting holding not less than 95% in nominal value of the shares entitled to vote at such meeting. The quorum required for a general meeting of shareholders is two or more persons entitled to vote present in person or by proxy.

(l) Dividends

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that: (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) that the realisable value of its assets would thereby be less than the aggregate of its liabilities, its issued share capital and its share premium accounts. Under Sylvania Platinum's bye-laws, each common share is entitled to dividends if, as and when dividends are declared by the Sylvania Platinum Board of directors, subject to any preferred dividend right of the holders of any preference shares. Issued share capital is the aggregate par value of the company's issued shares, and the share premium account is the aggregate amount paid for issued shares over and above their par value. Share premium accounts may be reduced in certain limited circumstances.

(m) Shareholder Proposals

Shareholder(s) may, as set forth below and at their own expense (unless the company otherwise resolves), require the company to: (i) give notice to all shareholders entitled to receive notice of the annual general meeting of any resolution that the shareholder(s) may properly move at the next annual general meeting; and/or (ii) circulate to all shareholders entitled to receive notice of any general meeting a statement in respect of any matter referred to in the proposed resolution or any business to be conducted at such general meeting. The number of shareholders necessary for such a requisition is either: (i) any number of shareholders representing not less than 5% of the total voting rights of all shareholders entitled to vote at the meeting to which the requisition relates; or (ii) not less than 100 shareholders.

(n) Amalgamations and Business Combinations

The amalgamation of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company.

Under Bermuda law, in the event of an amalgamation of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the shareholders meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares.

(o) Takeovers

An acquirer of a Bermuda company is generally able to acquire compulsorily the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme or arrangement. The scheme of arrangement must then be sanctioned by the Supreme Court of Bermuda. If a scheme of arrangement receives all necessary agreements and sanctions, upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme or arrangement.
- If the acquiring party is a company it may compulsorily acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the "offeror"), or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the

shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

- Where one or more parties holds not less than 95% of the shares or a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

7.3 Comparison of key differences between Corporations Act and Bermuda Companies Act

The summary set out below is a general description of the principal differences between the Corporations Act and the Bermuda Companies Act. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing shares subject to these laws. The laws, regulations, policies and procedures described below are subject to change from time to time.

Bermuda Companies Act	Corporations Act
Purchase of own securities	
In Bermuda, a company has the power, subject to its bye-laws, to purchase its own shares. A company may not purchase its own shares if on the date the purchase is to be effected, there are reasonable grounds for believing the company is, or after the purchase would be, unable to pay its liabilities as and when they become due. A purchase by a company of its own shares may be authorised by the company's board of directors.	In Australia, a company has the right to buy back its shares under the Corporations Act. A company may conduct a number of different types of share buy-backs. Depending on the type of share buy-back conducted and the number of shares the company proposes to buy-back, the proposal may need to be approved by a resolution of shareholders.
Takeovers	
The Bermuda Companies Act does not prescribe a regime for the conduct of takeovers or contain a general prohibition on acquisitions of interests in Bermudian companies beyond a certain threshold in the same way as the Corporations Act.	In Australia, the Corporations Act governs a takeover. The Corporations Act contains a general rule that a person must not acquire a "relevant interest" in issued voting shares of a company if, because of the transaction, a person's voting power in the company:
The Bermuda Companies Act provides two different regimes for compulsory acquisition of	(i) increases from 20% or below to more than 20%; or

Bermuda Companies Act	Corporations Act
<p>the shares of minority holders holding less than 10% or less than 5% of the issued share capital of a Bermudian company. Further details are set out in section 7.2(o) above.</p>	<p>(ii) increases from a starting point, which is above 20% but less than 90%.</p> <p>Certain exceptions apply, such as acquisitions of relevant interests in voting shares made under takeover bids or made with shareholder approval, or creeping acquisitions of 3% per 6 months.</p> <p>Australian law permits compulsory acquisition by 90% holders.</p>
Substantial Shareholdings	
<p>The Bermuda Companies Act does not require a shareholder to provide notice to the company or any stock exchange regardless of the size of that shareholder's shareholding.</p>	<p>Under the Corporations Act, a shareholder who begins to or ceases to have a "substantial holding" in a listed company, or has a substantial holding in a listed company and there is a movement of at least 1% in their holding, must give notice to the company and to the ASX. A person has a substantial holding if that person and that person's associates have a relevant interest in 5% or more of the voting shares in the company.</p>
Amalgamations	
<p>The amalgamation of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Unless the company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such a meeting is required to approve the amalgamation agreement, and the quorum for such a meeting must be two persons holding or representing more than one-third of the issued shares of the company.</p>	<p>The Corporations Act contains no equivalent to the concept of an 'amalgamation' as set out in the Bermuda Companies Act.</p>
Shareholders' suits	
<p>Class actions and derivative actions are generally not available to shareholders under the Bermuda Companies Act. As mentioned in section 7.2(c) above, the Bermuda courts would ordinarily be expected to permit a shareholder to commence an action in the name of the company where the act complained of is alleged to be beyond the corporate power of the company or illegal, or would result in a</p>	<p>Under the Corporations Act, a shareholder may sue a wrongdoer on behalf of himself or herself and all fellow members who are not among the wrongdoers in the company's name in respect of wrongs done to the company.</p>

Bermuda Companies Act	Corporations Act
violation of the company's bye-laws.	
Interested Directors	
<p>A director must disclose to the company if that director has an interest in a material contract or proposed material contract with the company or any of its subsidiaries. A director is not precluded from voting at meetings of the board by reason of having a material personal interest in the subject matter under consideration by the board.</p>	<p>A director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while the matter is being considered at the meeting, or vote on the matter, except where that director's participation is approved by ASIC or by the other directors who do not have a material personal interest in the matter.</p>
Indemnification of directors	
<p>The Bermuda Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company.</p>	<p>A company may indemnify a director, officer or auditor but may not provide an indemnity for a liability owed to the company or a related body corporate, a liability for a pecuniary penalty order or compensation order under the Corporations Act, or a liability that is owed to someone other than the company or a related body corporate and did not arise out of conduct in good faith.</p>
Related party transactions	
<p>The Bermuda Companies Act contains limited restrictions on related party transactions.</p> <p>However, as an entity listed on the ASX, Sylvania Platinum will be subject to the restrictions on related party transactions contained in Chapter 10 of the ASX Listing Rules following implementation of the Scheme.</p>	<p>The Corporations Act requires that a public company obtain the approval of the public company's members to give a financial benefit to a related party of the public company. The approval of members is not required in certain circumstances such as where the financial benefit is:</p> <ul style="list-style-type: none"> (i) given on arm's length terms; (ii) reasonable remuneration given to or reimbursement of expenses incurred by an officer or employee of the public company, an entity the public company controls, an entity that controls the public company or an entity that is controlled by an entity that controls the public company; (iii) indemnities, exemptions, insurance premiums and payment of legal costs for officers; (iv) small amounts given to a related entity;

Bermuda Companies Act	Corporations Act
	(v) a benefit to or by closely held subsidiary; or (vi) a benefit given to a related party in their capacity as a member of the public company and the giving of the benefit does not discriminate unfairly against the other members.

7.4 Summary of relevant Bermudian tax considerations

Under current Bermuda law, no Bermuda withholding tax on dividends or other distributions, or any Bermuda tax computed on profits or income or on any capital asset, gain or appreciation will be payable by an exempted company or its operations, and there is no Bermuda tax in the nature of estate duty or inheritance tax applicable to shares, debentures or other obligations of the company held by non-residents of Bermuda. Sylvania Platinum has received an assurance from the Minister of Finance under The Exempted Undertakings Tax Protection Act 1966 in Bermuda that in the event of there being enacted in Bermuda any legislation imposing the aforementioned taxes, such taxes shall not be applicable to Sylvania Platinum or any of its operations or its shares, debentures or other obligations of Sylvania Platinum, until 28 March 2016 except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by Sylvania Platinum in respect of real property owned or leased by Sylvania Platinum in Bermuda.

8. IMPLEMENTATION OF THE REDOMICILE PROPOSAL

8.1 Implementation documents

On 12 January 2011, Sylvania Resources and Sylvania Platinum entered into Implementation Agreement under which Sylvania Resources agreed to propose the Scheme at a meeting of Sylvania Resources shareholders, and Sylvania Resources and Sylvania Platinum agreed certain other matters in relation to the Redomicile Proposal.

The Implementation Agreement sets out the rights and obligations of each of Sylvania Resources and Sylvania Platinum in connection with the implementation of the Scheme, and includes the conditions precedent that must be satisfied before the Scheme can come into effect, namely:

- the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- Sylvania Resources shareholders approve the Scheme at the Scheme Meeting by the requisite majorities as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act;
- approval for listing of Sylvania Platinum Shares on ASX, admission of Sylvania Platinum Shares on AIM and the admission of Sylvania Platinum DIs to CREST to enable settlement of trades on AIM is obtained subject only to the Scheme taking effect and such other conditions as are acceptable to Sylvania Platinum and Sylvania Resources;
- all approvals of any Authority (as defined in the Implementation Agreement) which Sylvania Platinum and Sylvania Resources agree are necessary or desirable to implement the Redomicile Proposal are obtained and no Authority takes any action, or imposes any legal restraint or prohibition, to prevent implementation of the Redomicile Proposal;
- the Independent Expert does not change its conclusion or withdraw its report prior to the Scheme Meeting; and
- any additional conditions that may be imposed by the Court.

A copy of the Implementation Agreement is contained in Annex 1.

On 12 January 2011, Sylvania Platinum executed the Deed Poll under which it agreed, subject to the Scheme becoming Effective, to provide each Scheme Shareholder and SLV DI Scheme Holder with the Scheme Consideration to which it is entitled under the Scheme. The Deed Poll may be relied upon and enforced by any Scheme Shareholder or SLV DI Scheme Holder, despite the fact that the shareholder or the DI holder (as the case may be) is not a party to it. A copy of the Deed Poll is contained in Annex 3.

8.2 Overview of implementation steps

The key steps to implement the Redomicile Proposal are as follows:

- Sylvania Resources will notify the London Stock Exchange of the intended date for cancellation of admission to trading of Sylvania Resources Shares on AIM;
- Sylvania Resources shareholders and holders of Sylvania Resources DIs will vote on whether to approve the Scheme at the Scheme Meeting;

- if the requisite majorities of Sylvania Resources shareholders approve the Scheme and all conditions precedent to the Scheme (other than approval by the Court) have been satisfied, Sylvania Resources will apply to the Court for approval of the Scheme at the Second Court Hearing;
- if the Court approves the Scheme, Sylvania Resources will lodge with ASIC a copy of the Court orders approving the Share Scheme and notify the London Stock Exchange that shareholder approval has been obtained for the Scheme which will necessitate cancellation of admission to trading of Sylvania Resources Shares on AIM. The date on which this occurs will be the Effective Date for the Scheme and will be the last day on which trading in Sylvania Resources Shares on ASX and AIM (with holders of Sylvania Resources DIs settling AIM trades in CREST) can occur;
- on the Implementation Date, Sylvania Platinum will acquire all existing Sylvania Resources Shares in exchange for issuing the Scheme Consideration to Scheme Shareholders (i.e. a share for share exchange);
- following the Implementation Date, Sylvania Resources will apply for termination of the official quotation of Sylvania Resources Shares on ASX and to have itself removed from the official list of ASX.

These steps are described in further detail in sections 8.3 to 8.9. The expected dates for the key steps are set out on page 7 of this Scheme Booklet (but those dates are subject to change).

8.3 Scheme Meeting

In accordance with an order of the Court dated 18 January 2011, Scheme Shareholders will be asked to approve the Scheme at the Scheme Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005 on 2 March 2011 commencing at 11.00am (WST). The notice convening the Scheme Meeting is set out in Annex 6.

At the Scheme Meeting, Sylvania Resources shareholders will be asked to consider and, if thought fit, pass a resolution approving the Scheme. For the acquisition of Sylvania Resources by Sylvania Platinum to proceed and the Scheme Consideration to be payable, the Scheme must be approved by:

- unless the Court orders otherwise, a majority in number of Sylvania Resources shareholders voting at the Scheme Meeting (whether in person, by attorney, by proxy or, in the case of corporations, by authorised representative); and
- Sylvania Resources shareholders who must together hold at least 75% of the votes cast on the resolution.

As at 11 January 2011, the Sylvania Resources Shares held by the SLV Custodian represented approximately 87.56% of the issued Sylvania Resources Shares. However, the SLV Custodian appears on the Sylvania Resources Share Register as a single member without the capacity in which it holds those Sylvania Resources Shares being noted on the register. On a technical application of the majority in number test, the SLV Custodian will count as one member despite voting on behalf of a significant number of holders of Sylvania Resources DIs.

Sylvania Resources has obtained an order from the Court that the individual holders of Sylvania Resources DIs (based on the register of holders of Sylvania Resources DIs) be individually counted as "members" for the purposes of determining the majority in number test referred to in section 411(4)(a)(ii)(A) of the Corporations Act.

8.4 Second Court Hearing

If the Scheme is approved by Sylvania Resources shareholders by the requisite majorities (as may be modified by the Court as described above) and all other conditions precedent to implementation of the Scheme set out in the Implementation Agreement (other than approval by the Court) have been satisfied or waived, Sylvania Resources will apply to the Court for orders approving the Scheme. The Corporations Act and the relevant Court rules provide a procedure for Sylvania Resources shareholders to oppose the approval by the Court of the Scheme. Any shareholder who wishes to oppose the approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on Sylvania Resources a notice of appearance in the prescribed form together with any affidavit on which the shareholder will seek to rely at the Second Court Hearing. The Second Court Hearing is currently scheduled to occur on 8 March 2011. Any change to this date will be announced to ASX (www.asx.com.au) and published on Sylvania Resources' website (www.sylvaniareources.com).

8.5 Effective Date

If the Court approves the Scheme, Sylvania Resources will lodge with ASIC an office copy of the Court order approving the Scheme. Sylvania Resources intends to lodge this with ASIC no later than 5.00pm (WST) on the first Business Day after the day of which the Court approves the Scheme. The Scheme comes into effect on the date on which the order is lodged. This date is referred to in this Scheme Booklet as the Effective Date. If the Scheme has not become effective by the Long Stop Date or such later date as Sylvania Resources and Sylvania Platinum agree in writing, the Scheme will lapse and be of no further force or effect.

Once the Scheme comes into effect, Sylvania Resources will:

- (a) notify ASX and will apply for Sylvania Resources Shares to be suspended from official quotation on ASX from close of trading on the Effective Date; and
- (b) notify the London Stock Exchange that shareholder approval has been obtained for the Scheme which will necessitate cancellation of admission to trading of Sylvania Resources Shares on AIM.

8.6 Determination of entitlements to Scheme Consideration

Except for Ineligible Foreign Holders, arrangements for whom are set out in section 8.11, Sylvania Resources shareholders and holders of Sylvania Resources DIs will be entitled to receive the Scheme Consideration if, and only if, they are registered as the holders of Sylvania Resources Shares as at 7.00 pm (WST) or Sylvania Resources DIs as at 7.00am (GMT) on the Scheme Record Date. The Scheme Record Date is the date that is five Business Days after the Effective Date, currently expected to be 16 March 2011.

For the purposes of establishing the Sylvania Resources shareholders and holders of Sylvania Resources DIs that are entitled to receive the Scheme Consideration, dealings in Sylvania Resources Shares and Sylvania Resources DIs will be recognised provided that:

- in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Sylvania Resources Share Register as the holder of the relevant Sylvania Resources Shares before 7.00pm (WST) on the Scheme Record Date;
- in the case of all other dealings in Sylvania Resources Shares, registrable transfers or transmission applications in respect of those dealings are received by the Australian Registry before 5.00pm (WST) on the Scheme Record Date (in which case Sylvania Resources must register such transfers before 7.00pm (WST) on the Scheme Record Date); or

- in the case of dealings in Sylvania Resources DIs to be effected on CREST, the transferee is registered in the Sylvania Resources DI Register as the holder of the relevant Sylvania Resources DIs before 7.00am (GMT) on the Scheme Record Date.

Sylvania Resources will not accept for registration, or recognise for any purpose any transmission application or transfer in respect of Sylvania Resources Shares received after 5.00pm (WST) on the Scheme Record Date.

8.7 Dealings in Sylvania Resources shares and Sylvania Resources DIs after the Scheme Record Date

As from 7.00pm (WST) on the Scheme Record Date (and other than for Sylvania Platinum following the Implementation Date), all share certificates and holding statements for the Scheme Shares will cease to have effect as documents of title, and each entry on the Sylvania Resources Share Register at that time will cease to have any effect other than as evidence of entitlement to the Scheme Consideration. As from 7.00am (GMT) on the Scheme Record Date, all certificates and holding statements for Sylvania Resources DIs will cease to have effect as documents of title, and each entry on the Sylvania Resources DI Register at that time will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

8.8 Trading of Sylvania Platinum Shares and Sylvania Platinum DIs

Sylvania Platinum will apply to ASX for the Sylvania Platinum Shares issued as Scheme Consideration to be quoted on ASX and to trade on ASX on a deferred settlement basis from the commencement of trading on the first trading day after the Effective Date. Sylvania Platinum Shares will not be admitted to trading on AIM until the date on which normal settlement trading commences on ASX.

Normal trading of Sylvania Platinum Shares on ASX, and trading of Sylvania Platinum Shares on AIM (with holders of Sylvania Platinum DIs being able to settle trades on AIM in CREST) is expected to commence on the fifth trading day on ASX and AIM (as applicable) after the Implementation Date.

It is the responsibility of each person who is issued Sylvania Platinum Shares or Sylvania Platinum DIs under the Scheme to confirm their holding before trading in Sylvania Platinum Shares or Sylvania Platinum DIs to avoid the risk of selling shares or depositary interests that they do not own. Any person who sells Sylvania Platinum Shares or Sylvania Platinum DIs before they receive their holding statement or confirm their uncertificated holdings of Sylvania Platinum Shares or Sylvania Platinum DIs (as the case may be) does so at their own risk. To the maximum extent permitted by law Sylvania Resources and Sylvania Platinum disclaim all liability to persons who trade Sylvania Platinum Shares or Sylvania Platinum DIs before receiving their holding statements or confirming their uncertificated holdings.

8.9 Implementation Date

The Implementation Date will be three Business Days after the Scheme Record Date. On the Implementation Date:

- in respect of any Scheme Consideration required to be provided to Sylvania Resources shareholders in the form of Sylvania Platinum Shares, Sylvania Platinum will issue those Sylvania Platinum Shares to the relevant Sylvania Resources shareholder;
- in respect of any Scheme Consideration required to be provided to holders of Sylvania Resources DIs in the form of Sylvania Platinum DIs, Sylvania Platinum will issue to the SLV Custodian the DI Shares and, in accordance with the depositary interest arrangement to

be established by Sylvania Platinum, the SLV Custodian will transfer the DI Shares to the SLP Custodian who will issue to each holder of Sylvania Resources DIs the number of Sylvania Platinum DIs to which the holder is entitled under the Scheme;

- in respect of any Scheme Consideration required to be provided to Ineligible Foreign Holders, Sylvania Platinum will issue to the Sale Nominee the number of Sylvania Platinum Shares that would have been issued to them under the Scheme, or which would have been issued to the SLV Custodian in respect of the Sylvania Platinum DIs that would otherwise have been issued to them under the Scheme, had they not been Ineligible Foreign Holders, and will procure that the Sale Nominee deals with those Sylvania Platinum Shares in the manner described in section 8.11; and
- once the Scheme Consideration has been issued as described above, all of the Scheme Shares will be transferred to Sylvania Platinum without any need for further action by Scheme Shareholders.

Holding statements and confirmations of CHES holdings for Sylvania Platinum Shares issued as described above are expected to be despatched within five Business Days after the Implementation Date.

In the case of any Scheme Consideration due in respect of Sylvania Resources Shares or Sylvania Resources DIs held in joint names (other than Scheme Consideration due to Ineligible Foreign Holders), the Scheme Consideration will be issued to and registered in those joint names and holding statements and confirmations will be despatched to the holder whose name appears first in the Sylvania Resources Share register as at 7.00pm (WST) or Sylvania Resources DI register as at 7.00am (GMT) on the Scheme Record Date. In the case of any Scheme Consideration due to Ineligible Foreign Holders in respect of Sylvania Resources Shares or Sylvania Resources DIs held in joint names, cheques for the net proceeds of sale of the relevant Sylvania Platinum Shares as described in section 8.11 will be made payable and despatched to the holder whose name appears first in the Sylvania Resources Share Register or Sylvania Resources DI Register as at time detailed above.

8.10 Deemed warranty

The attention of Sylvania Resources shareholders is drawn to the warranties that Scheme Shareholders and SLV DI Scheme Holders will be deemed to have given, if the Scheme takes effect, under clause 8.2 of the Scheme. The Scheme is set out in Annex 2.

In summary, clause 8.2 of the Scheme provides that, if the Scheme becomes Effective, each Scheme Shareholder and SLV DI Scheme Holder is taken to have warranted to Sylvania Resources and Sylvania Platinum that:

- all of the Sylvania Resources Shares and Sylvania Resources DIs (as the case may be) registered in the name of that Scheme Shareholder or SLV DI Scheme Holder as at the Scheme Record Date will, as at the Implementation Date, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties and from all other restrictions on transfer; and
- in the case of the Scheme Shareholders, they have full power and capacity to transfer their Sylvania Resources Shares to Sylvania Platinum under the Scheme.

8.11 Arrangements for Ineligible Foreign Holders

Ineligible Foreign Holders will not be issued with Sylvania Platinum Shares or Sylvania Platinum DIs under the Scheme. Instead, the Sylvania Platinum Shares that would otherwise have been issued

to Ineligible Foreign Holders under the Scheme, or which would have been issued to the SLV Custodian in respect of the Sylvania Platinum DIs that would otherwise have been issued to them under the Scheme (the **FH Shares**), will be issued to the Sale Nominee on the Implementation Date.

Sylvania Platinum must:

- (a) procure that as soon as practicable after the Implementation Date, the Sale Nominee sells the **FH Shares** (in the manner set out in this section 8.11); and
- (b) pay, or procure the payment, to each Ineligible Foreign Holders an amount determined in accordance with the following formula and rounded down to the nearest cent:

$$P \times (N / T)$$

where:

- P** is the net sale proceeds received by the Sale Nominee (after deducting any applicable selling costs, tax and charges) for the sale of all **FH Shares** issued to the Sale Nominee under this section 8.11;
- N** is the number of **FH Shares** which would otherwise have been issued to that Ineligible Foreign Holder had it not been an Ineligible Foreign Holder; and
- T** is the total number of **FH Shares** which were issued to the Sale Nominee in accordance with this section 8.11.

Sylvania Resources, Sylvania Platinum and the Sale Nominee give no undertaking, representation, warranty or other assurance as to the price that will be achieved for the sale of Sylvania Platinum Shares as described above. The amount that each Ineligible Foreign Holder receives may be more or less than the current market value of their holdings of Sylvania Resources Shares or Sylvania Resources DIs.

The Sale Nominee will sell the **FH Shares** on the ASX in such manner (including selling the Sylvania Platinum Shares in one or more lots), at such price and on such other terms as the Sale Nominee determines in good faith as soon as practicable after the Implementation Date, provided the Sale Nominee uses all reasonable endeavours to achieve the best price reasonably obtainable at the time of sale.

Payments of the amounts referred to in this section 8.11 will be made as soon as reasonably practicable by cheque in Australian dollars and sent by prepaid post (at the risk of the Ineligible Foreign Holder) to the address recorded in the Sylvania Resources Share Register or Sylvania Resources DI Register (as the case may be) at the Scheme Record Date.

8.12 Arrangements for holders of Sylvania Resources Options

- (a) Summary

Under the Implementation Agreement, Sylvania Resources has agreed to use all reasonable endeavours to procure that by no later than five Business Days before the Second Court Date, each holder of Sylvania Resources Options enters into a binding agreement with Sylvania Resources and Sylvania Platinum, conditional on the Scheme becoming Effective, under which the holder agrees to the cancellation of those Sylvania Resources Options in consideration for the grant by Sylvania Platinum of an equivalent number of Sylvania Platinum Options on terms and conditions which replicate those of the Sylvania Resources Options. If the Scheme is implemented then, to the extent it is permitted to do so, Sylvania Platinum intends to use the general compulsory acquisition

provisions of the Corporations Act to acquire any Sylvania Resources Options not cancelled under these arrangements.

(b) Summary of terms of Sylvania Platinum Options

Sylvania Platinum Options granted in consideration for the cancellation of the Sylvania Resources Options will include the following key terms:

- (i) **Issue** – The terms and conditions of:
- (A) the Sylvania Platinum Consideration Options replicate those of the Sylvania Resources Consideration Options; and
 - (B) the Sylvania Platinum Employee Options substantially replicate those of the Sylvania Resources Options granted under the Sylvania Resources Employee Option Plan. The rules of the Sylvania Resources Employee Option Plan can be obtained on request by contacting Grant Button of Sylvania Resources on +61 8 9226 4777 between 9.00am and 5.00pm (WST) Monday to Friday.
- (ii) **Number** – In consideration for the cancellation of their Sylvania Resources Options, Sylvania Platinum will grant an equal number of Sylvania Platinum Options to holders of Sylvania Resources Options. Assuming all Sylvania Resources Options are cancelled as described above in section 8.12(a), the composition of holders of Sylvania Platinum Options immediately after implementation of the Scheme will be the same as that of holders of Sylvania Resources Options.
- (iii) **Exercise Price** – Each Sylvania Platinum Option granted will have an exercise price equal to the exercise price of the Sylvania Resources Option which it replaces.
- (iv) **Expiry Date** – Each Sylvania Platinum Option granted will have the same expiry date as that of the Sylvania Resources Option which it replaces.
- (v) **Exercise Conditions** - Each Sylvania Platinum Option granted will have the same exercise conditions as those of the Sylvania Resources Option which it replaces with such modifications as are necessary to reflect that the issuer of Sylvania Platinum Options is Sylvania Platinum.

The full terms and conditions of the Sylvania Platinum Consideration Options and the Sylvania Platinum Employee Options are set out in section 4.7.

(c) Sylvania Resources Options and Sylvania Platinum Options

As at the date of this Scheme Booklet, Sylvania Resources had the following Sylvania Resources Options on issue:

	Tranche No.	Exercise Price	Expiry Date	Number
Sylvania Resources Employee Options:	1	\$2.89	30 June 2011	400,000
	2	\$2.67	30 June 2011	600,000
	3	\$1.63	30 June 2011	5,633,000

	4	\$1.05	30 June 2012	6,000,000
Sylvania Resources Consideration Options:	-	\$1.40	30 June 2011	359,909
	Total number of Sylvania Resources Options:			12,992,909

If the Redomicile Proposal is implemented, and assuming that all Sylvania Resources Options are cancelled as described above in section 8.12(a), the number of Sylvania Platinum Options to be granted as consideration for the cancellation of the Sylvania Resources Options will be:

	Tranche No.	Exercise Price	Expiry Date	Number
Sylvania Platinum Employee Options:	1	\$2.89	30 June 2011	400,000
	2	\$2.67	30 June 2011	600,000
	3	\$1.63	30 June 2011	5,633,000
	4	\$1.05	30 June 2012	6,000,000
Sylvania Platinum Consideration Options:	-	\$1.40	30 June 2011	359,909
	Total number of Sylvania Platinum Options:			12,992,909

8.13 Arrangements for holders of Sylvania Resources Loan Shares

Under the Implementation Agreement, Sylvania Resources has agreed to use all reasonable endeavours to procure that, conditional on the Scheme becoming Effective, by no later than five Business Days before the Second Court Date, each holder of Sylvania Resources Loan Shares enters into a binding agreement with Sylvania Resources and Sylvania Platinum pursuant to which:

- (a) each Share Loan is assigned by Sylvania Resources to Sylvania Platinum; and
- (b) the terms of its Share Loan are amended to provide that:
 - (i) the amount payable under each Share Loan is calculated by reference to the last sale price of Sylvania Platinum Shares on ASX on the date for repayment of the Share Loan, rather than the last sale price of Sylvania Resources Shares; and
 - (ii) Sylvania Platinum Shares issued to the holder in exchange for Sylvania Resources Loan Shares on implementation of the Scheme cannot be transferred until that holder's Share Loan is repaid in full.

9. TAXATION IMPLICATIONS

The paragraphs below prepared by Deloitte Touche Tohmatsu Ltd comment on the general Australian and United Kingdom taxation position of individual and corporate resident Sylvania Resources shareholders and holders of Sylvania Resources DIs in relation to the disposal of their Sylvania Resources Shares and Sylvania Resources DIs in exchange for Sylvania Platinum Shares and Sylvania Platinum DIs.

In particular, these comments only apply to Sylvania Resources shareholders and holders of Sylvania Resources DIs:

- who are individuals, companies, trusts or complying superannuation funds that are resident in Australia for Australian tax purposes; or
- who are resident in the UK and, if individuals, ordinarily resident and domiciled in the UK for UK taxation purposes.

In relation to the Australian tax implications, the comments below only apply to those Sylvania Resources shareholders and holders of Sylvania Resources DIs who hold their investments on capital account and the comments do not apply to Sylvania Resources shareholders who hold their Sylvania Resources Shares as trading stock or revenue assets. These comments also do not apply to Sylvania Resources optionholders.

In relation to the UK tax implications, the comments below apply to Sylvania Resources shareholders and holders of Sylvania Resources DIs who hold their Sylvania Resources Shares or Sylvania Resources DIs and Sylvania Platinum Shares or Sylvania Platinum DIs as an investment (other than under a personal equity plan or an individual savings account), who are the absolute beneficial owners of their Sylvania Resources Shares or Sylvania Resources DIs, who have not (and are not deemed to have) acquired their Sylvania Resources Shares or Sylvania Resources DIs and their Sylvania Platinum Shares or Sylvania Platinum DIs by virtue of an office or employment (whether current, historic or prospective) or Sylvania Resources shareholders or holders of Sylvania Resources DIs who hold their Sylvania Resources Shares or Sylvania Resources DIs in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or otherwise) and are not officers or employees of any member of the Sylvania Resources Group. In addition, these comments may not apply to certain classes of Sylvania Resources shareholders and holders of Sylvania Resources DIs including but not limited to dealers in securities, collective investment schemes and insurance companies.

In providing these comments, Deloitte Touche Tohmatsu Ltd has relied upon certain facts, as set out in this Scheme Booklet, that have not been independently reviewed or verified by Deloitte Touche Tohmatsu Ltd.

The following comments are intended as a general guide to the Australian and UK tax implications only. They should not be a substitute for advice from an appropriate professional adviser and all Sylvania Resources Shareholders and holders of Sylvania Resources DIs are strongly advised to obtain their own professional advice on the tax implications based on their own specific circumstances.

The comments are based on the law and practise of the tax authorities in Australia and the UK as at the date of this document. These are subject to change periodically as is their interpretation by the courts.

The representatives of Deloitte Touche Tohmatsu Ltd involved in preparing this report are not licensed to provide financial product advice. All holders should consider taking advice from an

Australian and UK Financial Services licence holder before taking any decision in relation to a financial product.

9.1 Tax Residency of Sylvania Platinum

The tax outcomes set out in this section are dependent on the residency of Sylvania Platinum for Australian and UK tax purposes.

The issue of tax residency is determined by fact. Based on management's current intentions with regards to the future management of Sylvania Platinum it is likely that Sylvania Platinum would be considered a non-resident of Australia and the UK and a tax resident of Bermuda. The comments below have been prepared on the basis that Sylvania Platinum is considered a non-resident of Australia and the UK for tax purposes.

9.2 Taxation implications of the Scheme

(a) Australian taxation implications

(i) Australian resident shareholders

The Australian resident Sylvania Resources shareholders must consider the impact of the Australian Capital Gains Tax (CGT) rules on the disposal of their Sylvania Resources Shares as a CGT event will occur when they dispose of their Sylvania Resources Shares.

Sylvania Resources Shareholders will derive a capital gain if the value of the Sylvania Platinum Shares they receive is greater than the CGT cost base of their Sylvania Resources Shares. Broadly, the amount of any capital gain liable to Australian tax will be the amount by which the market value of the Sylvania Platinum Shares exceeds the cost base of their Sylvania Resources Shares. The time of recognition of any capital gain will be at the time the Sylvania Resources shareholders dispose of their Sylvania Resources Shares.

Sylvania Resources shareholders will incur a capital loss if the value of the Sylvania Platinum Shares they receive is less than the CGT reduced cost base of their Sylvania Resources Shares. Such a capital loss may be used to offset a capital gain made in the same income year or a future income year. For corporate Sylvania Resources shareholders, a capital loss can only be carried forward to offset a future capital gain if the required tests relating to continuity of ownership and same business are satisfied. A capital loss may not be used to offset ordinary assessable income.

If a Sylvania Resources shareholder would otherwise derive a capital gain, they may be able to elect for CGT rollover relief (more specifically, scrip for scrip rollover relief) in relation to the exchange of their Sylvania Resources Shares for Sylvania Platinum Shares. This will result in any capital gain being disregarded for Australian tax purposes.

As a consequence of choosing rollover relief, Sylvania Platinum Shares received upon the disposal of Sylvania Resources Shares will have a cost base equal to the cost base of the shareholder's original Sylvania Resources Shares (note, in some cases Sylvania Resources Shares were acquired by an earlier scrip transaction and so the cost base may need to be traced back to an earlier acquisition). The cost base of the Sylvania Platinum Shares is relevant in working out any capital gain liable to Australian tax on a subsequent disposal of the Sylvania Platinum Shares.

If a Sylvania Resources shareholder chooses rollover relief, then the choice must be made before they lodge their income tax return for the income year in which they dispose of their Sylvania Resources Shares.

If a Sylvania Resources shareholder derives a capital gain at the time they receive the Sylvania Platinum Shares and does not choose to apply the CGT rollover rules, then the shareholder may offset this gain with any capital losses incurred by the shareholder on or before the end of the income year to determine the net capital gain.

If the Sylvania Resources shareholder is an individual, trust or complying superannuation fund and had held their Sylvania Resources Shares for more than 12 months at the time they dispose of their Sylvania Resources Shares, then it is possible for the shareholder to obtain a CGT discount which will reduce the net capital gain by 50% (if the shareholder is an individual or trust) or by one third (if the Sylvania Resources shareholder is a complying superannuation fund). No reduction in the capital gain is available to company shareholders.

The CGT cost base of the Sylvania Platinum Shares acquired for all Sylvania Resources shareholders who do not choose to apply the CGT rollover rules (or who are unable to make this choice) will equal the market value of the Sylvania Platinum Shares at the time the Sylvania Resources Shares are disposed of.

A Sylvania Resources shareholder who chooses rollover relief will be taken to acquire their Sylvania Platinum Shares at the time of acquiring their Sylvania Resources Shares for the purpose of the CGT rules.

We note that the Australian Government has proposed changes to the CGT rollover provisions. If these provisions come into effect, then Australian Sylvania Resources shareholders may be entitled to rollover relief under the replacement asset rollover provisions. If this is the case, these rollover provisions will take precedence over the scrip for scrip rollover provisions. Under the replacement asset rollover provisions, rollover relief in relation to any capital gain arising will still be available provided the requisite conditions are met. However, we note that under the replacement asset rollover provisions if a capital loss arises from the Scheme a shareholder can choose to apply rollover in relation to this capital loss (there is no such choice under the scrip for scrip rollover provisions). Given the uncertainty around these proposed changes, we strongly recommend that each investor obtain their own tax advice in relation to the consequences of the Scheme.

(ii) UK resident shareholders

CGT for non-residents was abolished in Australia under certain circumstances. Under the Australian CGT rules, a capital gain or loss made by a non-resident will only be subject to CGT if it relates predominantly to assets that are 'taxable Australian property'. Taxable Australian property comprises Australian land and interests in Australian land or interests (e.g. options or shares) in companies whose underlying assets comprise such land.

On the basis that the value of Sylvania Resources is not predominantly attributable to 'taxable Australian property', then it is likely that the UK resident Sylvania Resources shareholders will not be subject to Australian CGT on the disposal of their Sylvania Resources Shares for Sylvania Platinum Shares.

(b) UK taxation implications

For the purposes of UK capital gains tax and corporation tax on chargeable gains, a Sylvania Resources shareholder or holder of Sylvania Resources DIs who receives Sylvania Platinum Shares or Sylvania Platinum DIs in exchange for a holding of Sylvania Resources Shares or Sylvania Resources DIs should not be treated as having made a disposal chargeable to capital gains tax or corporation tax on chargeable gains provided that certain criteria are met. When the exchange of Sylvania Resources Shares for Sylvania Platinum Shares or the exchange of Sylvania Resources DIs for Sylvania Platinum DIs takes place, UK resident shareholders and holders of Sylvania Resources

DIs who do not hold (either alone or together with connected persons) more than 5% of, or of any class of, shares in or debentures of Sylvania Resources should not be treated as incurring any disposal of the original shares or any acquisition of a new holding; the original shares (treated as a single asset) and the new holding (treated as a single asset) shall be treated as the same asset acquired as the original shares were acquired. In effect, the Sylvania Platinum Shares or Sylvania Platinum DIs issued to a Sylvania Resources shareholder or holder of Sylvania Resources DIs should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as his or her Sylvania Resources Shares or Sylvania Resources DIs from which they are derived.

Sylvania Resources shareholders and holders of Sylvania Resources DIs who hold (alone, or together with connected persons) more than 5% of, or of any class of, shares in or debentures of Sylvania Resources will be eligible for the above treatment only if the Scheme is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is avoidance of a liability to capital gains tax or corporation tax. If these conditions are not met, then a Sylvania Resources shareholder or holder of Sylvania Resources DIs will be treated as receiving Sylvania Platinum Shares or Sylvania Platinum DIs in consideration for his or her Sylvania Resources Shares or Sylvania Resources DIs and as having made a disposal of his or her Sylvania Resources Shares or Sylvania Resources DIs which may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for CGT purposes. Clearance has not been sought from Her Majesty's Revenue and Customs (HMRC) under section 138 Taxation of Chargeable Gains Act 1992 that the Scheme will be effected for bona fide commercial reasons and will not form part of such a scheme or arrangement.

The above treatment may also not apply to a corporate Sylvania Resources shareholder or holder of Sylvania Resources DIs who currently holds 10% or more of the share capital of Sylvania Resources, where the disposal of such Sylvania Resources Shares or Sylvania Resources DIs would qualify for Substantial Shareholdings Exemption (SSE). In such circumstances the Sylvania Resources Shares or Sylvania Resources DIs will be treated as sold (and any gain exempt from tax) and the new Sylvania Platinum Shares or Sylvania Platinum DIs will be treated as acquired at market value. Such treatment will only apply where the other conditions for SSE are met. There are a number of conditions which need to be met and, for the avoidance of doubt, no confirmation has been obtained that Sylvania Resources is a trading group, which is one of the key conditions for SSE to apply.

9.3 Taxation Consequences of Owning Sylvania Platinum Shares

The comments outlined below are based on the assumption that any dividends paid by Sylvania Platinum will be paid out of ordinary profits. Should dividends be paid out of a contributed surplus, this may have different taxation implications for Sylvania Platinum shareholders. We strongly recommend that Sylvania Resources shareholders take their own professional advice in relation to this matter.

(a) Australian Taxation Consequences

If the shareholder of Sylvania Platinum Shares is an Australian resident and Sylvania Platinum pays a dividend on the Sylvania Platinum Shares, then the gross amount of the dividend must be included in the shareholder's assessable income for the year of payment.

Bermuda does not impose withholding tax on the payment of dividends and therefore Australian residents will not be entitled to a foreign income tax offset (FITO) to reduce the Australian tax payable on the dividend.

In the case of Australian resident companies that hold at least 10% of Sylvania Platinum's Shares at the time the dividend is paid, the dividends will be non-assessable non-exempt income for Australian

tax purposes and therefore will not be required to be included in the assessable income of the company. UK tax resident Sylvania Platinum shareholders will generally not be subject to Australian tax on dividends paid by Sylvania Platinum.

The laws applicable to the foreign source income of an Australian resident are complex and are currently subject to a review by the Australian Government. It is recommended that each shareholder seek independent advice in relation to the tax implications of holding Sylvania Platinum Shares.

(b) UK Taxation Consequences

As Bermuda does not levy any withholding tax on dividends it will not be necessary for UK shareholders or DI holders to claim any tax credit or double tax relief in respect of dividends received.

(i) Individual Sylvania Platinum shareholders and holders of Sylvania Platinum DIs

Individual holders of Sylvania Platinum Shares and Sylvania Platinum DIs who are resident or ordinarily resident in the UK (for UK tax purposes), and who receive a dividend from the company paid from ordinary profits of the company, will be liable to UK income tax on the gross amount of any such dividend, which will be regarded as the top slice of the holder's income.

For UK resident shareholders or DI holders owning a less than 10% interest in Sylvania Platinum's issued share capital, a one-ninth tax credit should be available to them in relation to dividends received from Sylvania Platinum. This would lead to an effective rate of tax for individual UK Sylvania Platinum shareholders and holders of Sylvania Platinum DIs of 0% (where the individual is liable to income tax at the lower or basic rate), 25% (where the individual is liable to UK income tax at the higher rate), or 36.11% (where the individual's total taxable income exceeds £150,000).

For UK resident Sylvania Platinum shareholders or holders of Sylvania Platinum DIs owning a 10% or greater interest in Sylvania Platinum's issued share capital, where the individual is liable to income tax at the lower or basic rate, they will be subject to UK income tax on the dividend at a rate of 10%; where the individual Sylvania Platinum shareholder or holder of Sylvania Platinum DIs is liable to UK income tax at the higher rate, they will be subject to UK income tax at a rate of 32.5%; and a UK resident individual Sylvania Platinum shareholder or holder of Sylvania Platinum DIs whose total taxable income exceeds £150,000 will be subject to UK income tax on the dividend at a rate of 42.5%.

In summary, for individual UK resident Sylvania Platinum shareholders or holders of Sylvania Platinum DIs owning a 10% or greater interest in Sylvania Platinum, the payment of dividends by Sylvania Platinum will mean that these Sylvania Platinum shareholders or holders of Sylvania Platinum DIs will suffer a higher effective tax rate on their dividends than if dividends were paid by Sylvania Resources. This is because a one-ninth tax credit which may be available to them in relation to dividends received from Sylvania Resources will not be available when they receive dividends from Sylvania Platinum. UK tax rules only allow for the one-ninth tax credit to be applied where the dividend is received by an individual owning a minority shareholding (i.e. less than 10% of the company's issued share capital), or where they have a 10% or greater shareholding and the dividend is being paid from a "qualifying territory", being a country that has an appropriate tax treaty with the UK. As Bermuda does not have a treaty with the UK, it will not fall within the definition of a qualifying territory. Sylvania Resources is resident in a qualifying territory (being Australia)

and therefore, all UK resident shareholders of Sylvania Resources are currently entitled to the one-ninth tax credit.

The Scheme may therefore result in an increase in the effective rate of tax on dividends paid from 0%, 25% and 36.11% (depending on the rate of tax individual UK shareholders or DI holders pay) to 10%, 32.5% and 42.5% respectively (as noted above) where the UK individual Sylvania Platinum shareholder or holder of Sylvania Platinum DIs owns a 10% or greater interest in Sylvania Platinum's issued share capital.

As noted above, should distributions be paid out of a contributed surplus, this may have different taxation implications for individual UK Sylvania Platinum shareholders or holder of Sylvania Platinum DIs, which are not considered further here.

(ii) Corporate Sylvania Platinum shareholders and holders of Sylvania Platinum DIs

Dividends paid out of the ordinary profits of Sylvania Platinum on or after 1 July 2009 and received by a Sylvania Platinum shareholder or holder of Sylvania Platinum DIs within the charge to UK corporation tax are subject to the Company Distribution rules in Part 9A Corporation Tax Act 2009. Under the Company Distribution rules, any such Sylvania Platinum shareholder or holder of Sylvania Platinum DIs should generally not be subject to corporation tax on dividends paid by Sylvania Platinum, though Sylvania Platinum shareholders and holders of Sylvania Platinum DIs should take advice based on their own particular facts and circumstances.

As noted above, should distributions be paid out of a contributed surplus, this may have different taxation implications for corporate UK Sylvania Platinum shareholders or holders of Sylvania Platinum DIs, which are not considered further here.

9.4 Taxation Consequences of Disposing of Sylvania Platinum Shares

(a) Australian taxation consequences

If a shareholder of Sylvania Platinum Shares is an Australian resident, then the Australian tax consequences of any disposal of Sylvania Platinum Shares will be similar to the consequences of the disposal of their current Sylvania Resources Shares described above (provided that Sylvania Platinum Shares continue to be held on capital account). However, as set out above, there will be a difference in the cost base of the Sylvania Platinum Shares depending on whether the shareholder chose the rollover relief to apply.

If an Australian resident company has held a 10% or greater interest in Sylvania Platinum for a continuous period of at least 12 months during the 24 months prior to the disposal of the Sylvania Platinum Shares, then the Sylvania Platinum shareholder may be entitled to a reduction in the capital gain or loss arising from the disposal under the "participation exemption" rules. Shareholders are recommended to seek their own professional advice on the potential application of these rules.

UK resident shareholders of Sylvania Platinum will generally not be subject to Australian tax on the disposal of Sylvania Platinum Shares except where the shareholder, together with its associates, has a 10% or greater interest in Sylvania Platinum and Sylvania Platinum has acquired substantial Australian real property assets such that Sylvania Platinum Shares are considered to be 'indirect Australian real property interests'.

(b) UK Taxation Consequences

A disposal of Sylvania Platinum Shares or Sylvania Platinum DIs by a UK tax resident Sylvania Platinum shareholder or holder of Sylvania Platinum DIs may, depending on individual circumstances, give rise to a chargeable gain or allowable loss for UK tax purposes.

For corporate shareholders and holders of Sylvania Platinum DIs only, indexation allowance on the relevant proportion of the original allowable cost should be taken into account for the purposes of calculating a chargeable gain (but not an allowable loss) arising on a disposal or part disposal of its Sylvania Platinum Shares or Sylvania Platinum DIs.

In situations where a corporate Sylvania Platinum shareholder or holder of Sylvania Platinum DIs holds 10% or more of the share capital of Sylvania Platinum, where the disposal of such Sylvania Platinum Shares or Sylvania Platinum DIs would qualify for SSE, any gain arising on disposal will be treated as exempt from tax. Such treatment will only apply where all of the relevant conditions for SSE are met. As noted above, there are a number of conditions which need to be met and, for the avoidance of doubt, no confirmation has been obtained that Sylvania Resources is a trading group, which is one of the key conditions for SSE to apply.

If an individual Sylvania Platinum shareholder or holder of Sylvania Platinum DIs ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years and disposes of the Sylvania Platinum Shares or Sylvania Platinum DIs during that period, any gain on that disposal may become liable to UK CGT upon that holder becoming once again resident or ordinarily resident in the UK.

The UK Taxes Acts contain provisions which may in certain circumstances subject certain UK resident, ordinarily resident, or domiciled shareholders and holders of Sylvania Platinum DIs (including corporate shareholders and DI holders) to UK taxation on income or gains of Sylvania Platinum, even where such income and gains are not necessarily distributed. Such provisions may apply, for example, to transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, or where a company is not sufficiently widely held.

(c) UK anti-avoidance provisions

Sylvania Resources shareholders and holders of Sylvania Resources DIs should be aware of an anti-avoidance provision contained in s733 CTA 2010/s684 ITA 2007 that may be applied by HMRC, in specified circumstances, to counteract a tax advantage obtained by a person as a consequence of a transaction in securities. This provision does not apply if the transactions were carried out for bona fide commercial reasons, or in the ordinary course of making or managing investments, and none of them had as their main object (or one of their main objects) the gaining of a tax advantage. Clearance has not been sought from HMRC under s748 CTA 2010/s701 ITA 2007 that s733 CTA 2010/s684 ITA 2007 should not apply in respect of the share exchange.

9.5 Stamp Duty Consequences

(a) Australian Stamp Duty

Sylvania Resources shareholders will not be required to pay any stamp duty on the disposal of their Sylvania Resources Shares or the acquisition of Sylvania Platinum Shares.

(b) UK Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No UK stamp duty or UK SDRT will be payable by shareholders as a result of the exchange of Sylvania Resources Shares for Sylvania Platinum Shares on the assumption that there is no share register maintained in the UK.

Any subsequent conveyance or transfer on sale of Sylvania Platinum Shares outside CREST will not normally be subject to UK stamp duty or UK SDRT provided the instrument of transfer is not executed in the UK and there is no matter or thing in relation to such transfer done, or to be done, in the UK.

Similarly an unconditional agreement to transfer such shares outside CREST will not normally give rise to UK SDRT, provided that both (i) the Sylvania Platinum Shares are not maintained on a share register in the UK, and (ii) the Sylvania Platinum Shares are not paired with any UK shares.

Shares which are held under the CREST system are likely to be held in the form of DIs. There would normally be no stamp duty payable on transfers of DIs since DIs are usually traded electronically and therefore in a manner which does not usually involve the creation of a written instrument. In addition, although DIs can attract SDRT at 0.5 per cent of any consideration paid for their transfer, there is an exemption from SDRT which applies where shares represented by DIs are: (a) issued or raised by a body corporate that is not incorporated, and whose central management and control is not exercised, in the United Kingdom; (b) not registered in a register kept in the United Kingdom by or on behalf of the body corporate by which they are issued or raised; and (c) of the same class in the company as securities which are listed on a recognised stock exchange. It is expected that this SDRT exemption will apply in this case to transfers of DIs representing the Sylvania Platinum Shares.

The above statements are intended as a general guide to the current UK stamp duty and UK SDRT position. Certain categories of person, including market makers, brokers, dealers and persons connected with depository arrangements and clearance services are not liable to stamp duty or SDRT and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

10. ADDITIONAL INFORMATION

10.1 Sylvania Resources securities

At the date of this Scheme Booklet, Sylvania Resources has on issue:

- 301,961,805 Sylvania Resources Shares; and
- 12,992,909 Sylvania Resources Options.

As at 11 January 2011, 264,414,789 of the Sylvania Resources Shares on issue are represented by Sylvania Resources DIs. The SLV Custodian is the registered holder of the Sylvania Resources Shares representing the Sylvania Resources DIs.

As at the date of this Scheme Booklet, Sylvania Resources had the following Sylvania Resources Options on issue:

	Tranche No.	Exercise Price	Expiry Date	Number
Sylvania Resources Employee Options:	1	\$2.89	30 June 2011	400,000
	2	\$2.67	30 June 2011	600,000
	3	\$1.63	30 June 2011	5,633,000
	4	\$1.05	30 June 2012	6,000,000
Sylvania Resources Consideration Options:	-	\$1.40	30 June 2011	359,909
	Total number of Sylvania Resources Options:			12,992,909

In accordance with section 170 of the Corporations Act, Sylvania Resources maintains a register of the names of all Sylvania Resources shareholders and holders of Sylvania Resources Options. Pursuant to section 173 of the Corporations Act, Sylvania Resources shareholders and holders of Sylvania Resources Options may, upon request to Sylvania Resources:

- inspect this register free of charge; and
- obtain a copy of this register subject to payment of a prescribed fee to Sylvania Resources.

10.2 Substantial shareholders

As at 11 January 2011, the following persons had a relevant interest in 3%¹ or more of Sylvania Resources Shares on issue:

Name	Number of Sylvania Resources Shares ²	Percentage of Sylvania Resources Shares
Rene Nominees (IOM) Limited ³ <3830>	58,882,551	19.50%
K.B. (C.I.) Nominees Limited	37,610,332	12.46%
Nortrust Nominees Limited <MKK01> ⁴	29,280,250	9.70%
Apollo Nominees Limited <CRE>	10,966,000	3.63%
Chase Nominees Limited	10,551,020	3.49%
Chase Nominees Limited <CMBL>	9,259,358	3.07%

Note:

- (1) A shareholder of a public limited company listed on AIM must notify such company of its acquisition or disposal of shares in the company where the percentage of voting rights reaches, exceeds or falls below 3% or any other whole percentage above 3%. These interests must be disclosed to the relevant company and that company must in turn notify the market.
- (2) These Sylvania Resources Shares are represented by Sylvania Resources DIs.
- (3) Held as nominee for Africa Asia Capital Limited.
- (4) Each of M&G Investment Funds, M&G Investment Management Limited, M&G Securities Limited, M&G Limited, M&G Group Limited and Prudential plc hold a relevant interest in these Sylvania Resources Shares.

10.3 Sylvania Platinum's interests in Sylvania Resources securities

- (a) Sylvania Platinum's interests in Sylvania Resources Shares and Sylvania Resources Options

As at the date of this Scheme Booklet, Sylvania Platinum does not have a Relevant Interest in any Sylvania Resources Shares or Sylvania Resources Options. Accordingly, as at the date of this Scheme Booklet, Sylvania Platinum had no voting power in Sylvania Resources.

- (b) Acquisitions of Sylvania Resources Shares or Sylvania Resources DIs by Sylvania Platinum or its associates

In the four months prior to the date of lodgement of this Scheme Booklet with ASIC, neither Sylvania Platinum nor any of its associates has provided, or agreed to provide, consideration for Sylvania Resources Shares or Sylvania Resources DIs under a purchase or agreement, other than under the agreement to pay the Scheme Consideration under the Scheme if it becomes Effective.

10.4 No collateral benefits

In the four months prior to the date of lodgement of this Scheme Booklet with ASIC, neither Sylvania Platinum nor any of its associates has provided any benefit, or agreed to provide any benefit, to a person to induce them to vote in favour of the Scheme or to dispose of their Sylvania Resources Shares or Sylvania Resources DIs, other than under the agreement to pay the Scheme Consideration under the Scheme if it becomes Effective.

10.5 Sylvania Resources securities held by Sylvania Resources Directors and Sylvania Platinum Directors

The Sylvania Resources Directors and Sylvania Platinum Directors, and the number of Sylvania Resources Shares and Sylvania Resources Options held by or on behalf of each of them at the date of lodgement of this Scheme Booklet with ASIC are set out below:

Name	Number of Sylvania Resources Shares	Number of Sylvania Resources Options
T M McConnachie	500,000	1,750,000
R D Rossiter	1,032,000 ¹	nil
L M Carroll	nil	300,000
G M Button	300,000 ²	nil

Notes:

- (1) 1,000,000 of these Sylvania Resources Shares are held directly by Richard Rossiter and the remaining 32,000 Sylvania Resources Shares are held by his wife, Lee Rossiter.
- (2) 250,000 of these Sylvania Resources Shares are held directly by Grant Button and the remaining 50,000 Sylvania Resources Shares are held by Grant Button as trustee for the Wilberforce Trust.

10.6 Interests of Sylvania Resources Directors and Sylvania Platinum Directors in Sylvania Platinum securities

As at the date of this Scheme Booklet, no Sylvania Resources Director nor Sylvania Platinum Director other than Grant Button holds any interest in any securities of Sylvania Platinum. Mr Button holds one Sylvania Platinum Subscriber Share, the terms of which are summarised in section 4.6 of this Scheme Booklet.

10.7 Payments and other benefits to directors, secretaries and executive officers of Sylvania Resources and Sylvania Platinum

(a) Remuneration

The directors of Sylvania Resources are currently paid the following remuneration and it is proposed that they will also be paid the following as directors of Sylvania Platinum following implementation of the Scheme:

Name	Annual Remuneration (exclusive of superannuation)	
	Annual Salary/Consultancy Fees	Directors' Fees (in addition to salary/consultancy fees)
T M McConnachie	\$435,300	\$60,000
R D Rossiter	\$285,768	\$60,000
L M Carroll	\$264,492	\$60,000
G M Button	\$267,912	\$60,000

The remuneration of the executive directors of Sylvania Platinum is fixed by the Sylvania Platinum board and may consist of salary, bonuses or any other elements, but must not be a commission on, or percentage of, operating revenue.

The remuneration as outlined above is current as at the date of this Scheme Booklet, but is subject to adjustment in the ordinary course.

(b) Termination payments

Except as set out in this section 10.7 and section 10.8, no payment or other benefit is proposed to be made or given to any director, secretary or executive officer of Sylvania Resources, Sylvania Platinum, or any body corporate related to Sylvania Resources or Sylvania Platinum, as compensation for loss of, or as consideration for or in connection with, his or her retirement from office as director, secretary or executive officer of Sylvania Resources, Sylvania Platinum or a body corporate connected with Sylvania Resources or Sylvania Platinum.

As set out in section 5.3, Sylvania Resources and Sylvania Platinum understand that, after completion of the Redomicile Proposal, Mr Rossiter, Mr Button and Mr Carroll may resign as directors of Sylvania Platinum if AAC exercises its right to nominate two directors for appointment to the board of Sylvania Platinum subject to the qualifications and experience of any such nominee, or if other suitable replacements have been found. If and when Mr Rossiter, Mr Button and Mr Carroll resign, they are entitled to receive termination packages for the termination of their consultancy agreements representing an amount equal to the consultancy fees paid to them in the last 12 months in accordance with the usual practice of the Sylvania Resources Group.

(c) Participation in the Scheme

Other than as described elsewhere in this Scheme Booklet, all directors, secretaries and executive officers of Sylvania Resources, Sylvania Platinum or any of Sylvania Resources or Sylvania Platinum's related entities, who are Scheme Shareholders (each a **Participating Officer**) will be treated in the same way under the Scheme as all other Scheme Shareholders. Other than as described elsewhere in this Scheme Booklet, no payment or other benefit is proposed to be made or given to any Participating Officer, that it is not also given to all other Scheme Shareholders.

(d) Arrangements in respect of Sylvania Resources Options

Please refer to section 8.12 for details of the proposed treatment of the Sylvania Resources Options under the Scheme.

10.8 Other agreements or arrangements with Sylvania Resources Directors or Sylvania Platinum Directors in connection with the Scheme

Except as set out in section 10.7 and this section 10.8, there are no agreements or arrangements made between any Sylvania Resources Director or any Sylvania Platinum Director and any other person, including Sylvania Platinum, in connection with or conditional upon the outcome of the Scheme.

(a) Agreements or arrangements between Sylvania Resources Directors or Sylvania Platinum Directors, and Sylvania Resources

As set out in section 8.12, Sylvania Resources and Sylvania Platinum intend to enter into an agreement with each holder of Sylvania Resources Options pursuant to which the Sylvania Resources Options are cancelled. Two of Sylvania Resources Directors (both of whom are also Sylvania Platinum Directors), namely Terry McConnachie and Louis Carroll, are holders of Sylvania Resources Options. Please refer to section 10.8(b) below for further details.

As set out in section 8.13, Sylvania Resources and Sylvania Platinum intend to enter into an agreement with each holder of Sylvania Resources Loan Shares in relation to the loan provided by Sylvania Resources for the acquisition of the Sylvania Resources Loan Shares. One of the Sylvania Resources Directors (who is also a Sylvania Platinum Director), namely Richard Rossiter, holds 1,000,000 Sylvania Resources Loan Shares.

(b) **Agreements or arrangements between Sylvania Resources Directors or Sylvania Platinum Directors, and Sylvania Platinum**

Sylvania Platinum has entered into deeds with each of the directors of Sylvania Platinum to provide them with an indemnity from Sylvania Platinum for director related proceedings and actions.

As set out in section 8.12, Sylvania Platinum intends to issue to each holder of Sylvania Resources Options an equivalent number of Sylvania Platinum Options on terms and conditions which replicate those of the Sylvania Resources Options. As set out above, Sylvania Platinum intends to enter into an agreement with:

- Terry McConnachie, pursuant to which Mr McConnachie will agree to the cancellation of his 1,750,000 Sylvania Resources Employee Options in consideration for the issue of a maximum of 1,750,000 Sylvania Platinum Employee Options; and
- Louis Carroll, pursuant to which Mr Carroll will agree to the cancellation of his 300,000 Sylvania Resources Employee Options in consideration for the issue of a maximum of 300,000 Sylvania Platinum Employee Options.

The terms and conditions of the Sylvania Platinum Employee Options to be issued to Mr McConnachie and Mr Carroll are set out in section 4.7(a). No funds will be raised by the issue of Sylvania Platinum Employee Options to Mr McConnachie and Mr Carroll as they are being issued in consideration for the cancellation of their respective Sylvania Resources Employee Options.

The Sylvania Platinum Options will be issued to Mr McConnachie and Mr Carroll on the same date as other holders of Sylvania Resources Options are issued their Sylvania Platinum Options pursuant to the arrangements described in section 8.12 and, in any event, within one month of Sylvania Platinum Shares being admitted to the official list of ASX.

Mr McConnachie and Mr Carroll are related parties of Sylvania Platinum by virtue of each of them being a director of Sylvania Platinum. ASX has confirmed that, upon receipt of an application from Sylvania Platinum for the admission of Sylvania Platinum Shares to the official list of ASX and subject to certain conditions, it would be likely to grant a waiver from ASX Listing Rule 10.11 to the extent necessary to permit Sylvania Platinum to issue, without shareholder approval, Sylvania Platinum Options to related parties in consideration for the cancellation of their Sylvania Resources Options. Refer to section 10.13(a) for further details.

10.9 Interests of Sylvania Resources Directors and Sylvania Platinum Directors in contracts entered into by Sylvania Platinum

Except as set out in section 10.8, no Sylvania Resources Director nor Sylvania Platinum Director has any interest in any contract entered into by Sylvania Platinum.

10.10 Intentions of Sylvania Resources Directors and Sylvania Platinum Directors concerning the business of Sylvania Resources

Sylvania Platinum has provided a statement of its intentions concerning the business of Sylvania Resources which is set out in section 5.2(b). In that statement Sylvania Platinum states that, other than as disclosed elsewhere in this Scheme Booklet, it:

- intends to continue the business of Sylvania Resources as currently conducted;
- does not intend to make any major changes to the business of Sylvania Resources or redeploy any fixed assets of Sylvania Resources; and
- does not intend to change or affect the future employment of the present employees of Sylvania Resources.

That statement has been approved by the Sylvania Platinum Directors, who are the same as the Sylvania Resources Directors. Accordingly, the intentions of the Sylvania Resources Directors are the same as those of Sylvania Platinum.

10.11 Information in relation to existing Sylvania Platinum Shares

As at the date of this Scheme Booklet, there are two Sylvania Platinum Subscriber Shares in the issued and outstanding capital of Sylvania Platinum. One Sylvania Platinum Subscriber Share was issued to Sylvania Resources on 7 September 2010 at an issue price of US\$0.10. The other Sylvania Platinum Subscriber Share was issued to Grant Button on 14 December 2010 at an issue price of US\$0.10. No other securities in the capital of Sylvania Platinum have been issued, transferred or sold in the three months before the date of lodgement of this Scheme Booklet with ASIC. As at the date of this Scheme Booklet, no Sylvania Platinum DIs have been issued and neither Sylvania Platinum Shares nor Sylvania Platinum DIs have been granted official quotation on any securities exchange. Other than pursuant to the Scheme, Sylvania Platinum will not raise any capital for three months after the date of this Scheme Booklet.

10.12 Quotation of Sylvania Platinum Shares and Sylvania Platinum DIs

(a) Quotation on ASX

Sylvania Platinum will apply for official quotation on ASX of all Sylvania Platinum Shares to be issued under the Scheme within seven days after the date of this Scheme Booklet. That application will be conditional upon the Scheme becoming Effective. It is anticipated that Sylvania Platinum Shares will begin trading on ASX on a deferred settlement basis on 10 March 2011, being the first trading day on ASX after the Effective Date and on a normal settlement basis on 24 March 2011, being the fifth trading day after the Implementation Date.

(b) Quotation on AIM

Sylvania Platinum will apply for admission to trading of the Sylvania Platinum Shares on AIM on or about the date of this Scheme Booklet. That application will be conditional upon the Scheme becoming Effective. It is anticipated that Sylvania Platinum Shares will begin trading on AIM on 24 March 2011, being the fifth trading day after the Implementation Date.

Sylvania Platinum will also procure the admission of the Sylvania Platinum DIs to CREST to enable settlement of trades on AIM. It is anticipated that Sylvania Platinum DIs will begin trading through CREST on the same day as the Sylvania Platinum Shares are admitted to trading on AIM.

Each of ASX and AIM have reserved the code 'SLP' for Sylvania Platinum Shares.

10.13 Regulatory matters

(a) ASX waivers

ASX has confirmed that, upon receipt of an application from Sylvania Platinum for the admission of Sylvania Platinum Shares to the official list of ASX, it would be likely to:

- (i) agree that Sylvania Platinum may issue an information memorandum in connection with its ASX listing application, and that such information memorandum may be based on this Scheme Booklet;
- (ii) grant waivers from certain conditions in ASX Listing Rule 1.1 to the effect that Sylvania Platinum's information memorandum is not required to contain all of the information specified in Appendix 1A to the ASX Listing Rules;
- (iii) grant a waiver from ASX Listing Rule 6.23.2 to the extent necessary to allow Sylvania Resources to cancel for consideration the Sylvania Resources Options without shareholder approval under that Listing Rule. The waiver will be conditional on the Scheme being approved by Sylvania Resources shareholders and the Court; and
- (iv) grant a waiver from ASX Listing Rule 10.11 to the extent necessary to allow Sylvania Platinum to issue, without shareholder approval, Sylvania Platinum Options to holders of Sylvania Resources Options, including related parties, in consideration for the cancellation of their Sylvania Resources Options. The waiver will be conditional on, among other things, the Scheme being approved by Sylvania Resources shareholders and the Court and the Sylvania Platinum Options being issued within 1 month of Sylvania Platinum being admitted to the official list of ASX.

(b) FIRB approval

The acquisition of Sylvania Resources shares by Sylvania Platinum under the Redomicile Proposal was subject to review and approval by the Treasurer of the Commonwealth of Australia under section 26 of the Foreign Acquisitions and Takeovers Act. Sylvania Platinum received such approval on 20 December 2010.

10.14 Consents and disclaimers

(a) Consents

Each of the following persons has given and has not before the date of this Scheme Booklet withdrawn its written consent to be named in this Scheme Booklet in the form and context in which it is named:

- Allen & Overy as legal adviser to Sylvania Resources and Sylvania Platinum as to matters of Australian law;
- Allen & Overy LLP as legal adviser to Sylvania Resources and Sylvania Platinum as to matters of English law;
- Computershare Investor Services Pty Limited as the Australian Registry;
- Computershare Clearing Pty Ltd as the SLV Custodian;
- Computershare Investor Services PLC as the United Kingdom Depository;
- Computershare Company Nominees Ltd as the SLP Custodian; and
- Ambrian Partners Limited as nominated advisor and broker to Sylvania Resources and Sylvania Platinum.

HLB Mann Judd Chartered Accountants has given and has not before the date of this Scheme Booklet withdrawn its written consent to be named in this Scheme Booklet as the auditor to Sylvania Resources and Sylvania Platinum and to the inclusion in this Scheme Booklet of extracts from and references to and information from Sylvania Resources' audited financial statements in the form and context in which they are included.

Conyers Dill & Pearman Limited has given and has not before the date of this Scheme Booklet withdrawn its written consent to be named in this Scheme Booklet as special legal adviser to Sylvania Resources and Sylvania Platinum as to matters of Bermudian law and to the inclusion in this Scheme Booklet of the summary of certain matters under Bermudian law set out in sections 7.2, 7.3 and 7.4 and the references to the contents or conclusions of that summary elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

Deloitte Touche Tohmatsu Ltd has given and has not before the date of this Scheme Booklet withdrawn its written consent to be named as Australian tax advisers to Sylvania Resources and Sylvania Platinum and to the inclusion in this Scheme Booklet of the report on taxation implications of the Redomicile Proposal for certain Sylvania Resources shareholders and certain holders of Sylvania Resources DIs set out in section 9 and the references to that report elsewhere in this Scheme Booklet including the summary in section 1.9, in each case in the form and context in which they are included.

Deloitte Corporate Finance Pty Limited has given and has not before the date of this Scheme Booklet withdrawn its written consent to be named as the Independent Expert in this Scheme Booklet and to the inclusion in this Scheme Booklet of the Independent Expert's report set out in Annex 4 and the references to the Independent Expert's Report elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

Venmyn Rand (Pty) Ltd has given and has not before the date of this Scheme Booklet withdrawn its written consent to be named as the Competent Person in this Scheme Booklet and to the inclusion of the summary of the Competent Person's Report set out in Annex 5 and to extracts and references to that report elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

Venmyn Interaction (Pty) Ltd trading as Interaction has given and has not before the date of this Scheme Booklet withdrawn its written consent to the reference to its name and to the inclusion of the graphics and its logo contained in the summary of the Competent Person's Report set out in Annex 5 in the form and context in which they are included.

Ernst & Young has given and has not before the date of this Scheme Booklet withdrawn its written consent to the inclusion in this Scheme Booklet of the pro forma financial statements set out in 3.5 and 5.5 in the form and context in which they are included.

Sylvania Platinum has given and has not before the date of this Scheme Booklet withdrawn its written consent to the inclusion in this Scheme Booklet of the Sylvania Platinum Information in the form and context in which it is included.

(b) Disclaimers of responsibility

Each person named in section 10.14(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in section 10.14(a); and

- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of, this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person referred to in section 10.14(a).

10.15 Fees and interests of advisers and certain other persons

Each of the persons named in section 10.14(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. Professional fees in connection with the preparation and distribution of this Scheme Booklet are estimated by Sylvania Resources to be between A\$2 million and A\$2.2 million.

Except as described elsewhere in this Scheme Booklet, no (i) director or proposed director of Sylvania Resources, or director or proposed director of Sylvania Platinum; nor (ii) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet, has, or has had in the two years before the date of this Scheme Booklet, an interest in:

- the formation or promotion of Sylvania Platinum;
- any property acquired or proposed to be acquired by Sylvania Platinum in connection with its formation or promotion or the proposed issue of Sylvania Platinum Shares under the Scheme; or
- the proposed issue of Sylvania Platinum Shares under the Scheme,

and no amounts have been paid or agreed to be paid and no one has given or agreed to give a benefit, to any such person to induce him to become or to qualify him as a director of Sylvania Platinum or Sylvania Resources, or for services rendered in connection with the promotion or formation of Sylvania Platinum or the proposed issue of Sylvania Platinum Shares under the Scheme.

10.16 Publicly available information in relation to Sylvania Resources

Sylvania Resources is subject to regular reporting and disclosure obligations under the Corporations Act, the ASX Listing Rules and the AIM Rules. In addition, under the ASX Listing Rules, subject to certain limited exceptions, Sylvania Resources is required to notify ASX immediately on becoming aware of any information which a reasonable person might expect to have a material impact on the price or value of Sylvania Resources Shares or Sylvania Resources DIs.

Copies of documents given by Sylvania Resources to ASIC under the Corporations Act may be obtained from or inspected at any office of ASIC. Copies of documents given by Sylvania Resources to ASX are available from ASX's website www.asx.com.au and on Sylvania Resources' website at www.sylvaniareources.com.

The documents available at ASX's website and Sylvania Resources' website include:

- Sylvania Resources' annual report and financial report for the year ended 30 June 2010; and
- the Competent Person's Report.

A copy of the Schedule 1 Announcement will also be made available at ASX's website and Sylvania Resources' website on or around the date of this Scheme Booklet.

Sylvania Resources will make copies of these documents available free of charge to Sylvania Resources shareholders. Please contact Grant Button of Sylvania Resources on +618 9226 4777 from within Australia between 9.00am and 5.00pm (WST) Monday to Friday.

10.17 Supplementary information

If between the date of lodgement of this Scheme Booklet for registration by ASIC and the Court Approval Date, Sylvania Platinum becomes aware of any of the following:

- a material statement in the Sylvania Platinum Information is false or misleading;
- a material omission from the Sylvania Platinum Information;
- a significant change affecting a matter included in the Sylvania Platinum Information; or
- a significant new matter affecting Sylvania Platinum that has arisen and that would have been required to be included in the Sylvania Platinum Information if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Sylvania Platinum will make available supplementary information to Sylvania Resources. Sylvania Resources will make any such supplementary material provided by Sylvania Platinum available to Sylvania Resources shareholders and holders of Sylvania Resources DIs by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to Sylvania Resources' website (www.sylvaniamresources.com). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Sylvania Resources may also send such supplementary materials to Sylvania Resources shareholders and holders of Sylvania Resources DIs.

If, between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date, Sylvania Resources becomes aware of any of the following:

- a material statement in this Scheme Booklet is false or misleading;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

Sylvania Resources will make available supplementary material to Sylvania Resources shareholders and holders of Sylvania Resources DIs. Sylvania Resources intends to make available any supplementary material by releasing that material to ASX (www.asx.com.au) and posting the supplementary document to Sylvania Resources' website (www.sylvaniamresources.com). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Sylvania Resources may also send such supplementary materials to Sylvania Resources shareholders and holders of Sylvania Resources DIs.

10.18 Other material information

Except as set out in this Scheme Booklet (including the information contained in the Independent Expert's Report and the other annexes to this Scheme Booklet), there is no information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Sylvania Resources Director, or any director of any Related Body Corporate of Sylvania

Resources, which has not previously been disclosed to Sylvania Resources shareholders and holders of Sylvania Resources DIs.

THE ISSUE OF THIS SCHEME BOOKLET IS AUTHORISED BY THE DIRECTORS OF SYLVANIA RESOURCES LIMITED AND SYLVANIA PLATINUM LIMITED AND THIS SCHEME BOOKLET HAS BEEN SIGNED BY OR ON BEHALF OF THE DIRECTORS OF SYLVANIA RESOURCES LIMITED AND SYLVANIA PLATINUM LIMITED ON 18 JANUARY 2011.



Mr Terry McConnachie
by his duly authorised agent Grant Button



Mr Richard Rossiter
by his duly authorised agent Grant
Button



Mr Louis Carroll
by his duly authorised agent Grant Button



Mr Grant Button

11. GLOSSARY

11.1 Definitions

In this Scheme Booklet:

A\$ means the lawful currency of the commonwealth of Australia;

AAC has the meaning given in section 3.4(a);

AIM means the AIM market operated by the London Stock Exchange;

AIM Rules means the AIM rules for companies published by the London Stock Exchange, as amended from time to time;

AQPSA has the meaning given in section 3.4(a);

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

ASX Listing Rules means the official listing rules of the ASX;

Australian Registry means Computershare Investor Services Pty Limited (ACN 078 279 277);

BEE has the meaning given in section 3.3;

Bermuda Companies Act means the Companies Act 1981 of Bermuda as may be amended or replaced from time to time;

Board or Sylvania Resources Board means the board of directors of Sylvania Resources;

Business Day means a business day as defined in the ASX Listing Rules;

CHESS means the Clearing House and Electronic Sub-register System which provides for the electronic transfer, settlement and registration of securities in Australia;

Competent Person's Report means the report prepared by Venmyn Rand in relation to Sylvania Resources' projects, a summary of which is set out in Annex 5;

Corporations Act means the Corporations Act 2001 (Cth);

Court means the Supreme Court of Western Australia;

CREST means the electronic, paperless transfer and settlement mechanism to facilitate the transfer of title to securities in uncertificated form, operated by Euroclear UK & Ireland Limited in the United Kingdom;

Deed Poll means the deed poll dated 12 January 2011 entered into by Sylvania Platinum in favour of the Scheme Shareholders and the SLV DI Scheme Holders in the form set out in Annex 3;

Directors means the directors of Sylvania Resources as at the date of this Scheme Booklet, whose names are set out in section 3.4(a);

DI Shares means such number of Sylvania Platinum Shares as is equal to the number of Sylvania Platinum DIs required to be provided to holders of Sylvania Resources DIs under the Scheme;

Effective means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Scheme;

Effective Date means the date the Scheme becomes Effective;

Excluded Shares means any Sylvania Resources Shares held by Sylvania Platinum or by any other person on behalf of or for the benefit of Sylvania Platinum or any related entity of Sylvania Platinum (including any Sylvania Resources Shares held by the SLV Custodian represented by any Sylvania Resources DI of which Sylvania Platinum or any related entity of Sylvania Platinum is the holder);

First Court Date means the first day on which an application is made to the Court for an order under section 411(1) of the Corporations Act approving the convening of the Scheme Meeting;

Foreign Acquisitions and Takeovers Act means the Foreign Acquisitions and Takeovers Act 1975 (Cth);

Form of Instruction means the form of instruction for the Scheme Meeting which accompanies this Scheme Booklet;

GMT means Greenwich mean time;

GST means Australian goods and services tax;

Implementation Agreement means the scheme implementation agreement in the form set out in Annex 1;

Implementation Date means the date which is the next Business Day after the Scheme Record Date, or such other date as Sylvania Platinum and Sylvania Resources agree in writing;

Independent Expert means Deloitte Corporate Finance Pty Limited;

Independent Expert's Report means the independent expert's report prepared by the Independent Expert in relation to the Scheme, a copy of which is set out in Annex 4;

Ineligible Foreign Holder means any Scheme Shareholder, and any SLV DI Scheme Holder, whose address on the Sylvania Resources Share Register or Sylvania Resources DI Register (as the case may be) as at the Scheme Record Date is a place outside Australia and its external territories, the Isle of Man, Jersey, Singapore, Guernsey, Hong Kong, Bermuda and the United Kingdom, unless, no less than three Business Days prior to the Scheme Meeting, Sylvania Resources and Sylvania Platinum agree in writing that it is lawful and not unduly onerous or impractical to issue that Scheme Shareholder or SLV DI Scheme Holder with Sylvania Platinum Shares or Sylvania Platinum DIs (as the case may be) when the Scheme becomes Effective;

JORC means the Australasian Joint Ore Reserves Committee;

JORC Code means the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, which is available at www.jorc.org;

London Stock Exchange means the London Stock Exchange plc;

Long Stop Date means 30 June 2011, or such later date as Sylvania Platinum and Sylvania Resources agree in writing;

MG means the middle group of the critical zone of the Bushveld Igneous Complex and **MG2** means the number 2 seam of the middle group;

PGM has the meaning given in section 3.1;

Proxy Form means the proxy form for the Scheme Meeting which accompanies this Scheme Booklet;

Redomicile Proposal means the proposal to redomicile Sylvania Resources by way of scheme of arrangement under which all existing shares in Sylvania Resources will be exchanged for shares in Sylvania Platinum;

Related Body Corporate has the meaning given in the Corporations Act;

Relevant Interest has the meaning given in the Corporations Act;

SA Metals means SA Metals Limited (ACN 093 178 388);

Sale Nominee means the person appointed by Sylvania Platinum to sell the Sylvania Platinum Shares that would otherwise have been issued to or for the benefit of Ineligible Foreign Holders under the terms of the Scheme;

Samancor Chrome has the meaning given in section 3.3(a);

Samancor Service and Supply Agreement has the meaning given in section 3.3(a);

Schedule 1 Announcement means a Schedule 1 Announcement plus appendix (which will draw on this Scheme Booklet) prepared in connection with the proposed admission to trading of Sylvania Platinum Shares on AIM;

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Sylvania Resources and Sylvania Resources shareholders, in the form attached as Annex 2, subject to any amendments made or required by the Court under section 411(6) of the Corporations Act and approved by Sylvania Platinum and Sylvania Resources in writing;

Scheme Booklet means this document;

Scheme Consideration means, other than for Ineligible Foreign Holders who shall receive cash in accordance with section 8.11, one Sylvania Platinum Share for every one Sylvania Resources Share held by a Scheme Shareholder and one Sylvania Platinum DI for every one Sylvania Resources DI held by an SLV DI Scheme Holder, in each case, on the Scheme Record Date;

Scheme Meeting means the meeting of Sylvania Resources shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

Scheme Record Date means the date which is five Business Days after the Effective Date;

Scheme Shareholder means a person who is registered in the Sylvania Resources Share Register as the holder of one or more Scheme Shares as at the Scheme Record Date, provided that if such a person is registered as the holder of both Scheme Shares and Excluded Shares, that person will be a Scheme Shareholder in respect of the Scheme Shares only;

Scheme Shares means all of the Sylvania Resources Shares on issue at the Scheme Record Date other than Excluded Shares (if any);

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard;

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme;

Share Exchange Agreement has the meaning given in section 3.3(a)(i);

Share Loan has the meaning given in section 1.8;

Share Plan the Sylvania Resources Employee Share Plan approved by Sylvania Resources shareholders on 26 October 2007;

SLV Custodian means Computershare Clearing Pty Ltd (ACN 063 826 228);

SLV DI Scheme Holder means a person who is registered in the Sylvania Resources DI Register at the Scheme Record Date as the holder of one or more Sylvania Resources DIs which represent Scheme Shares;

SLP Custodian means Computershare Company Nominees Ltd;

Subsidiary has the meaning given to it in section 46 of the Corporations Act;

Sylvania Platinum means Sylvania Platinum Limited, ARBN 147 331 726, a company incorporated in Bermuda;

Sylvania Platinum Consideration Options means options to acquire new Sylvania Platinum Shares to be granted in consideration for the cancellation of the Sylvania Resources Consideration Options;

Sylvania Platinum DI means a depositary interest which confers a unit of beneficial ownership in a Sylvania Platinum Share registered in Sylvania Platinum's Share Register in the name of the SLP Custodian;

Sylvania Platinum Directors means the directors of Sylvania Platinum as at the date of this Scheme Booklet;

Sylvania Platinum Employee Options means options to acquire new Sylvania Platinum Shares to be granted in consideration for the cancellation of the Sylvania Resources Employee Options;

Sylvania Platinum Group means, following the Effective Date, Sylvania Platinum and the Sylvania Resources Group;

Sylvania Platinum Information means all information concerning Sylvania Platinum, Sylvania Platinum Shares and Sylvania Platinum DIs set out in sections 4, 5, 6, 7, 10.3, 10.4, 10.11 and 10.12 of this Scheme Booklet but for the avoidance of doubt not including the information contained in the report on the taxation implications of the Scheme contained in section 9 of this Scheme Booklet, the Independent Expert's Report and the summary of the Competent Person's Report contained in Annex 5;

Sylvania Platinum Options means options to subscribe for Sylvania Platinum Shares including the Sylvania Platinum Employee Options or Sylvania Platinum Consideration Options or both (as the context requires);

Sylvania Platinum Shares means common shares of par value US\$0.10 each in the capital of Sylvania Platinum;

Sylvania Platinum's Share Register means the register of shareholders of Sylvania Platinum in Bermuda or any branch register thereof;

Sylvania Platinum Subscriber Shares means the two class A shares of par value US\$0.10 each in the capital of Sylvania Platinum;

Sylvania Resources means Sylvania Resources Limited ACN 091 415 968;

Sylvania Resources Board or **Board** means the board of directors of Sylvania Resources;

Sylvania Resources Consideration Options means options to acquire new Sylvania Resources Shares granted to certain directors or former directors of SA Metals;

Sylvania Resources Directors means the directors of Sylvania Resources as at the date of this Scheme Booklet, whose names are set out in section 3.4(a);

Sylvania Resources DI means a depositary interest which confers a unit of beneficial ownership in a Sylvania Resources Share that is registered in the Sylvania Resources Share Register in the name of the SLV Custodian;

Sylvania Resources DI Register means the register of Sylvania Resources DIs maintained by the United Kingdom Depositary;

Sylvania Resources Employee Option Plan means the employee option plan approved by Sylvania Resources shareholders on 27 October 2007;

Sylvania Resources Employee Options means options to acquire new Sylvania Resources Shares granted to certain employees or members of the Sylvania Resources Group under the Sylvania Resources Employee Option Plan;

Sylvania Resources Group means Sylvania Resources and all of its Related Bodies Corporate;

Sylvania Resources Information means all information included in this Scheme Booklet other than

- (a) the Sylvania Platinum Information; and
- (b) the information contained in the report on the taxation implications of the Scheme contained in section 9 of this Scheme Booklet, the Independent Expert's Report and the summary of the Competent Person's Report contained in Annex 5;

Sylvania Resources Loan Shares means Sylvania Resources Shares acquired by certain employees or members of the Sylvania Resources Group and in respect of which a loan has been provided by Sylvania Resources to the relevant employee for the purposes of that acquisition, under the terms of the Share Plan;

Sylvania Resources Options means options to acquire new Sylvania Resources Shares including the Sylvania Resources Employee Options or Sylvania Resources Consideration Options or both (as the context requires);

Sylvania Resources Share means a fully paid ordinary share in the capital of Sylvania Resources;

Sylvania Resources Share Register means the register of Sylvania Resources Shares maintained by the Australian Registry in Australia on behalf of Sylvania Resources;

Sylvania SA means Sylvania South Africa (Pty) Ltd;

t/m means tonnes per month;

UK means United Kingdom;

United Kingdom Depositary means Computershare Investor Services PLC (Company No. 3498808);

US\$ means the lawful currency of the United States of America; and

WST means western standard time.

11.2 Related entities

For the purposes of this Scheme Booklet, an entity is a **related entity** of another entity if the first entity and the second entity would be related bodies corporate for the purposes of section 50 of the Corporations Act if the Corporations Act were read so that:

- (a) references to bodies corporate included references to other entities;
- (b) a subsidiary of an entity included an entity that is controlled by the first entity for the purposes of section 50AA of the Corporations Act;
- (c) a trust is a subsidiary of another entity if it would have been a subsidiary had the trust been a body corporate and had units in the trust been shares; and
- (d) an entity is a subsidiary of a trust if it would have been a subsidiary had the trust been a body corporate.

11.3 References to certain other words and terms

In this Scheme Booklet:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after the date of this Scheme Booklet;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after the date of this Scheme Booklet under that legislation, including (where applicable) that legislation as amended, extended or applied as described in subsection 11.3(a)(i), or under any legislation which it re-enacts as described in subsection 11.3(a)(ii);
- (b) words denoting persons include bodies corporate and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) the annexes form part of this Scheme Booklet and a reference to a section, schedule or annex is a reference to a section schedule or annex of or to this Scheme Booklet;
- (e) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Australia; and

- (f) a reference to \$, A\$ or to dollars is to Australian currency.

11.4 Rules of interpretation and construction

In this Scheme Booklet:

- (a) singular words include the plural and vice versa;
- (b) a word of any gender includes the corresponding words of any other gender;
- (c) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (d) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words; and
- (e) the headings do not affect interpretation.

ANNEX 1
IMPLEMENTATION AGREEMENT

SCHEME IMPLEMENTATION AGREEMENT

DATED 12 JANUARY 2011

SYLVANIA RESOURCES LIMITED

AND

SYLVANIA PLATINUM LIMITED

ALLEN & OVERY

CONTENTS

Clause	Page
1. Interpretation	1
1.1 Definitions	1
1.2 Related entities	5
1.3 References to certain other words and terms	5
1.4 Rules of interpretation and construction	6
1.5 Things required to be done other than on a Business Day	7
2. Agreement to Propose Scheme	7
3. Conditions Precedent	7
3.1 Conditions	7
3.2 Satisfaction of Conditions	7
3.3 Obligations in relation to Regulatory Conditions	8
3.4 Notifications	8
3.5 Waiver	8
3.6 Consultations if Conditions not satisfied	8
3.7 Termination	9
4. Scheme	9
4.1 Overview	9
4.2 Scheme Consideration	9
4.3 Foreign Holders	9
5. Implementation of the Scheme	10
5.1 General obligations	10
5.2 SLV's specific obligations	10
5.3 Obligations dependent on status of Regulatory Conditions	12
5.4 SLP's obligations	13
5.5 Obligations in relation to Court proceedings	14
6. Termination	15
6.1 Termination events	15
6.2 Effect of termination	15
7. Notices	16
7.1 Manner of giving notice	16
7.2 When notice given	16
7.3 Proof of service	17
7.4 Documents relating to legal proceedings	17
8. Entire Agreement	17
8.1 Entire agreement	17
8.2 No reliance	17
8.3 Termination rights	17
9. General	17
9.1 Amendments	17
9.2 Assignments	17
9.3 Costs	18
9.4 Consents	18
9.5 Counterparts	18
9.6 Exercise and waiver of rights	18
9.7 Further assurance	18
9.8 No merger	18
9.9 Severability	18
10. Governing Law and Jurisdiction	19

10.1	Governing law	19
10.2	Jurisdiction	19

THIS AGREEMENT is made on 12 January 2011

BETWEEN:

- (1) **SYLVANIA RESOURCES LIMITED ACN 091 415 968** of Unit 2, Level 1 Churchill Court, 331-335 Hay Street, Subiaco, Western Australia (SLV); and
- (2) **SYLVANIA PLATINUM LIMITED ARBN 147 331 726** of c/- Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda (SLP).

BACKGROUND:

- (A) The directors of SLV have resolved to propose to SLV Shareholders and holders of SLV DIs a restructure by way of scheme of arrangement, the effect of which will make SLV a wholly owned subsidiary of SLP (the **Redomicile Proposal**).
- (B) This agreement is entered into to record and give effect to the terms and conditions on which SLP and SLV propose to implement the Redomicile Proposal.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this agreement:

AIM means the AIM market operated by the London Stock Exchange;

AIM Rules means the AIM rules for companies (as amended from time to time) published by the London Stock Exchange;

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

ASX Listing Rules means the official listing rules of the ASX;

Authority means:

- (a) any government or governmental, semi-governmental or local authority and any department, office, minister, commission, board, delegate or agency of any such government or authority;
- (b) any judicial or administrative entity or authority; and
- (c) any other authority, commission, board, agency or other entity established or having power under statute or the listing rules of any recognised securities exchange;

Business Day means a business day as defined in the ASX Listing Rules;

Competent Person's Report means the report prepared by Venmyn Rand in connection with the Scheme;

Conditions mean the conditions precedent set out in clause 3.1;

Corporations Act means the Corporations Act 2001 (Cth);

Court means the Supreme Court of Western Australia;

CREST means the electronic, paperless transfer and settlement mechanism to facilitate the transfer of title to securities in uncertificated form, operated by Euroclear UK & Ireland Limited in the United Kingdom;

Deed Poll means the deed poll to be entered into by SLP on or about the date of this agreement in favour of the Scheme Shareholders and the SLV DI Scheme Holders;

Effective means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Scheme;

Effective Date means the date the Scheme becomes Effective;

Employee Share Plan means the employee share plan approved by SLV Shareholders at the annual general meetings of SLV on each of 26 October 2007;

Excluded Shares means any SLV Share held by SLP or by any other person on behalf of or for the benefit of SLP or any related entity of SLP (including any SLV Share held by the Custodian represented by any SLV DI of which SLP or any related entity of SLP is the holder);

First Court Date means the first day on which an application is made to the Court for an order under section 411(1) of the Corporations Act approving the convening of the Scheme Meeting;

Foreign Holder means any Scheme Shareholder, and any SLV DI Scheme Holder whose address shown on the SLV Share Register or the SLV DI Register (as the case may be) as at the Scheme Record Date is a place outside the United Kingdom, the Isle of Man, Jersey, Singapore, Guernsey, Hong Kong, Bermuda and Australia and its external territories, unless, no less than three Business Days prior to the Scheme Meeting, SLV and SLP agree in writing that it is lawful and not unduly onerous or unduly impracticable to issue that Scheme Shareholder or SLP DI Holder with SLP Shares or SLP DIs (as the case may be) when the Scheme becomes Effective;

GMT means Greenwich mean time;

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the Scheme Resolution is passed at the Scheme Meeting by a majority in number of SLV Shareholders present and voting, either in person or by proxy;

Implementation Date means the date which is the next Business Day after the Scheme Record Date, or such other date as SLP and SLV agree in writing;

Independent Expert means Deloitte Corporate Finance Pty Limited;

Independent Expert's Report means the independent expert's report prepared by the Independent Expert in relation to the Scheme;

London Stock Exchange means London Stock Exchange plc;

Long Stop Date means 30 June 2011, or such later date as SLP and SLV agree in writing;

Option Cancellation Agreements has the meaning given in clause 5.6;

Regulatory Conditions means the Conditions in subclauses 3.1(c) and 3.1(d);

Related Body Corporate has the meaning given in the Corporations Act;

Representative means:

- (a) in relation to SLV, a member of the SLV Group, any director, officer or employee of any member of the SLV Group, and any financier, financial adviser, accounting adviser, auditor, legal adviser or technical or other expert adviser or consultant to any member of the SLV Group in relation to the Redomicile Proposal; and
- (b) in relation to SLP, a member of the SLP Group (other than a member of the SLV Group), any director, officer or employee of any member of the SLP Group (other than a member of the SLV Group), and any financier, financial adviser, accounting adviser, auditor, legal adviser, or technical or other expert adviser or consultant to any member of the SLP Group (other than a member of the SLV Group) in relation to the Redomicile Proposal;

RG 60 means Regulatory Guide 60 issued by ASIC in December 2009, as amended;

Sale Facility means the sale facility referred to in clause 5.4(n);

Sale Nominee means a person appointed by SLP to sell the SLP Shares that would otherwise be issued to or for the benefit of Foreign Holders under the terms of the Scheme;

Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between SLV and SLV Shareholders;

Scheme Booklet means the explanatory memorandum to be approved by the Court and sent to SLV Shareholders and holders of SLV DIs in advance of the Scheme Meeting;

Scheme Consideration means, other than for Foreign Holders who shall receive cash pursuant to the Sale Facility, one SLP Share for every one SLV Share held by a Scheme Shareholder, and one SLP DI for every one SLV DI held by a SLV DI Scheme Holder, in each case, on the Scheme Record Date;

Scheme Meeting means the meeting of SLV Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

Scheme Record Date means the date which is five Business Days after the Effective Date;

Scheme Resolution means the resolution to be put to SLV Shareholders at the Scheme Meeting to approve the Scheme;

Scheme Shareholder means a person who is registered in the SLV Share Register as the holder of one or more Scheme Shares as at the Scheme Record Date, provided that if such a person is registered as the holder of both Scheme Shares and Excluded Shares, that person will be a Scheme Shareholder in respect of the Scheme Shares only;

Scheme Shares means all of the SLV Shares on issue at the Scheme Record Date other than Excluded Shares (if any);

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard;

Share Loan means a loan provided by SLV to certain SLV Shareholders for the acquisition of SLV Shares pursuant to the Employee Share Plan, on the terms set out in the Employee Share Plan;

Share Loan Amendment Agreement has the meaning given in clause 5.7;

Share Splitting means the splitting by a holder of SLV Shares into two or more parcels of SLV Shares whether or not it results in any change in beneficial ownership of the SLV Shares;

SLP Board means the board of directors of SLP;

SLP Custodian means Computershare Company Nominees Ltd;

SLP DI means a depositary interest which confers a unit of beneficial ownership in an SLP Share registered in the SLP Share Register in the name of the SLP Custodian;

SLP DI Register means the register of SLP DIs maintained by Computershare Investor Services PLC;

SLP Group means SLP and its related entities (other than members of the SLV Group);

SLP Information means the information that SLP provides to SLV under clause 5.4(a) for inclusion in the Scheme Booklet;

SLP Share means a fully paid common share of par value US\$0.10 each in the capital of SLP;

SLP Share Register means the register of registered shareholders of SLP in Bermuda or any branch register thereof;

SLV Board means the board of directors of SLV;

SLV Consideration Options means options to acquire new SLV Shares granted to certain directors or former directors of SA Metals Limited (ACN 093178388);

SLV Constitution means the constitution of SLV for the time being;

SLV Custodian means Computershare Clearing Pty Ltd;

SLV DI means a depositary interest which confers a unit of beneficial ownership in an SLV Share registered on the SLV Share Register in the name of the SLV Custodian;

SLV DI Register means the register of SLV DIs maintained by Computershare Investor Services PLC;

SLV DI Scheme Holder means a person who is registered in the SLV DI Register at the Scheme Record Date as the holder of one or more SLV DIs which represent Scheme Shares;

SLV Employee Options means options to acquire new SLV Shares granted to certain employees or members of the SLV Group under the employee option plan approved by the SLV Shareholders on 27 October 2007;

SLV Group means SLV and all of its Related Bodies Corporate;

SLV Information means all information included in the Scheme Booklet other than the SLP Information, the information contained in the report on the taxation implications of the Scheme contained in section 9 of the Scheme Booklet, the Independent Expert's Report and the summary of the Competent Person's Report;

SLV Loan Shares means the SLV Shares issued pursuant to the Employee Share Plan which are the subject of a Share Loan;

SLV Optionholder means a person who is registered as the holder of one or more SLV Options from time to time;

SLV Options means options to acquire new SLV Shares including either the SLV Employee Options or the SLV Consideration Options or both (as the context requires);

SLV Share means a fully paid ordinary share issued in the capital of SLV;

SLV Share Register means the register of SLV Shares maintained by Computershare Investor Services Pty Limited in Australia on behalf of SLV;

SLV Shareholder means a person who is registered in the SLV Share Register as the holder of one or more SLV Shares, from time to time; and

WST means western standard time.

1.2 Related entities

For the purposes of this agreement, an entity is a related entity of another entity if the first entity and the second entity would be related bodies corporate for the purposes of section 50 of the Corporations Act if the Corporations Act were read so that:

- (a) references to bodies corporate included references to other entities;
- (b) a subsidiary of an entity included an entity that is controlled by the first entity for the purposes of section 50AA of the Corporations Act;
- (c) a trust is a subsidiary of another entity if it would have been a subsidiary had the trust been a body corporate and had units in the trust been shares; and
- (d) an entity is a subsidiary of a trust if it would have been a subsidiary had the trust been a body corporate.

1.3 References to certain other words and terms

In this agreement:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after signature of this agreement;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after signature of this agreement under that legislation, including (where applicable) that legislation as amended, extended or applied as described in subclause 1.3(a)(i), or under any legislation which it re-enacts as described in subclause 1.3(a)(ii);
- (b) words denoting persons include bodies corporate and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) the schedules and annexes form part of this agreement and a reference to a clause, subclause, schedule or annex is a reference to a clause, subclause, schedule or annex of or to this agreement;
- (e) subject to clause 9.2, references to a party to this agreement include the successors or assigns (immediate or otherwise) of that party;
- (f) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Australia; and
- (g) a reference to \$, A\$ or to dollars is to Australian currency.

1.4 Rules of interpretation and construction

In this agreement:

- (a) singular words include the plural and vice versa;
- (b) a word of any gender includes the corresponding words of any other gender;
- (c) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (d) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (e) nothing is to be construed adversely to a party just because that party put forward this agreement or the relevant part of this agreement; and
- (f) the headings do not affect interpretation.

1.5 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be done under this agreement is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

2. AGREEMENT TO PROPOSE SCHEME

- (a) SLV agrees to propose the Scheme, and SLP agrees to assist SLV to propose the Scheme, on and subject to the terms of this agreement, and in accordance with the Corporations Act.
- (b) Each party agrees to execute all documents and do all acts and things within its power as may be necessary or desirable for the implementation and performance of the Scheme substantially in accordance with this agreement, and, in particular, must comply with its obligations pursuant to this agreement.

3. CONDITIONS PRECEDENT

3.1 Conditions

The Scheme will not become Effective and the obligations of SLP under clause 4.2 are not binding, unless each of the following conditions precedent is satisfied:

- (a) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (b) SLV Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act;
- (c) approval for listing of SLP Shares on ASX, admission of SLP Shares on AIM and admission of the SLP DIs to CREST to enable settlement of trades on AIM is obtained subject only to the Scheme taking effect and such other conditions as are acceptable to SLP and SLV;
- (d) all approvals of any Authority which SLV and SLP agree are necessary or desirable to implement the Redomicile Proposal are obtained and no Authority takes any action, or imposes any legal restraint or prohibition, to prevent implementation of the Redomicile Proposal;
- (e) the Independent Expert does not change its conclusion or withdraw its report prior to the Scheme Meeting; and
- (f) any additional conditions that may be imposed by the Court.

3.2 Satisfaction of Conditions

Without prejudice to the obligations of the parties under clause 5 or any other provision of this agreement, to the extent that it is within its power to do so, each party must use best endeavours to procure that:

- (a) the Conditions in clause 3.1 are satisfied as soon as reasonably practicable and in any event on or before the Long Stop Date; and

- (b) nothing occurs that would prevent any Condition from being satisfied.

3.3 Obligations in relation to Regulatory Conditions

Without limiting clause 3.2:

- (a) SLP and SLV must co-operate in good faith for the purposes of enabling the Regulatory Conditions to be satisfied;
- (b) SLP must promptly make all notifications and applications to any Authority necessary to procure the satisfaction of the Regulatory Conditions and must give SLV a copy of those notifications and applications; and
- (c) each of SLP and SLV must promptly:
 - (i) give the other all information reasonably required by the other for the purpose of enabling the Regulatory Condition to be satisfied; and
 - (ii) give the Authorities referred to in subclause 3.3(b) all additional information required by those Authorities for the purposes of considering SLP's applications.

3.4 Notifications

Each of SLP and SLV must:

- (a) keep the other informed of the steps it has taken to procure, and of any other progress made towards, satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing of a failure to satisfy a Condition or of any change or event of which it becomes aware that may lead to a Condition not being satisfied.

3.5 Waiver

Any breach or non-satisfaction of the Condition in subclause 3.1(e) may be waived with the written agreement of SLP and SLV. No other Conditions in subclause 3.1 may be waived.

3.6 Consultations if Conditions not satisfied

Except in respect of the Conditions in subclauses 3.1(a), 3.1(b) and 3.1(e), if:

- (a) there is a breach or non-satisfaction of a Condition by the time specified in 3.1 for satisfaction of the Condition; or
- (b) there is an act, failure to act, event or occurrence which will prevent a Condition being satisfied by the time specified in clause 3.1 for its satisfaction,

SLP and SLV must consult in good faith with a view to determining whether:

- (i) the Scheme or a transaction that results in SLP acquiring beneficial ownership of all the SLV Shares may proceed by way of alternative means or methods;
- (ii) to extend the relevant time or date for satisfaction of the Condition or the Long Stop Date; or
- (iii) to change the date of the application to be made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed between SLP and SLV and, if required, approved by the Court.

3.7 Termination

Either SLP or SLV may terminate this agreement by giving written notice to the other if any of the Conditions in clause 3.1 has not been satisfied or waived by the Long Stop Date. If this agreement is terminated under this clause 3.7 then the provisions of clause 6.2 have effect.

4. SCHEME

4.1 Overview

SLV agrees to propose a scheme of arrangement under Part 5.1 of the Corporations Act under which all of the SLV Shares will be transferred to SLP and the Scheme Shareholders and SLV DI Scheme Holders will be entitled to receive the Scheme Consideration in accordance with this agreement and the Scheme.

4.2 Scheme Consideration

SLP covenants in favour of SLV (in its own right and as trustee or nominee on behalf of the Scheme Shareholders and the SLV DI Scheme Holders) that in consideration for and simultaneously with the transfer to SLP of each Scheme Share held by a Scheme Shareholder under the terms of the Scheme, it will:

- (a) accept that transfer;
- (b) issue to each Scheme Shareholder (other than Foreign Holders) one SLP Share for every one SLV Share held by that Scheme Shareholder on the Scheme Record Date; and
- (c) procure the issue to each SLV DI Scheme Holder (other than Foreign Holders) of one SLP DI for every one SLV DI held by that SLV DI Scheme Holder on the Scheme Record Date.

4.3 Foreign Holders

- (a) Foreign Holders will not be issued with SLP Shares or SLP DIs under the Scheme. Instead, the SLP Shares that would otherwise have been issued to them under the Scheme, or which would have been issued to the SLV Custodian in respect of the SLP DIs that would otherwise have been issued to them under the Scheme, will be issued to the Sale Nominee on the Implementation Date, and will be sold in the Sale Facility in accordance with the Scheme.

- (b) SLP Shares to be sold in the Sale Facility will be issued for the account of, and held by the Sale Nominee as trustee for, the relevant Foreign Holder.

5. IMPLEMENTATION OF THE SCHEME

5.1 General obligations

Each of SLV and SLP must do everything reasonably necessary, including by procuring that its Representatives work in good faith and in a timely and co-operative manner with the other party and its Representatives, to implement the Scheme:

- (a) as far as reasonably practicable, and subject to clause 5.3, in accordance with the timetable agreed between SLV and SLP and set out in the draft Scheme Booklet to be lodged with ASIC; and
- (b) in accordance with all laws and regulations applicable in relation to the Scheme.

5.2 SLV's specific obligations

Without limiting clause 5.1, SLV must:

- (a) prepare the Scheme Booklet, which must contain:
 - (i) the Scheme, the Deed Poll, this agreement, a summary of the Competent Person's Report, the Independent Expert's Report and all information required under the Corporations Act and all other applicable laws, RG 60 and the ASX Listing Rules; and
 - (ii) a statement by the SLV Board unanimously recommending that SLV Shareholders and holders of SLV DIs vote in favour of the Scheme in the absence of a superior proposal;
- (b) appoint the Independent Expert, and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (c) as soon as practicable after preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC, procure that a meeting of the SLV Board is convened to consider that draft, and, if appropriate, approve it for submission to ASIC for review, and, as soon as practicable after the end of the review by ASIC, approve it for lodgement with the Court and, subject to approval by the Court, for dispatch to SLV Shareholders and holders of SLV DIs;
- (d) as soon as practicable after the approval of the SLV Board referred to in subclause 5.2(c), provide to ASIC a copy of the advanced draft of the Scheme Booklet as required by section 411(2) of the Corporations Act;
- (e) apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (f) subject to clause 5.3, apply to the Court for an order under section 411(1) of the Corporations Act directing SLV to convene the Scheme Meeting and if the Court makes that order:

- (i) request ASIC to register the Scheme Booklet in accordance with section 412(6) of the Corporations Act; and
 - (ii) dispatch the Scheme Booklet to SLV Shareholders and holders of SLV DIs and hold the Scheme Meeting in accordance with that order;
- (g) provide supplementary disclosure to SLV Shareholders and holders of SLV DIs if, any time before the Second Court Date, SLV becomes aware either:
 - (i) of new information which, were it known at the time the Scheme Booklet was prepared should have been included in the Scheme Booklet; or
 - (ii) that any part of the SLV Information in the Scheme Booklet is misleading or deceptive in a material respect (whether by omission or otherwise),
 and SLV or SLP considers that supplementary disclosure is required;
- (h) procure that its share registries provide to SLP, in the form reasonably requested by SLP, all information about the Scheme. SLV Shareholders and holders of SLV DIs (including the results of directions given by SLV under Part 6C.2 of the Corporations Act) which SLP reasonably requires in order to facilitate the provision of the Scheme Consideration including details of the SLV Share Register (including any CHES sub-register and issuer sponsored sub-register) and the SLV DI Register on the Scheme Record Date, other than information that SLV's share registry is prohibited from providing by law or by the operating rules of any financial market or clearing and settlement facility;
- (i) if the Scheme Resolution is not passed by reason only of the non-satisfaction of the Headcount Test and either SLP or SLV considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied, apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test;
- (j) if the Scheme Resolution is passed by the requisite majorities of SLV Shareholders (as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act) and all other Conditions have been satisfied or waived (other than the condition relating to the approval of the Court set out in clause 3.1(a)), promptly apply to the Court for an order approving the Scheme as approved by SLV Shareholders at the Scheme Meeting;
- (k) provide to the Court on the Second Court Date the certificate in relation to the satisfaction of the Conditions contemplated by the terms of the Scheme;
- (l) if the Court approves the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act:
 - (i) promptly (and in any event before 5.00pm (WST) on the first Business Day after the day on which the Court approves the Scheme) lodge with ASIC an office copy of the order approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) close the SLV DI Register at 7.00am (GMT) on the Scheme Record Date and close the SLV Share Register at 7.00pm (WST) on the Scheme Record Date

to determine the identity of the Scheme Shareholders and the SLV DI Scheme Holders and their entitlements to the Scheme Consideration;

- (iii) subject to SLP satisfying its obligations under clause 5.4, on the Implementation Date:
 - (A) execute proper instruments of transfer of and effect transfer of the SLV Shares to SLP or a related entity of SLP in accordance with the Scheme; and
 - (B) register all transfers of SLV Shares held by Scheme Shareholders to SLP; and
- (iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court;
- (m) once the Scheme comes into effect, notify the London Stock Exchange that shareholder approval has been obtained for the Scheme which will necessitate the cancellation of admission to trading of SLV Shares on AIM;
- (n) once the Scheme comes into effect, notify ASX and apply for SLV Shares to be suspended from official quotation on ASX from close of trading on the Effective Date;
- (o) following the Implementation Date, apply to ASX to delist SLV on the later of the Business Day after the Implementation Date and the Business Day after the date on which all transfers of the Scheme Shares have been registered in accordance with the Scheme;
- (p) if the Court refuses to make any order sought by SLP under this clause 5.2 consult with SLP in good faith as to whether to appeal the Court's decision. If, in the opinion of independent Senior Counsel, practising in Perth in the area of corporate law, obtained by either SLV or SLP within 10 Business Days of the Court's decision, there are reasonable prospects of successfully appealing the Court's decision:
 - (i) SLV must appeal the Court's decision, the cost of which is to be borne equally by SLV and SLP; and
 - (ii) the Long Stop Date will be extended by the same number of days as there are between the date on which the Court refused to make the relevant order and the date on which the appeal from that refusal is finally determined or to such other date as SLP and SLV agree in writing; and
- (q) not declare or pay any dividend on the SLV Shares prior to the Implementation Date.

5.3 Obligations dependent on status of Regulatory Conditions

Notwithstanding any other provision of this agreement, SLV is not required to proceed with any application to the Court for an order under section 411(1) of the Corporations Act directing SLV to convene the Scheme Meeting until such time as SLV considers that the Regulatory Conditions have been or are likely to be satisfied.

5.4 SLP's obligations

Without limiting clause 5.1, SLP must:

- (a) prepare and provide to SLV for inclusion in the Scheme Booklet all information relating to:
 - (i) SLP; and
 - (ii) SLP's intentions in relation to the assets, business and employees of SLV if the Scheme is approved and implemented,required under the Corporations Act and all other applicable laws, RG 60 and the ASX Listing Rules to be included in the Scheme Booklet;
- (b) provide to SLV drafts of the SLP Information in a timely manner, provide SLV with a reasonable opportunity to review those drafts and consider in good faith the reasonable comments of SLV and its Representatives when preparing revised drafts of that information;
- (c) provide any assistance and information reasonably requested by SLV or by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) as soon as practicable after receipt of any draft of the Scheme Booklet from SLV review and provide comments on that draft;
- (e) as soon as practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the SLP Board is convened to consider the SLP Information and, if appropriate, approve it for lodgement with ASIC and, upon the conclusion of the review by ASIC, approve it for lodgement with the Court and, subject to approval by the Court, for dispatch to SLV Shareholders and holders of SLV DIs;
- (f) before the First Court Date execute and deliver to SLV:
 - (i) the Deed Poll; and
 - (ii) consent to the inclusion of the SLP Information in the Scheme Booklet in the form and context it appears;
- (g) advise SLV if at any time before the Second Court Date, SLP becomes aware either:
 - (i) of new information which, were it known at the time the Scheme Booklet was prepared should have been included in the SLP Information that is included in the Scheme Booklet; or
 - (ii) that any part of the SLP Information is misleading or deceptive in a material respect (whether by omission or otherwise),

together with such additional information as SLV requires to determine whether supplementary disclosure to SLV Shareholders and holders of SLV DIs is required;

- (h) provide to the Court on the Second Court Date the certificate in relation to the satisfaction of the Conditions contemplated by the terms of the Scheme;
- (i) grant SLP Options to SLV Optionholders in consideration for the cancellation of the SLV Options, in accordance with the Option Cancellation Agreements;
- (j) apply to ASX for the SLP Shares to be quoted on ASX and to trade on ASX on a deferred settlement basis from the commencement of trading on the first trading day after the Effective Date, and on a normal settlement basis on the fifth trading day after the Implementation Date;
- (k) apply to the London Stock Exchange for the SLP Shares to be admitted to trading on AIM and to commence trading on AIM on the date on which normal settlement trading commences on ASX;
- (l) if the Scheme becomes Effective:
 - (i) provide the Scheme Consideration in accordance with the Deed Poll on the Implementation Date, and otherwise satisfy its obligations under the Deed Poll;
 - (ii) on the Implementation Date, enter, or procure entry, into:
 - (A) the SLP Share Register, the respective names and addresses of each holder of SLP Shares issued in accordance with the Scheme; and
 - (B) the SLP DI Register, the respective names and addresses of each holder of SLP DIs issued in accordance with the Scheme;
- (m) accept a transfer of the Scheme Shares as contemplated by clause 4.2;
- (n) procure that a share sale facility is made available for the sale of SLP Shares that would otherwise be issued to Foreign Holders as Scheme Consideration;
- (o) not declare or pay any dividend on the SLP Shares prior to the Implementation Date.

5.5 Obligations in relation to Court proceedings

In relation to each Court hearing held or required under this clause 5 to be held in relation to the Scheme:

- (a) SLV must consult with SLP in relation to all documents required to be filed with or presented to the Court (including originating process, affidavits, submissions and draft Court orders) and must consider in good faith comments from SLP and its Representatives on those documents; and
- (b) SLV must engage counsel to represent SLV at the hearing (provided that such counsel will not be authorised to give any undertakings on behalf of SLP).

5.6 SLV Options

SLV must use all reasonable endeavours to procure that, by no later than five Business Days before the Second Court Date, each SLV Optionholder enters into a binding agreement (each an **Option Cancellation Agreement**) with SLV and SLP, conditional on the Scheme

becoming Effective, under which the holder agrees to the cancellation of SLV Options held by that holder in consideration for the grant by SLP of an equivalent number of new options over SLP Shares on terms and conditions which replicate those of the SLV Options.

5.7 SLV Loan Shares

SLV must use all reasonable endeavours to procure that, conditional on the Scheme becoming Effective, by no later than five Business Days before the Second Court Date each holder of SLV Loan Shares enters into a binding agreement (each a **Share Loan Amendment Agreement**) with SLV and SLP under which:

- (a) the Share Loan is assigned by SLV to SLP; and
- (b) the terms of its Share Loan are amended to provide that:
 - (i) the amount payable under each Share Loan is calculated by reference to the last sale price of SLP Shares on ASX on the date for repayment of the Share Loan, rather than the last sale price of SLV Shares; and
 - (ii) SLP Shares issued to the holder in exchange for SLV Loan Shares on implementation of the Scheme cannot be transferred until that holder's Share Loan is repaid in full.

6. TERMINATION

6.1 Termination events

Either SLP or SLV may terminate this agreement at any time before the commencement of the Court hearing on the Second Court Date by giving written notice to the other if:

- (a) the Court fails to make orders in accordance with section 411(1) of the Corporations Act to convene the Scheme Meeting and either all appeals from such failure are unsuccessful or the parties determine not to initiate an appeal; or
- (b) the Independent Expert gives a report to SLV which concludes that the Scheme is not in the best interests of SLV Shareholders and holders of SLV DIs or changes its previously given conclusion that the Scheme is in the best interests of SLV Shareholders and holders of SLV DIs, or withdraws its report prior to the Scheme Meeting.

6.2 Effect of termination

If this agreement is terminated under clause 3.7 or this clause 6 then:

- (a) except for this subclause 6.2 and clauses 1, 7, 8, 9 (other than 9.7) and 10, all the provisions of this agreement will lapse and cease to have effect; and
- (b) neither the lapsing of those provisions nor their ceasing to have effect will affect any accrued rights or liabilities of either party in respect of damages for non-performance of any obligation under this agreement falling due for performance before such lapse and cessation.

7. NOTICES

7.1 Manner of giving notice

Any notice or other communication to be given under this agreement must be in writing (which includes fax and email) and may be delivered or sent by post or fax or email to the party to be served as follows:

(a) to SLV at:

Address: Unit 2
Level 1
Churchill Court
331-335 Hay Street
Subiaco, Perth
WA 6008
Fax number: +61 8 9481 5044
For the attention of: Grant Button;

(b) to SLP at:

Address: c/- Codan Services Limited
Clarendon House
2 Church Street,
Hamilton
HM11
Bermuda
Fax number: +1 (441) 292 4720
For the attention of: the company secretary;

or at any such other address or fax number or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

7.2 When notice given

Any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another);
- (c) if sent by fax, at the time shown in the transmission report as being the time at which the whole fax was sent; or
- (d) if sent by e-mail, upon the generation of a receipt notice by the recipient's server or, if such notice is not so generated, upon delivery to the recipient's server,

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

7.3 Proof of service

In proving service of a notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail, or that the fax was properly addressed and transmitted or that the e-mail was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

7.4 Documents relating to legal proceedings

This clause 7 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this agreement.

8. ENTIRE AGREEMENT

8.1 Entire agreement

This agreement contains the entire agreement between the parties relating to the Redomicile Proposal and supersede all previous agreements, whether oral or in writing, between the parties relating to the Redomicile Proposal.

8.2 No reliance

Each party acknowledges that in agreeing to enter into this agreement it has not relied on any express or implied representation, warranty, collateral contract or other assurance (except those expressly set out in this agreement) made by or on behalf of any other party before the entering into of this agreement. Each party waives all rights and remedies which, but for this clause 8.2 might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance.

8.3 Termination rights

Except for the express right of termination contained in clauses 3.7 and 6, no party has any right to terminate this agreement and the parties waive their rights (if any) to annul, rescind, dissolve, withdraw from, cancel or terminate this agreement in any circumstances.

9. GENERAL

9.1 Amendments

This agreement may only be amended in writing and where such amendment is signed by all the parties.

9.2 Assignments

None of the rights or obligations of a party under this agreement may be assigned or transferred without the prior written consent of the other party.

9.3 Costs

SLV must pay the costs and expenses of the Scheme, except that SLP must pay any stamp duties and similar charges payable under Australian law in connection with the transfer of the Scheme Shares to SLP.

9.4 Consents

Except as otherwise expressly provided in this agreement a party may give or withhold its consent to any matter referred to in this agreement in its absolute discretion. A party that gives its consent to any matter referred to in this agreement is not taken to have made any warranty or representation as to any matter or circumstance connected with the subject matter of that consent.

9.5 Counterparts

This agreement may be executed in counterparts, which taken together must constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this agreement by executing a counterpart.

9.6 Exercise and waiver of rights

The rights of each party under this agreement:

- (a) may be exercised as often as necessary;
- (b) except as otherwise expressly provided by this agreement, are cumulative and not exclusive of rights and remedies provided by law; and
- (c) may be waived only in writing and specifically,

and delay in exercising or non-exercise of any such right is not a waiver of that right.

9.7 Further assurance

Each party undertakes, at the request, cost and expense of the other party, to sign all documents and to do all other acts, which may be necessary to give full effect to this agreement.

9.8 No merger

Each of the obligations, warranties and undertakings set out in this agreement (excluding any obligation which is fully performed at the Implementation Date) must continue in force after the Implementation Date.

9.9 Severability

The provisions contained in each clause and sub-clause of this agreement shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid.

10. GOVERNING LAW AND JURISDICTION

10.1 Governing law

This agreement and any non-contractual obligations arising out of or in connection with it is governed by the law applying in Western Australia.

10.2 Jurisdiction

The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this agreement) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

THIS AGREEMENT has been executed by the parties (or their duly authorised representatives) on the date stated at the beginning of this agreement.

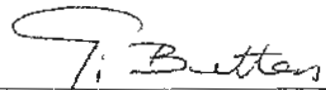
EXECUTION PAGE

Executed by **Sylvania Resources Limited** in accordance with section 127 of the Corporations Act 2001 (Cth)



Signature of director

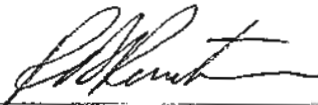
Richard Rossiter
Name of director



Signature of director/company secretary


Grant Button
Name of director/company secretary

Executed by **Sylvania Platinum Limited** in accordance with its constitution



Signature of director

Richard Rossiter
Name of director



Signature of director/company secretary

Grant Button
Name of director

ANNEX 2
SCHEME

SCHEME

THIS SCHEME OF ARRANGEMENT is made under section 411 of the Corporations Act 2001 (Cth).

PARTIES:

- (1) **Sylvania Resources Limited** (ACN 091 415 968) of Unit 2, Level 1 Churchill Court, 331-335 Hay Street, Subiaco Western Australia (**SLV**).
- (2) The holders of fully paid ordinary shares in the capital of **SLV** as at the Scheme Record Date.

IT IS AGREED:

1. Definitions and Interpretation

1.1 In this agreement:

AIM means the AIM market operated by the London Stock Exchange.

AIM Rules means the AIM rules for companies (as amended from time to time) published by the London Stock Exchange.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

Authority means:

- (a) any government or governmental, semi-governmental or local authority and any department, office, minister, commission, board, delegate or agency of any such government or authority;
- (b) any judicial or administrative entity or authority; and
- (c) any other authority, commission, board, agency or other entity established or having power under statute or the listing rules of any recognised securities exchange.

Court means the Supreme Court of Western Australia.

CREST means the electronic, paperless transfer and settlement mechanism to facilitate the transfer of title to securities in uncertificated form, operated by Euroclear UK & Ireland Limited in the United Kingdom.

Deed Poll means the deed poll entered into by SLP in favour of the Scheme Shareholders and the SLV DI Scheme Holders dated 12 January 2011.

Effective means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Scheme.

Effective Date means the date the Scheme becomes Effective.

Excluded Shares means any SLV Share held by SLP or by any other person on behalf of or for the benefit of SLP or any related entity of SLP (including any SLV Share held by the Custodian represented by any SLV DI of which SLP or any related entity of SLP is the holder).

Foreign Holder means any Scheme Shareholder, and any SLV DI Scheme Holder whose address shown on the SLV Share Register or the SLV DI Register (as the case may be) as at the Scheme Record Date is a place outside the United Kingdom, the Isle of Man, Jersey, Singapore, Guernsey, Hong Kong, Bermuda and Australia and its external territories, unless, no less than three Business Days prior to the Scheme Meeting, SLV and SLP agree in writing that it is lawful and not unduly onerous or unduly impracticable to issue that Scheme Shareholder or SLP DI Holder with SLP Shares or SLP DIs (as the case may be) when the Scheme becomes Effective.

GMT means Greenwich mean time.

Implementation Date means the date which is the next Business Day after the Scheme Record Date, or such other date as SLP and SLV agree in writing.

London Stock Exchange means London Stock Exchange plc.

Long Stop Date means 30 June 2011 or such later date as SLP and SLV agree in writing.

Sale Facility means the sale facility referred to in clause 5.2.

Sale Nominee means a person appointed by SLP to sell the SLP Shares that would otherwise be issued to or for the benefit of Foreign Holders under the terms of the Scheme.

Scheme means this scheme of arrangement subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved in writing by SLV and SLP.

Scheme Consideration means, other than for Foreign Holders who shall receive cash pursuant to the Sale Facility, one SLP Share for every one SLV Share held by a Scheme Shareholder, and one SLP DI for every one SLV DI held by a SLV DI Scheme Holder, in each case, on the Scheme Record Date.

Scheme Implementation Agreement means the scheme implementation agreement entered into by SLP and SLV dated 12 January 2011.

Scheme Meeting means the meeting of SLV Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme.

Scheme Record Date means the date which is five Business Day after the Effective Date.

Scheme Shareholder means a person who is registered in the SLV Share Register as the holder of one or more Scheme Shares as at the Scheme Record Date, provided that if such a person is registered as the holder of both Scheme Shares and Excluded Shares, that person will be a Scheme Shareholder in respect of the Scheme Shares only.

Scheme Shares means all SLV Shares on issue at the Scheme Record Date other than any Excluded Shares (if any).

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard.

SLP means Sylvania Platinum Limited (ARBN 147 331 726) of c/- Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda.

SLP Custodian means Computershare Company Nominees Ltd.

SLP DI means a depositary interest which confers a unit of beneficial ownership of an SLP Share registered on the SLP Share Register in the name of the SLP Custodian.

SLP DI Register means the register of SLP DIs maintained by Computershare Investor Services PLC.

SLP Securities means SLP Shares and SLP DIs.

SLP Share means a fully paid common share of par value US\$0.10 each in the capital of SLP.

SLP Share Register means the register of registered shareholders of SLP in Bermuda or any branch register thereof.

SLV Custodian means Computershare Clearing Pty Ltd.

SLV DI means a depositary interest which confers a unit of beneficial ownership in an SLV Share registered in the SLV Share Register in the name of the SLV Custodian.

SLV DI Scheme Holder means a person who is registered in the SLV DI Register at the Scheme Record Date as the holder of one or more SLV DIs which represent Scheme Shares.

SLV DI Register means the register of SLV DIs maintained by Computershare Investor Services PLC.

SLV Share means a fully paid ordinary share issued in the capital of SLV.

SLV Shareholder means a person who is registered in the SLV Share Register as the holder of one or more SLV Shares, from time to time.

SLV Share Register means the register of SLV Shares maintained by Computershare Investor Services Pty Limited in Australia on behalf of SLV.

WST means western standard time.

1.2 Related entities

For the purposes of this agreement, an entity is a **related entity** of another entity if the first entity and the second entity would be related bodies corporate for the purposes of section 50 of the Corporations Act if the Corporations Act were read so that:

- (a) references to bodies corporate included references to other entities;
- (b) a subsidiary of an entity included an entity that is controlled by the first entity for the purposes of section 50AA of the Corporations Act;
- (c) a trust is a subsidiary of another entity if it would have been a subsidiary had the trust been a body corporate and had units in the trust been shares; and
- (d) an entity is a subsidiary of a trust if it would have been a subsidiary had the trust been a body corporate.

1.3 Interpretation

In this document:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after the date of this document;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after the date of this document under that legislation, including (where applicable) that legislation as amended, extended or applied as described in subclause 1.3(a)(i), or under any legislation which it re-enacts as described in subclause 1.3(a)(ii);
- (b) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) the schedules and annexes form part of this document and, unless otherwise indicated, a reference to a clause, subclause, schedule or annex is a reference to a clause, subclause, schedule or annex of or to this document;
- (e) references to a party to this document include the successors or assigns (immediate or otherwise) of that party;
- (f) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Australia; and
- (g) a reference to \$, A\$ or dollars is to Australian currency.

1.4 Rules of interpretation and construction

In this document:

- (a) singular words include the plural and vice versa;
- (b) a word of any gender includes the corresponding words of any other gender;
- (c) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (d) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words; and
- (e) the headings do not affect interpretation.

1.5 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be done under this document is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

2. PRELIMINARY MATTERS

- (a) SLV is a public company registered in Australia and is a company limited by shares.
- (b) As at 19 January 2011, 301,961,805 SLV Shares are on issue.
- (c) SLP is a company incorporated in Bermuda.
- (d) If the Scheme becomes Effective:
 - (i) in consideration for the transfer of each Scheme Share to SLP, SLV will procure SLP to provide the Scheme Consideration to Scheme Shareholders and SLV DI Scheme Holders in accordance with the Scheme; and
 - (ii) all the Scheme Shares, and all the rights and entitlements attaching to them as at the Implementation Date, will be transferred to SLP and SLV will enter the name of SLP in the SLV Share Register in respect of the Scheme Shares.
- (e) SLV and SLP have agreed, by executing the Scheme Implementation Agreement, to implement the Scheme.
- (f) SLP has agreed, by executing the Deed Poll, to perform its obligations under this Scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders and the SLV DI Scheme Holders.

3. CONDITIONS TO THE SCHEME

3.1 Conditions precedent to the Scheme

- (a) The Scheme is conditional on:
 - (i) as at 8.00am on the Second Court Date, all the conditions in clause 3.1 of the Scheme Implementation Agreement (other than the condition relating to the approval of the Court set out in clause 3.1(a) of the Scheme Implementation Agreement) required to be satisfied by the Long Stop Date having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement;
 - (ii) approval of this Scheme by the Court pursuant to section 411(4)(b) of the Corporations Act with or without modification; and
 - (iii) the Scheme Implementation Agreement not having been terminated by either party to that agreement before 8.00am on the Second Court Date.
- (b) Satisfaction of the conditions in clause 3(a) is a condition precedent to the operation of clause 4.
- (c) The Scheme will lapse and be of no further force or effect if the Effective Date does not occur on or before the Long Stop Date, or any later date that SLP and SLV agree.

3.2 Confirmations in relation to conditions

At the Court hearing on the Second Court Date each SLV and SLP must provide to the Court a certificate, or such other evidence as the Court requests, confirming (in respect of the matters within their knowledge) whether or not the conditions set out in clause 3.1 of the Scheme Implementation Agreement (other than the condition relating to the approval of the Court set out in subclause 3.1(a)

of the Scheme Implementation Agreement) have been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement and whether or not the condition precedent to the Scheme set out in subclause 3.1 above has been satisfied. The certificates provided by SLV and SLP under this clause 3.2 constitute conclusive evidence as to whether or not those conditions have been satisfied or waived.

4. IMPLEMENTATION OF THE SCHEME

4.1 Lodgement of Court Orders

SLV will, for the purposes of section 411(10) of the Corporations Act, lodge with ASIC office copies of the Court orders under section 411(4)(b) of the Corporations Act approving the Scheme by 5.00pm (WST) on the first Business Day after the day on which the Court approves the Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 5, all of the Scheme Shares together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to SLP, without the need for any further act by any Scheme Shareholder (other than acts performed by SLV as attorney and agent for Scheme Shareholders under clause 8.5) by:
 - (i) SLV delivering to SLP duly completed and executed share transfer forms (or master share transfer form) to transfer all the Scheme Shares to SLP; and
 - (ii) SLP duly executing the share transfer forms (or master share transfer form), attending to the stamping of the share forms (or master share transfer form) (if required) and delivering the share transfer forms (or master share transfer form) to SLV for registration;
- (b) immediately after receipt of the share transfer forms (or master share transfer form) in accordance with clause 4.2(a), SLV must enter, or procure the entry of, the name of SLP in the SLV Share Register in respect of all the Scheme Shares; and
- (c) the transfer of Scheme Shares will be deemed to be effective on the Implementation Date.

4.3 Agreement by Scheme Shareholders

Each Scheme Shareholder agrees to the transfer of their Scheme Shares to SLP in accordance with the terms of this Scheme.

5. PROVISION OF SCHEME CONSIDERATION

5.1 Provision of Scheme Consideration

- (a) Subject to clause 5.2, the obligation of SLP to provide or procure the provision of the Scheme Consideration to Scheme Shareholders will be satisfied by SLP:
 - (i) in the case of Scheme Consideration that is required to be provided to Scheme Shareholders in the form of SLP Shares:

- (A) on the Implementation Date, issuing to each Scheme Shareholder such number of SLP Shares that the Scheme Shareholder is entitled to receive as Scheme Consideration in accordance with the Scheme;
 - (B) on the Implementation Date, entering into the SLP Share Register the name and address of each such Scheme Shareholder in relation to all the SLP Shares which the Scheme Shareholder is entitled to receive as Scheme Consideration in accordance with the Scheme; and
 - (C) as soon as practicable after the Implementation Date and in accordance with the ASX Listing Rules and AIM Rules (but in any event within 5 Business Days after the Implementation Date), dispatching or procuring the dispatch of a share certificate or holding statement to the address recorded in the SLV Share Register on the Scheme Record Date for the SLP Shares issued to each such Scheme Shareholder on the Implementation Date;
- (ii) in the case of Scheme Consideration that is required to be provided to SLV DI Scheme Holders in the form of SLP DIs:
- (A) on the Implementation Date and in accordance with clause 5.1(a)(i), issuing to the SLV Custodian such number of SLP Shares as is equal to the number of SLP DIs required to be provided to SLV DI Scheme Holders in the form of SLP DIs (the **DI Shares**), to be held on trust for the SLV DI Scheme Holders who will hold the SLP DIs;
 - (B) on the Implementation Date, in accordance with the depositary interest arrangement to be established by Sylvania Platinum, the SLV Custodian will transfer the DI Shares to the SLP Custodian, to be held on trust for the SLV DI Scheme Holders who will hold the SLP DIs;
 - (C) on the Implementation Date, ensuring that the name and address of the SLP Custodian is entered into the SLP Share Register in relation to the DI Shares;
 - (D) as soon as practicable after the Implementation Date and in accordance with the ASX Listing Rules and AIM Rules (but in any event within 5 Business Days after the Implementation Date), dispatching or procuring the dispatch of a share certificate or holding statement to the SLP Custodian for the SLP Shares transferred to the SLP Custodian on the Implementation Date;
 - (E) procuring that on the Implementation Date, the SLP Custodian issues to each such SLP DI Holder the number of SLP DIs to which it is entitled under this clause 5; and
 - (F) procuring that on the Implementation Date, the name of each such SLP DI Holder is entered into the SLP DI Register as the holder of the SLP DIs issued to that SLP DI Holder;
- (iii) in the case of Scheme Consideration that is required to be dealt with as a result of the operation of clause 5.2,:
- (A) on the Implementation Date and in accordance with clause 5.1(a)(i), issuing to the Sale Nominee such number of SLP Shares as necessary under clause 5.2, to be held in trust for the Foreign Holders;

- (B) on the Implementation Date, ensuring that the name and address of the Sale Nominee (as nominee in trust for the Foreign Holders) is entered into the SLP Share Register in relation to those SLP Shares which each Foreign Holder would otherwise be entitled to;
 - (C) as soon as practicable after the Implementation Date and in accordance with the ASX Listing Rules and AIM Rules (but in any event within 5 Business Days after the Implementation Date), dispatching or procuring the dispatch of a share certificate or holding statement to the Sale Nominee (as nominee in trust for the Foreign Holders) for the SLP Shares issued to the Sale Nominee on the Implementation Date; and
 - (D) procuring that the Sale Nominee (as nominee in trust for the Foreign Holders) sells the SLP Shares issued to it on behalf of the Foreign Holders and the proceeds are paid to the Scheme Shareholders in accordance with 5.3.
- (b) In the case of any Scheme Shares or SLV DIs held in joint names:
- (i) SLP Shares or SLP DIs issued under this Scheme will be issued to and registered in the names of the joint holders;
 - (ii) any cheque required to be sent under this Scheme will be made payable and sent to the holder whose name appears first in the SLV Share Register or SLV DI Register as at the Scheme Record Date; and
 - (iii) any uncertificated holding statement or other document will be issued in the names of the joint holders and sent to the holder whose name appears first in the SLV Share Register as at the Scheme Record Date.
- (c) Upon issue:
- (i) all SLP Shares will rank equally with all existing SLP Shares;
 - (ii) each SLP Share will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest;
 - (iii) all SLP DIs will rank equally with all existing SLP DIs; and
 - (iv) each SLP DI will be fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.
- (d) Any binding instructions between a Scheme Shareholder and SLV relating to SLV Shares or SLV DIs (including, without limitation, any instructions relating to payment of dividends or to communications from SLV) will, from the Implementation Date, be deemed by reason of the Scheme to be a similarly binding instruction to and accepted by SLP in respect of SLP Shares or SLP DIs issued to Scheme Shareholders until that instruction is revoked or amended in writing addressed to SLP at its share registry.

5.2 Foreign Holders

SLP will be under no obligation under the Scheme to issue, and will not issue, any SLP Shares or SLP DIs to any Foreign Holder and must instead procure that the number of SLP Shares that would

have been issued to a Foreign Holder had they not been a Foreign Holder are dealt with on behalf of the Foreign Holder in accordance with clause 5.3.

5.3 Sale Facility

(a) The SLP Shares that would otherwise have been issued to Foreign Holders under the Scheme, or which would have been issued to the SLV Custodian in respect of the SLP DIs that would otherwise have been issued to Foreign Holders under the Scheme (the **FH Shares**), will be issued to the Sale Nominee on the Implementation Date.

(b) SLP must:

(i) procure that as soon as practicable after the Implementation Date, the Sale Nominee sells under the Sale Facility (in the manner set out in clause 5.3(c)) the FH Shares; and

(ii) pay, or procure the payment to, each Foreign Holder an amount determined in accordance with the following formula and rounded down to the nearest cent:

$$P \times (N / T)$$

where:

P is the net sale proceeds received by the Sale Nominee (after deducting any applicable selling costs, tax and charges) for the sale of all of the FH Shares;

N is the number of FH Shares which would otherwise have been issued to that Foreign Holder had it not been a Foreign Holder;

T is the total number of FH Shares which were issued to the Sale Nominee in accordance with this clause 5.3.

(c) The Sale Nominee will sell the FH Shares on the ASX in such manner (including selling the SLP Shares in one or more lots), at such price and on such other terms as the Sale Nominee determines in good faith as soon as practicable after the Implementation Date, provided the Sale Nominee uses all reasonable endeavours to achieve the best price reasonably obtainable at the time of sale.

(d) None of SLP, SLV or the Sale Nominee gives any undertaking, representation, warranty or assurance as to the price that will be achieved for the sale of FH Shares under the Sale Facility described in this clause 5.3.

(e) Each Foreign Holder acknowledges that the Sale Nominee is acting as principal in dealing with the SLP Shares attributable to it and implementing the actions set out in this clause 5.3, and that the Sale Nominee is not a broker or other agent of the Foreign Holder.

(f) Payments of amounts referred to in this clause 5.3 will be made as soon as reasonably practicable by cheque in Australian dollars and sent by prepaid post (at the risk of the Foreign Holder) to the address recorded in the SLV Share Register or SLV DI Register (as the case may be) at the Scheme Record Date.

6. DEALINGS IN SLV SHARES AND SLV DIS

- (a) To establish the identity of the Scheme Shareholders, dealings in SLV Shares and SLV DIs will only be recognised if:
- (i) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the SLV Share Register as the holder of the relevant SLV Shares before 7.00pm (WST) on the Scheme Record Date;
 - (ii) in the case of all other dealings in SLV Shares, registrable transmission applications or transfers in respect of those dealings are received by Computershare Investor Services Pty Limited before 5.00pm (WST) on the Scheme Record Date (in which case SLV must register such transfers before 7.00pm (WST) on the Scheme Record Date); and
 - (iii) in the case of dealings in SLV DIs to be effected on CREST, the transferee is registered in the SLV DI Register as the holder of the relevant SLV DIs before 7.00am (GMT) on the Scheme Record Date.
- (b) If the Scheme becomes Effective, Scheme Shareholders or SLV DI Scheme Holders (and any person claiming through such holder) must not dispose of or purport or agree to dispose of any Scheme Shares, SLV DIs or any interest in them after the Scheme Record Date.
- (c) SLV will not accept for registration or recognise for any purpose any transmission application or transfer in respect of SLV Shares received after the Scheme Record Date, other than a transfer of SLV Shares to SLP pursuant to the Scheme or any subsequent transfer by SLP to its successors in title.
- (d) For the purpose of determining entitlements to the Scheme Consideration, SLV must maintain the SLV Share Register and the SLV DI Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been provided to all Scheme Shareholders and SLV DI Scheme Holders. The SLV Share Register and the SLV DI Register in this form will solely determine entitlements to the Scheme Consideration.
- (e) All statements of holding and share certificates for SLV Shares will cease to have effect from 7.00pm (WST) on the Scheme Record Date, and all statements of holding for SLV DIs will cease to have effect from 7.00am (GMT) on the Scheme Record Date, in each case as documents of title in respect of those securities and, as from that date, each entry current at that date on the SLV Share Register or the SLV DI Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares or SLV DIs relating to that entry.
- (f) As soon as possible on or after the Scheme Record Date, and in any event within one Business Day after the Scheme Record Date, SLV will ensure that details of the names, registered addresses and holdings of: (i) Scheme Shares for each Scheme Shareholder as shown in the SLV Share Register as at 7.00pm (WST) on the Scheme Record Date; and (ii) SLV DIs for each SLV DI Scheme Holder as shown in the SLV DI Register as at 7.00am (GMT) on the Scheme Record Date, are available to SLP in the form SLP reasonably requires.

7. QUOTATION OF SLV SHARES

- (a) On the Effective Date SLV will:

- (i) apply to ASX to suspend trading on the ASX in SLV Shares from close of trading on the Effective Date; and
 - (ii) notify the London Stock Exchange that shareholder approval has been obtained for the Scheme which will necessitate cancellation of admission to trading of SLV Shares on AIM; and
- (b) On a date after the Implementation Date to be determined by SLP, SLV will apply for termination of the official quotation of SLV Shares on the ASX, and to have itself removed from the official list of the ASX.

8. GENERAL SCHEME PROVISIONS

8.1 Consent to Scheme amendments

If the Court proposes to approve the Scheme subject to any alterations or conditions, SLV may by its counsel consent on behalf of all persons concerned to those alterations or conditions to which SLP has consented.

8.2 Scheme Shareholders' agreements and warranties

- (a) Each Scheme Shareholder will transfer their Scheme Shares to SLP (together with all rights and entitlements attaching to those Scheme Shares) in accordance with this Scheme.
- (b) Each Scheme Shareholder and SLV DI Scheme Holder acknowledges that the Scheme binds SLV and all Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme at the Scheme Meeting) and SLV DI Scheme Holders (including those that do not instruct the SLV Custodian how to vote at the Scheme Meeting or instruct the SLV Custodian to vote against the Scheme at the Scheme Meeting).
- (c) Each Scheme Shareholder and SLV DI Scheme Holder agrees to be bound by SLP's articles of incorporation and bye-laws.
- (d) Each Scheme Shareholder and SLV DI Scheme Holder is taken to have warranted to SLV and SLP that all of the SLV Shares and SLV DIs (as the case may be) registered in the name of that Scheme Shareholder or SLV DI Scheme Holder as at the Scheme Record Date will, as at the Implementation Date, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties and from all other restrictions on transfer.
- (e) Each Scheme Shareholder is taken to have warranted to SLV and SLP that they have full power and capacity to transfer their SLV Shares to SLP under the Scheme.
- (f) Each Scheme Shareholder shall be deemed to have irrevocably appointed SLP and each of its directors and officers (jointly and severally) as its attorneys for the purpose of executing any form of application, letter of transmittal or other instruments or documents required to effect the issue and allotment of the SLP Shares and SLP DIs.

8.3 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the SLV Shares transferred under the Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.

- (b) On and from the Implementation Date, SLP will be beneficially entitled to the Scheme Shares transferred to it under the Scheme pending registration by SLV of SLP in the SLV Share Register as the holder of the SLV Shares.

8.4 Appointment of Sole Proxy

Upon the Scheme becoming Effective and provision of the Scheme Consideration, and until SLV registers SLP as the holder of all Scheme Shares in the SLV Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed SLP as attorney and agent (and directed SLP in each such capacity) to appoint any director, officer, secretary or agent nominated by SLP as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign every shareholders' resolution, and no Scheme Shareholder may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 8.4(a));
- (b) undertakes not to otherwise attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolutions, whether in person, by proxy or corporate representative;
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as SLP reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.4(a), SLP or any officer or agent nominated by SLP may act in the best interests of SLP as the intended registered holder of the Scheme Shares.

8.5 Power of attorney

- (a) Scheme Shareholders and SLV DI Scheme Holders will be deemed to have authorised SLV, and all of its directors, officers and secretaries, to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary to implement the Scheme including (without limitation) executing, as agent and attorney of each Scheme Shareholder, a share transfer form (or master share transfer form) in relation to Scheme Shares as contemplated by clause 4.2(a).
- (b) Each Scheme Shareholder and SLV DI Scheme Holder, without the need for any further act, irrevocably appoints SLV and all of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to the Scheme including without limitation, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares.

8.6 Enforcement of Deed Poll

SLV undertakes in favour of each Scheme Shareholder and SLV DI Scheme Holder to enforce the Deed Poll against SLP on behalf of and as agent and attorney for the Scheme Shareholders and SLV DI Scheme Holders.

8.7 Dividends

Neither SLV nor SLP will declare or pay any dividends on the SLV Shares or the SLP Shares (as applicable) prior to the Implementation Date.

8.8 Effect of Scheme

The Scheme binds SLV and all Scheme Shareholders and SLV DI Scheme Holders from time to time and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of SLV.

9. GENERAL

9.1 Costs

SLV must pay the costs and expenses of the Scheme, except that SLP must pay any stamp duties and similar charges payable under Australian law in connection with the transfer of the Scheme Shares to SLP.

9.2 Consent

- (a) The Scheme Shareholders and SLV DI Scheme Holders consent to SLV doing all things necessary or incidental to the implementation of the Scheme.
- (b) Each Scheme Shareholder and SLV DI Scheme Holder acknowledges that this Scheme binds SLV, all Scheme Shareholders (including those who do not attend the Scheme Meeting, do not vote at the Scheme Meeting or vote against the Scheme at the Scheme Meeting) and all SLV DI Scheme Holders (including those that do not instruct the SLV Custodian how to vote at the Scheme Meeting or instruct the SLV Custodian to vote against the Scheme at the Scheme Meeting).

9.3 Notices

- (a) If a notice, transfer, transmission, application, direction or other communication referred to in the Scheme is sent by post to SLV, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at SLV's registered office or at the office of the Registrar.
- (b) The accidental omission to give notice of the Scheme Meeting to, or the non-receipt of notice of the Scheme Meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

9.4 Liability

None of SLV, SLP nor any of their respective directors, officers or employees shall have any liability for acts taken in good faith.

9.5 Governing Law

- (a) This Scheme is governed by the law applying in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

9.6 Further action

SLV must, at its own expense, do all things and execute all documents necessary to give full effect to the Scheme and the transactions contemplated by it.

ANNEX 3
DEED POLL

DEED POLL

THIS DEED POLL is made on 12 January 2011.

PARTIES:

- (1) **Sylvania Platinum Limited** (ARBN 147 331 726) of c/- Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda (**SLP**).

IN FAVOUR OF:

- (1) Scheme Shareholders; and
- (2) SLV DI Scheme Holders,
each as defined in the SIA (as defined below).

BACKGROUND:

- (A) The directors of Sylvania Resources Limited (ACN 091 415 968) of Unit 2, Level 1 Churchill Court, 331-335 Hay Street, Subiaco, Western Australia (**SLV**) have resolved that SLV should propose the Scheme.
- (B) The effect of the Scheme will be that the Scheme Shares, together with all rights and entitlements attaching to them, will be transferred to SLP in exchange for the Scheme Consideration.
- (C) On 12 January 2011, SLV and SLP entered into a Scheme Implementation Agreement (**SIA**).
- (D) Under the SIA, SLP has agreed to enter into this Deed Poll.
- (E) SLP is entering into this Deed Poll for the purpose of covenanting in favour of the Scheme Shareholders and the SLV DI Scheme Holders to perform certain of its obligations under the SIA and the Scheme.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Words and phrases defined in the SIA have the same meaning in this Deed Poll unless the context requires otherwise.

1.2 Interpretation

Clauses 1.2 to 1.5 of the SIA apply to the interpretation of this Deed Poll, except that references to "this agreement" in clauses 1.2 to 1.5 of the SIA are to be read as references to "this Deed Poll".

2. NATURE OF DEED POLL

SLP acknowledges that this Deed Poll may be relied upon and enforced by any Scheme Shareholder and any SLV DI Scheme Holder in accordance with its terms, even though the Scheme Shareholders and the SLV DI Scheme Holders are not party to it.

3. CONDITIONS AND TERMINATION

3.1 Conditions

SLP's obligations under clause 4 are subject to the Scheme becoming Effective.

3.2 Termination

The obligations of SLP under this Deed Poll will automatically terminate and the terms of this Deed Poll will be of no further force or effect (unless SLP and SLV otherwise agree in accordance with the SIA) if:

- (a) the SIA is terminated in accordance with its terms prior to the Scheme becoming Effective;
or
- (b) the Scheme does not become Effective on or before the Long Stop Date.

3.3 Consequences of Termination

If this Deed Poll is terminated under clause 3.2 then, in addition and without prejudice to any other rights, powers or remedies available:

- (a) SLP is released from its obligations to further perform this Deed Poll except for any obligations which by their nature survive termination; and
- (b) Scheme Shareholders and SLV DI Scheme Holders retain the rights they have against SLP in respect of any breach of this Deed Poll which occurs before termination.

4. SCHEME CONSIDERATION

4.1 Payment of Scheme Consideration

Subject to clause 3, SLP undertakes in favour of each Scheme Shareholder and SLV DI Scheme Holder to:

- (a) provide the Scheme Consideration to each Scheme Shareholder in respect of the Scheme Shares held by that Scheme Shareholder as at the Scheme Record Date in the following manner:
 - (i) on the Implementation Date, issuing to each Scheme Shareholder such number of SLP Shares that the Scheme Shareholder is entitled to receive as Scheme Consideration in accordance with the Scheme;
 - (ii) on the Implementation Date, entering into the SLP Share Register the name and address of each such Scheme Shareholder in relation to all the SLP Shares which the Scheme Shareholder is entitled to receive as Scheme Consideration in accordance with the Scheme; and
 - (iii) as soon as practicable after the Implementation Date and in accordance with the ASX Listing Rules and AIM Rules (but in any event within 5 Business Days after the Implementation Date), dispatching or procuring the dispatch of a share certificate or holding statement to the address recorded in the SLV Share Register on the Scheme Record Date for the SLP Shares issued to each such Scheme Shareholder on the Implementation Date;

- (b) provide the Scheme Consideration to each SLV DI Scheme Holder in respect of the SLV DIs held by that SLV DI Scheme Holder as at the Scheme Record Date in the following manner:
- (i) on the Implementation Date and in accordance with clause 4.1(a)(i) above, issuing to the SLV Custodian such number of SLP Shares as is equal to the number of SLP DIs required to be provided to SLV DI Scheme Holders in the form of SLP DIs (the **DI Shares**), to be held on trust for the SLV DI Scheme Holders who will hold the SLP DIs;
 - (ii) on the Implementation Date, in accordance with the depositary interest arrangement to be established by Sylvania Platinum, the SLV Custodian will transfer the DI Shares to the SLP Custodian, to be held on trust for the SLV DI Scheme Holders who will hold the SLP DIs;
 - (iii) on the Implementation Date, ensuring that the name and address of the SLP Custodian is entered into the SLP Share Register in relation to the DI Shares;
 - (iv) as soon as practicable after the Implementation Date and in accordance with the ASX Listing Rules and AIM Rules (but in any event within 5 Business Days after the Implementation Date), dispatching or procuring the dispatch of a share certificate or holding statement to the SLP Custodian for the SLP Shares transferred to the SLP Custodian on the Implementation Date;
 - (v) procuring that on the Implementation Date, the SLP Custodian issues to each such SLP DI Holder the number of SLP DIs to which it is entitled under this clause 4.1(b); and
 - (vi) procuring that on the Implementation Date, the name of each such SLP DI Holder is entered into the SLP DI Register as the holder of the SLP DIs issued to that SLP DI Holder;
- (c) provide cash to each Foreign Holder in respect of the Scheme Shares or SLV DIs held by that Foreign Holder as at the Scheme Record Date in the following manner:
- (i) on the Implementation Date and in accordance with clause 4.1(a)(i), issuing to the Sale Nominee such number of SLP Shares that would have been issued to Foreign Holders under the Scheme, or which would have been issued to the SLV Custodian in respect of the SLP DIs that would otherwise have been issued to Foreign Holders under the Scheme, to be held in trust for the Foreign Holders;
 - (ii) on the Implementation Date, ensuring that the name and address of the Sale Nominee (as nominee in trust for the Foreign Holders) is entered into the SLP Share Register in relation to those SLP Shares which each Foreign Holder would otherwise be entitled to;
 - (iii) as soon as practicable after the Implementation Date and in accordance with the ASX Listing Rules and AIM Rules (but in any event within 5 Business Days after the Implementation Date), dispatching or procuring the dispatch of a share certificate or holding statement to the Sale Nominee (as nominee in trust for the Foreign Holders) for the SLP Shares issued to the Sale Nominee on the Implementation Date; and

- (iv) procuring that the Sale Nominee (as nominee in trust for the Foreign Holders) sells the SLP Shares issued to it on behalf of the Foreign Holders and the proceeds are paid to the Scheme Shareholders in accordance with clause 5.3 of the Scheme; and
 - (d) undertake all other actions attributed to it under the Scheme,
- subject to and in accordance with the Scheme.

4.2 SLP Securities

SLP covenants in favour of each Scheme Shareholder that the SLP Shares and SLP DIs (the **SLP Securities**) issued as Scheme Consideration to Scheme Shareholders and SLV DI Scheme Holders will:

- (a) be validly issued;
- (b) rank equally with all existing SLP Securities on issue; and
- (c) be issued fully paid and free from any mortgage, charge, lien, encumbrance or other security interest.

5. WARRANTIES

SLP represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll; and
- (d) this Deed Poll has been duly and validly executed and delivered by SLP and is valid and binding on it.

6. CONTINUING OBLIGATIONS

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until:

- (a) SLP has fully performed its obligations under this Deed Poll; or
- (b) the earlier termination of this Deed Poll under clause 3.

7. NOTICES

7.1 Manner of Giving Notice

The provisions of clause 7 of the SIA relating to the notice being served on SLP apply as if they were set out herein.

8. GENERAL

8.1 Stamp duty

SLP will:

- (a) pay or procure payment of all stamp duties and any related fines and penalties (if any) in respect of the Scheme and this Deed Poll, the performance of this Deed Poll and each transaction effected by or made under the Scheme and this Deed Poll; and
- (b) indemnify each Scheme Shareholder and SLV DI Scheme Holder against any liability arising from failure to comply with clause 8.1(a).

8.2 Assignment

The rights and obligations of SLP and each Scheme Shareholder and SLV DI Scheme Holder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 8.2 is invalid.

8.3 Severability

The provisions contained in each clause and sub-clause of this Deed Poll shall be enforceable independently of each of the others and their validity shall not be affected if any of the others is invalid.

8.4 Waiver

SLP may not rely on the words or conduct of any Scheme Shareholder or SLV DI Scheme Holder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder or SLV DI Scheme Holder granting the waiver.

8.5 Variation

A provision of this Deed Poll may be varied if the variation is:

- (a) agreed to by SLV, which agreement SLV may give or withhold in its absolute discretion and without reference to or approval by any Scheme Shareholder or SLV DI Scheme Holder; and
- (b) the Court indicates that the amendment would not of itself preclude approval of the Scheme,

in which event SLP will enter into a further Deed Poll in favour of each Scheme Shareholder and SLV DI Scheme Holder giving effect to the amendment.

8.6 Cumulative Rights

The rights, powers and remedies of SLP, Scheme Shareholders and SLV DI Scheme Holders under this Deed Poll are cumulative and do not exclude any other rights, power or remedies provided by law independently of this Deed Poll.

8.7 Governing Law and Jurisdiction

This agreement and any non-contractual obligations arising out of or in connection with it is governed by the law applying in Western Australia. The courts having jurisdiction in Western

Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this agreement) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

8.8 Further assurances

SLP will, at its own expense, do all things reasonably required of it to give full force and effect to this Deed Poll.

Signed, sealed and delivered as a **DEED**
by **Sylvania Platinum Limited** in
accordance with its constitution

by **Richard Rossiter**
director

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Handwritten signature of Richard Rossiter in cursive script, positioned above a horizontal line.

and by **Grant Button**
director



Handwritten signature of Grant Button in cursive script, positioned above a horizontal line.

ANNEX 4
INDEPENDENT EXPERT'S REPORT



Sylvania Resources Limited

Independent expert's report and Financial Services Guide

15 December 2010

15 December 2010

What is a Financial Services Guide?

This **Financial Services Guide (FSG)** provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us.

What financial services are we licensed to provide?

We are authorised to provide general financial product advice or to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes and government debentures, stocks or bonds.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Deloitte will receive a fee of \$100,000 exclusive of GST in relation to the preparation of this report. This fee is based on time spent at our normal hourly rates and is not contingent upon the success or otherwise of the proposed scheme of arrangement involving Sylvania Resources Limited (SLV) and Sylvania Platinum Limited (Sylvania) in relation to the domicile of SLV by way of a scheme of arrangement under which all existing shares in SLV will be exchanged for shares in Sylvania, a company incorporated in Bermuda (the Scheme).

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately owned by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. The following represents a summary of work performed by Deloitte and Deloitte Touche Tohmatsu (and other entities related to Deloitte Touche Tohmatsu) (together Deloitte Australia) over the past two years:

- taxation services in 2009 and 2010 financial years
- due diligence services in 2010
- valuation services in 2009
- investigating accountant's report in 2009

Neither we, or any other member of Deloitte Australia, nor any partner or employee thereof has any financial interest in the outcome of the Scheme which could be considered to affect our ability to render an unbiased opinion in this report.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below. If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer
PO Box N250
Grosvenor Place
Sydney NSW 1220
complaints@deloitte.com.au
Fax +61 2 9255 8434

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
info@fos.org.au
www.fos.org.au
Tel 1300 780 808
Fax +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Touche Tohmatsu holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

The Directors
Sylvania Resources Limited
Unit 2 Level 1 Churchill Court
331-335 Hay Street
SUBIACO WA 6008

15 December 2010

Dear Directors

Independent expert's report

Introduction

The directors of Sylvania Resources Limited (SLV) have requested Deloitte Corporate Finance Pty Limited (Deloitte) to prepare an independent expert's report for the benefit of SLV's shareholders and holders of SLV depository interests (collectively, Shareholders) advising whether in our opinion the proposed change in domicile from Australia to Bermuda, via a scheme of arrangement (the Scheme), is in the best interests of Shareholders.

Under the Scheme, Shareholders will exchange their SLV shares and SLV depository interests (collectively, Shares) on a one for one basis with shares and depository interests respectively in Sylvania Platinum Limited (Sylvania or the Company) (collectively, Sylvania Shares), a new company recently incorporated in Bermuda. Sylvania will at the same time acquire SLV. SLV will be delisted from the official list of the Australian Securities Exchange Limited (ASX) and the alternative investment market of the London Stock Exchange (AIM). Sylvania will then be listed on the ASX and AIM, effectively replacing SLV as the listed entity.

Following the implementation of the Scheme, SLV will become a wholly owned subsidiary of Sylvania and Shareholders will hold Sylvania Shares in the newly incorporated Sylvania. The board of SLV has prepared a scheme booklet containing the detailed terms of the Scheme (the Scheme Booklet) and an overview of the Scheme is provided in Section 1 of our report.

Purpose of the report

This independent expert's report is required pursuant to Part 3 of Schedule 8 of the Corporations Regulations 2001 (Cwlth) (Part 3) to assist Shareholders in their consideration of the Scheme. We have prepared this report having regard to Part 3 and the relevant Australian Securities and Investments Commission (ASIC) Regulatory Guides.

This report is to be included in the Scheme Booklet to be sent to Shareholders and has been prepared for the exclusive purpose of assisting Shareholders in their consideration of the Scheme. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person for any other purpose.

Basis of evaluation

ASIC's Regulatory Guide 111 'Content of Expert Reports' (RG 111) does not specify the basis of evaluation for a change of domicile transaction but does indicate that the basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction, that is, the expert must consider the substance of the proposed transaction and not the legal form when evaluating the proposed transaction.

The economic substance of the change in domicile transaction is that there is no change in the economic interests of Shareholders, who effectively retain their existing holdings in the assets of SLV and its subsidiaries (the Group). While the legal form of the transaction, which involves the exchange of shares in SLV for shares in Sylvania, is akin to a change in control transaction, there is not, in substance, any change in control taking place under the Scheme. Accordingly, we do not consider it appropriate to analyse the change in domicile transaction as a control transaction.

We consider the appropriate approach to assess whether the Scheme is in the best interests of Shareholders is to consider the advantages and disadvantages of the Scheme and other relevant factors, and to conclude either that:

- the Scheme is in the best interests of the Shareholders if the advantages and other factors outweigh the disadvantages; or
- the Scheme is not in the best interest of Shareholders if the disadvantages and other factors outweigh the advantages.

Summary and conclusion

In our opinion, the advantages of the Scheme outweigh the disadvantages to Shareholders and therefore the Scheme is in the best interests of Shareholders. In arriving at this opinion, we have had regard to the following advantages and disadvantages and other relevant factors:

Advantages of the Scheme

The likely advantages to Shareholders if the Scheme is approved include:

Reduction in operational and administrative costs

It is expected that there will be a significant reduction in the ongoing operational and administrative costs of the Bermudian entity compared with an Australian entity. The cost savings are estimated to be at least \$0.8 million to \$1 million per year as a result of cost savings from the winding down of the Australian office and reduced Australian legal fees and corporate time. At an illustrative discount rate of 15%, the present value of the benefits is estimated to be in the range of \$5 million to \$7 million.

Greater efficiencies in making board decisions

SLV is currently subject to the Corporations Act and is required to have two Australian resident directors on its board. However, none of its operations are in Australia and the focus of the Group has become increasingly international with the majority of its Shareholders residing outside Australia. The implementation of the Scheme will provide Sylvania shareholders with the flexibility to appoint a board and create a corporate structure that will be more aligned with Sylvania's international focus as there will no longer be a requirement for two Australian resident directors on the board of Sylvania.

The implementation of the Scheme is therefore expected to result in a more efficient board decision making process.

Disadvantages of the Scheme

The likely disadvantages to Shareholders if the Scheme is approved include:

Lack of takeover protection for Sylvania Shareholders

Sylvania Shareholders may be disadvantaged by the lack of takeover protection provided under the Companies Act 1981 of Bermuda (Bermuda Companies Act) compared with the Corporations Act. Specifically, it will be possible for somebody to acquire a significant or even controlling interest in Sylvania without having to make a takeover offer to all shareholders or obtain shareholder approval for the acquisition.

The ASX listing rules (Listing Rules) offer some protection to Sylvania shareholders relating to related party transactions, continuous disclosure requirements and the issue of shares for capital raising. However, they do not provide takeover protection similar to those legislated under the Corporations Act.

Implementation of the Scheme involves once-off transaction costs

The process of implementing the Scheme is lengthy and involves once-off transaction costs associated with the change in domicile, the Scheme and the listing of Sylvania on ASX and AIM. These once-off transaction costs are estimated to be in range of \$2.0 million to \$2.2 million.

However, we note that most of these costs have already been incurred or will be incurred by the date of the meeting to approve the Scheme, regardless of whether the Scheme is actually implemented.

Other factors

Evolution of the Company's shareholder base

SLV was originally incorporated in Australia as an Australian entity holding Australian assets and listed on the ASX. SLV's directors and employees were initially predominantly Australian residents. On 21 July 2006, SLV listed on AIM and raised GBP 12 million. Over time, since 2004, SLV acquired various South African assets. SLV subsequently sold all its Australian assets and non-Australian directors were appointed. SLV now only holds assets in South Africa.

The majority of SLV's capital raising has been conducted in the United Kingdom (UK) and in December 2009, SLV raised GBP 10 million from predominantly UK investors. Consequently, the number of Australian Shareholders relative to UK Shareholders has been steadily decreasing over time and currently less than 12% of Shareholders are Australian residents while more than 55% are UK residents.

Predominantly UK investors not familiar with Australian legal requirements

Shareholders are predominantly UK investors who are not familiar with Australian legal requirements and express frustration to management and the board at some of the processes they are unfamiliar with. By contrast, UK investors seem to be comfortable with investing in Bermudian incorporated entities, despite the lack of takeover protection provided under Bermudian law.

The Scheme appears to be tax neutral for most Shareholders

SLV has received advice with respect to the tax implications for Shareholders which is contained in Section 9 of the Scheme Booklet. From an Australian tax perspective, the Scheme does not result in any adverse Australian tax implications for both Australian and UK resident Shareholders who hold Shares as an investment. The Scheme should therefore be Australian tax neutral for Australian and UK resident Shareholders.

Provided certain conditions are met, the Scheme should also not result in any adverse UK tax implications for UK resident Shareholders.

UK resident individual Shareholders who hold 10% or more of Sylvania at the time of dividend payment, will not be entitled to the one-ninth tax credit on any future dividends they receive. However, we do not expect this to be a major disadvantage as Sylvania is not likely to be in a position to pay dividends in the near to medium-term. We note that, whilst we do not have a detailed analysis of the individual holdings of Shareholders, it appears unlikely that there would be many individual UK Shareholders currently holding 10% or more of SLV. The Scheme should therefore be tax neutral for most UK resident Shareholders.

No change in liquidity of Sylvania Shares is expected

SLV will be delisted from ASX and AIM and Sylvania will be listed on ASX and AIM, effectively replacing SLV as the listed entity. Shareholders are expected to continue to hold shares that are tradeable on the ASX and AIM. Assuming all other factors remain the same, we would expect that there will be no change in the liquidity of the Shares and the Sylvania Shares before and after the Scheme is implemented.

Ineligible Foreign Holders will be forced to sell their Shares

Ineligible Foreign Holders, being Shareholders who reside outside of Australia, the UK, the Isle of Man, Jersey, Guernsey, Bermuda, Hong Kong and Singapore will be forced to sell their Shares through a structured process implemented by Sylvania. Depending on their individual circumstances, these Shareholders may be disadvantaged by the Scheme. It is estimated that less than 1% of Shareholders will be Ineligible Foreign Holders.

Conclusion and Opinion

The key advantages of the Scheme are the operational and administrative cost reductions associated with no longer being an Australian incorporated entity, and the enhanced ability of the directors to focus on the business going forward, without the need to deal with poorly understood and more complex Australian legal requirements. The major disadvantage is the consequent removal of the takeover protection provided to Shareholders by the Corporations Act.

It is difficult to justify the ongoing costs and Board inefficiencies associated with being an Australian incorporated entity given that the Group has no assets in Australia and its main connection with Australia is, for historical reasons, the domicile of SLV, the listed entity. We also note that UK investors, who comprise the majority of Shareholders, have expressed frustration with Australian legal requirements, but generally seem to be comfortable with investing in Bermudian incorporated entities, despite the lack of takeover protection provided under Bermudian law.

Whilst, on balance, the impact of the Scheme on the Company and its Shareholders is relatively neutral, we consider that the advantages and other factors of the Scheme outweigh the disadvantages. In our opinion the Scheme is therefore in the best interests of Shareholders.

We have evaluated the Scheme for Shareholders as a whole and have not considered the effect of the Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Scheme is in the best interests of Shareholders. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

Individual Shareholders should also seek their own professional taxation advice based on their own particular facts and circumstances as tax implications will vary depending on the circumstances of each individual Shareholder.

This opinion should be read in conjunction with our detailed report which sets out our scope and findings.

Yours faithfully

DELOITTE CORPORATE FINANCE PTY LIMITED



Nicki Ivory
Director



Tapan Parekh
Director

Note: All amounts stated in this report are AUD unless otherwise stated, and may be subject to rounding.

Contents

1	Terms of the Scheme	7
1.1	Summary	7
1.2	Rationale for the Scheme	7
1.3	Sylvania's intentions	7
1.4	Key conditions of the Scheme	8
1.5	Summary of Sylvania after the Scheme	8
2	Scope of the report	10
2.1	Purpose of the report	10
2.2	Basis of evaluation	10
2.3	Disclosure of resources and reserves	11
2.4	Limitations and reliance on information	11
3	Profile of SLV	12
3.1	Company history	14
3.2	Legal structure	14
3.3	Directors and Management	15
3.4	Capital structure and shareholders	15
3.5	Share price performance	16
3.6	Financial performance	17
3.7	Financial position	18
4	Implications of the Scheme	19
4.1	Tax implications	19
4.2	Legal implications	20
4.3	Liquidity of shares	21
4.4	Investor market	21
4.5	Costs	22
4.6	Financial reporting	23
4.7	Implications if the Scheme is not approved	23

Appendix 1: Glossary	24
Appendix 2: The Platinum Group of Metals industry	26
Appendix 3: Sources of information	31
Appendix 4: Qualifications, declarations and consents	32

1 Terms of the Scheme

1.1 Summary

On 26 November 2010 the directors of SLV announced a proposal under which SLV will change its domicile from Australia to Bermuda via a scheme of arrangement. Under the Scheme, Shareholders will be asked to exchange each of their Shares for one Sylvania Share.

SLV and Sylvania have also entered into an implementation agreement which sets out certain arrangements agreed between SLV and Sylvania in relation to the change of domicile of SLV (Implementation Agreement).

The Scheme becomes binding on the Company and all of its Shareholders if the required majority of Shareholders vote in favour of the Scheme and if it is then approved by the Court.

1.2 Rationale for the Scheme

SLV was originally incorporated in Australia as an Australian entity holding Australian assets and listed on the ASX. SLV's directors and employees were initially predominantly Australian residents. On 21 July 2006, SLV listed on AIM and raised GBP 12 million. Over time, since 2004, SLV acquired various South African assets. SLV subsequently sold all its Australian assets and non-Australian directors were appointed. SLV now only holds assets in South Africa.

The majority of SLV's capital raising has been conducted in the UK and in December 2009, SLV raised GBP 10 million from predominantly UK investors. Consequently, the number of Australian Shareholders relative to UK Shareholders has been steadily decreasing over time and currently less than 12% of Shareholders are Australian residents while more than 55% are UK residents.

The rationale for the Scheme is to create a more efficient structure for the Group, given that there are ongoing costs and board inefficiencies associated with being an Australian incorporated entity and the Group has no assets in Australia. The focus of the Group has also become increasingly international with the majority of its Shareholders residing outside Australia and all of its operations being in South Africa. The main connection with Australia is, for historical reasons, the domicile of SLV and the listing on the ASX.

The Scheme is expected to provide more flexibility for the Group to form a board and create a corporate structure that will be more aligned to an international focus and result in a significant reduction in operational and administrative costs for the Group including greater efficiencies in board decision making.

The board has considered various domicile options for the change in domicile of SLV and concluded that Bermuda is the best option.

1.3 Sylvania's intentions

We understand that Sylvania's intentions are as follows:

- continue the business of SLV as currently conducted
- make no significant changes to the future employment of the present SLV employees
- restructure the existing board as discussed further in section 1.5 below.

1.4 Key conditions of the Scheme

The Scheme is subject to various conditions, the most significant being:

- the requisite majority of Shareholders approve the Scheme at the scheme meeting
- the Court approves the Scheme in accordance with Section 411(4)(b) of the Corporations Act
- approval is obtained under the Foreign Acquisitions and Takeovers Act for the proposed acquisition by Sylvania of Shares (or ceases to be required)
- approval is obtained for the listing of Sylvania Shares on the ASX and AIM
- all approvals are obtained from any regulatory authority which Sylvania and SLV agree are necessary or desirable to implement the change of domicile
- the independent expert concludes that the Scheme is in the best interests of Shareholders.

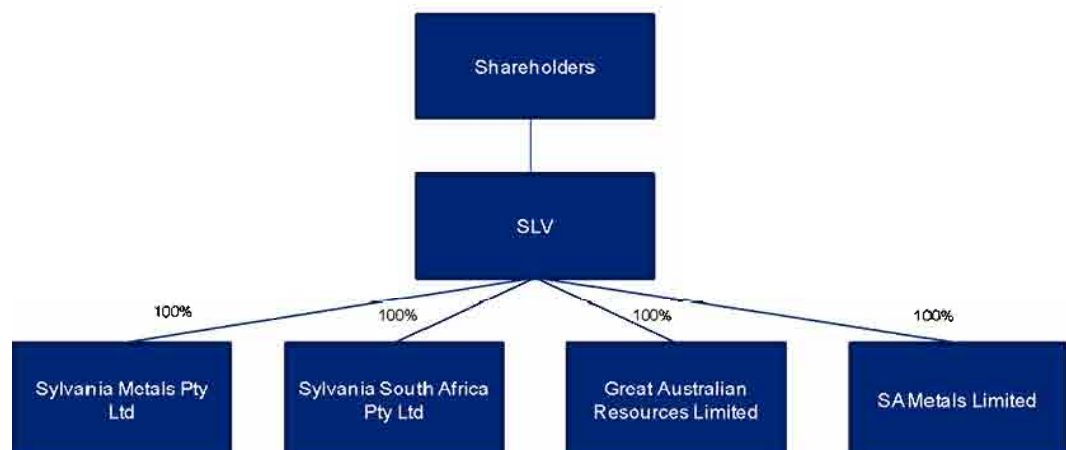
Further details of the conditions are set out in Section 1 of the Scheme Booklet.

1.5 Summary of Sylvania after the Scheme

Sylvania is a company incorporated in Bermuda with two Class A shares. Sylvania will effectively replace SLV as the holding company of the Group and will conduct the same business as the Group currently conducts. SLV will be a wholly owned subsidiary of Sylvania and Sylvania will effectively replace SLV as the listed entity on ASX and AIM.

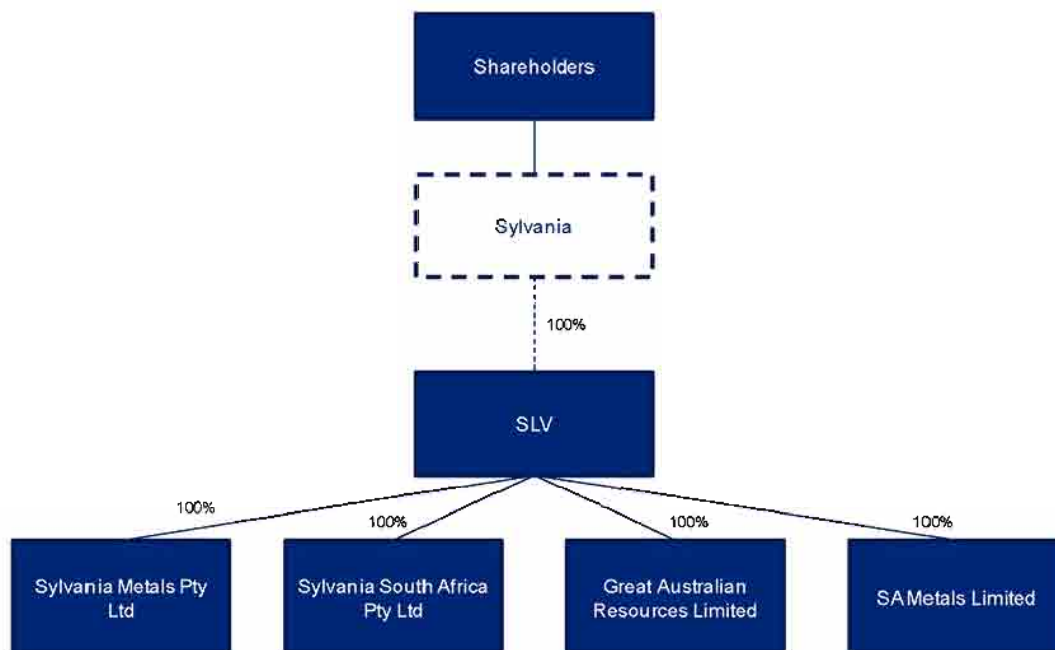
The simplified corporate structures (showing major operational entities only) before and after the Scheme are illustrated below:

Figure 1: Simplified corporate structure before the Scheme



Source: SLV

Figure 2: Simplified corporate structure after the Scheme



Source: SLV

Figure 2 above illustrates the new structure of the Group immediately after the completion of the Scheme, comprising Sylvania, SLV and its subsidiaries (the Sylvania Group). The directors may thereafter undertake a further restructure of the Sylvania Group to achieve a more tax efficient structure.

The current directors of SLV have been appointed to the board of Sylvania. As there will no longer be a need for two Australian directors on the board of SLV and SLV expects to significantly wind down the Australian office, it is our understanding that Richard Rossiter and Grant Button may resign as directors of Sylvania and Richard Rossiter may resign as a director of SLV once suitable replacements have been found. Their consultancy agreements are also expected to be terminated. Grant Button is expected to remain on the board of SLV and other Australian incorporated subsidiaries of Sylvania and as a joint company secretary of SLV. Grant Button has agreed to provide limited services to the Sylvania Group in relation to Australian compliance and regulatory issues.

2 Scope of the report

2.1 Purpose of the report

Section 411 of the Corporations Act (Section 411) regulates schemes of arrangement between companies and their shareholders. Part 3 prescribes the information to be provided to shareholders in relation to schemes of arrangement. These provisions require the preparation of a report by an independent expert stating whether or not, in the expert's opinion, the proposed scheme is in the best interests of the shareholders of the company subject to the scheme where either:

- the corporation which is party to the scheme (in this case, Sylvania) has directors in common with the company subject to the scheme of arrangement (in this case, SLV)
- the corporation which is the other party to the scheme is entitled to more than 30% of the voting shares in the company subject to the scheme.

As Sylvania has all directors in common with SLV, there is a legal requirement for an independent expert's report under Part 3.

This report is to be included in the Scheme Booklet to be sent to Shareholders and has been prepared for the exclusive purpose of assisting Shareholders in their consideration of the Scheme. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person for any other purpose.

2.2 Basis of evaluation

2.2.1 Guidance

Schemes of arrangement can include many different types of transactions, including being used as an alternative to a Chapter 6 takeover bid and being used as the legal mechanism for a change of domicile.

Independent expert's reports are guided by RG 111.

RG 111

This regulatory guide provides guidance in relation to the content of independent expert's reports prepared for transactions under Chapters 5, 6 and 6A of the Corporations Act, in relation to:

- takeover bids
- schemes of arrangement
- compulsory acquisitions or buy-outs
- acquisitions approved by security holders under item 7 of Section 611 of the Corporations Act (Section 611)
- selective capital reductions
- related party transactions
- transactions with persons in a position of influence
- demergers and demutualisations of financial institutions
- buy-backs.

RG 111 does not specify the basis of evaluation for a change of domicile transaction but does indicate that the basis of evaluation selected by the expert must be appropriate for the nature of each specific transaction, that is, the expert must consider the substance of the proposed transaction and not the legal form when evaluating the proposed transaction.

The economic substance of the change in domicile transaction is that there is no change in the economic interests of Shareholders, who effectively retain their existing holdings in the assets of the Group. While the legal form of the transaction, which involves the exchange of shares in SLV for shares in Sylvania, is akin to a change in control transaction, there is not, in substance, any change in control taking place under the Scheme. Accordingly, we do not consider it appropriate to analyse the change in domicile transaction as a control transaction.

We consider the appropriate approach to assess whether the Scheme is in the best interests of Shareholders is to consider the advantages and disadvantages of the Scheme and other relevant factors, and to conclude either that:

- the Scheme is in the best interests of the Shareholders if the advantages and other factors outweigh the disadvantages; or
- the Scheme is not in the best interest of Shareholders if the disadvantages and other factors outweigh the advantages.

2.2.2 Individual circumstances

We have evaluated the Scheme for Shareholders as a whole and have not considered the effect of the Scheme on the particular circumstances of individual investors. Due to their particular circumstances, individual investors may place a different emphasis on various aspects of the Scheme from the one adopted in this report. Accordingly, individuals may reach different conclusions to ours on whether the Scheme is in the best interests of Shareholders. If in doubt investors should consult an independent adviser, who should have regard to their individual circumstances.

2.3 Disclosure of resources and reserves

Where mineral resource and reserve estimates have been quoted throughout this report, these have been based on previously released public reports of SLV and Sylvania, each of which has been issued with the written consent of a relevant 'Competent Person' as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC).

2.4 Limitations and reliance on information

The opinion of Deloitte is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time. This report should be read in conjunction with the declarations outlined in Appendix 4.

Our procedures and enquiries did not include verification work nor constitute an audit or a review engagement in accordance with standards issued by the Auditing and Assurance Standards Board (AUASB) or equivalent body and therefore the information used in undertaking our work may not be entirely reliable.

3 Profile of SLV

SLV's primary business is the production of platinum group of metals which consists of six metallic elements of platinum, palladium, ruthenium, rhodium, osmium and iridium (PGM) via the retreatment and purification of chrome ore tailings.

SLV previously held a 74% interest in its subsidiary Sylvania Metals (Pty) Ltd (Sylvania Metals) with the remaining 26% held by Africa Asia Capital Limited (AAC), a company within the International Mineral Resources group, which is a major shareholder of Samancor Chrome Holdings (Pty) Limited (Samancor) group.

Samancor's core business is in the mining and smelting of chrome ore in South Africa. Samancor is one of the largest integrated ferrochrome producers in the world. Samancor's shareholders are International Mineral Resources (70%), Batho Barena (Pty) Ltd (28%) and Hanwa Co. Ltd (2%).

On 29 September 2010, SLV announced that it had entered into an agreement to acquire AAC's 26% interest in Sylvania Metals in consideration for an initial issue of 7,711,888 SLV shares and a subsequent issue, subject to ratification by the directors and shareholder approval, of 51,170,663 SLV shares or cash equivalent based on the 180-day volume weighted average price of SLV's shares prior to the payment (AAC Transaction). Shareholder approval was obtained on 23 November 2010.

Following the completion of the AAC Transaction, SLV now holds 100% of the issued capital of Sylvania Metals and AAC holds 19.5% of the enlarged issued capital of SLV and will subsequently hold 19.5% of the issued capital of Sylvania following the implementation of the Scheme. The transaction allows AAC to nominate two directors to the boards of each of SLV and Sylvania Metals. Subsequent to the announcement of the Scheme, Sylvania has agreed that AAC has the right to appoint two directors to the board of Sylvania. However, AAC has advised that it does not propose to nominate any directors until after the completion of the Scheme.

Sylvania Metals operates the Sylvania dump tailings retreatment business (Sylvania Dump Operations) which, pursuant to a service and supply agreement with Samancor, refines chrome tailings to recover PGMs from Samancor's mines on the Western and Eastern Limbs of the Bushveld Igneous Complex.

Sylvania Metals also operates five PGM retreatment plants located in the Bushveld Igneous Complex to service the Sylvania Dump Operations: the Millsell, Steelpoort, Lannex, Mooinooi and Doornbosch plants. Total PGM production from these plants during financial year (FY) 2010 was 26,204 ounces.

Through its wholly owned subsidiary, Sylvania South Africa (Pty) Ltd (Sylvania SA), SLV holds a 25% interest in the chrome tailings retreatment plant at Kroondal located within the Bushveld Igneous Complex. Aquarius Platinum South Africa (Pty) Limited (Aquarius) holds 50% and Ivanhoe Nickel and Platinum Limited owns the remaining 25%. The project is managed and run by Aquarius and predominantly treats chrome tailings from the Xstrata Kroondal mine.

Additionally, SLV holds a number of PGM exploration interests in the Northern and Eastern Limbs of the Bushveld Igneous Complex:

- The 100% owned Volspruit project located in the Southern end of the Northern Limb is an exploration stage PGM project. The Company is currently undertaking engineering and design works required for the feasibility study. The project contains two near-surface ore bodies with the following JORC compliant resource:

Table 1: Volspruit project resource

	Mt	3e g/t	Ni ppm	Cu ppm	3e (ounces)	Ni (Mlbs)	Cu (Mlbs)
Northern Pit							
Measured	28.47	1.26	1399	407	1,150	87.8	25.6
Indicated	16.63	1.16	1499	384	620,206	55	14
Inferred	0.76	0.95	1769	319	23,213	2.9	0.5
Total	45.86				644,572	145.7	40.1
Southern Pit							
Indicated	28.46	1.22	1186	386	1,116,265	74.4	24.2
Inferred	19	1.1	1000	300	682,555	42.5	12.8
Total	47.76				1,796,507	116.9	37.0

Source: SLV

Definitions:

Mt = million tonnes

g/t = grams per tonne

ppm = parts per million

Mlbs = million pounds

Ni = Nickel

Cu = Copper

3e = 3e PGM (platinum + palladium + gold)

- Sylvania SA has made an application for mining rights in respect of the Everest North project located in the Eastern Limb of the Bushveld Igneous Complex. If the mining rights are granted, Sylvania SA would hold a 74% interest in these mining rights. The Everest North project has a JORC compliant resource of 5.1 Mt of ore at grade of 4.7 g/t combined platinum, palladium, rhodium and gold (4e) as follows:

Table 2: Everest North project resource

	Area (m ²)	4e g/t	Channel width (m)	SG (g/cm ³)	Tonnes ('000)	4e (ounces)
Measured	799,578	4.74	1.72	3.70	5,080	773

Source: SLV

Definition:

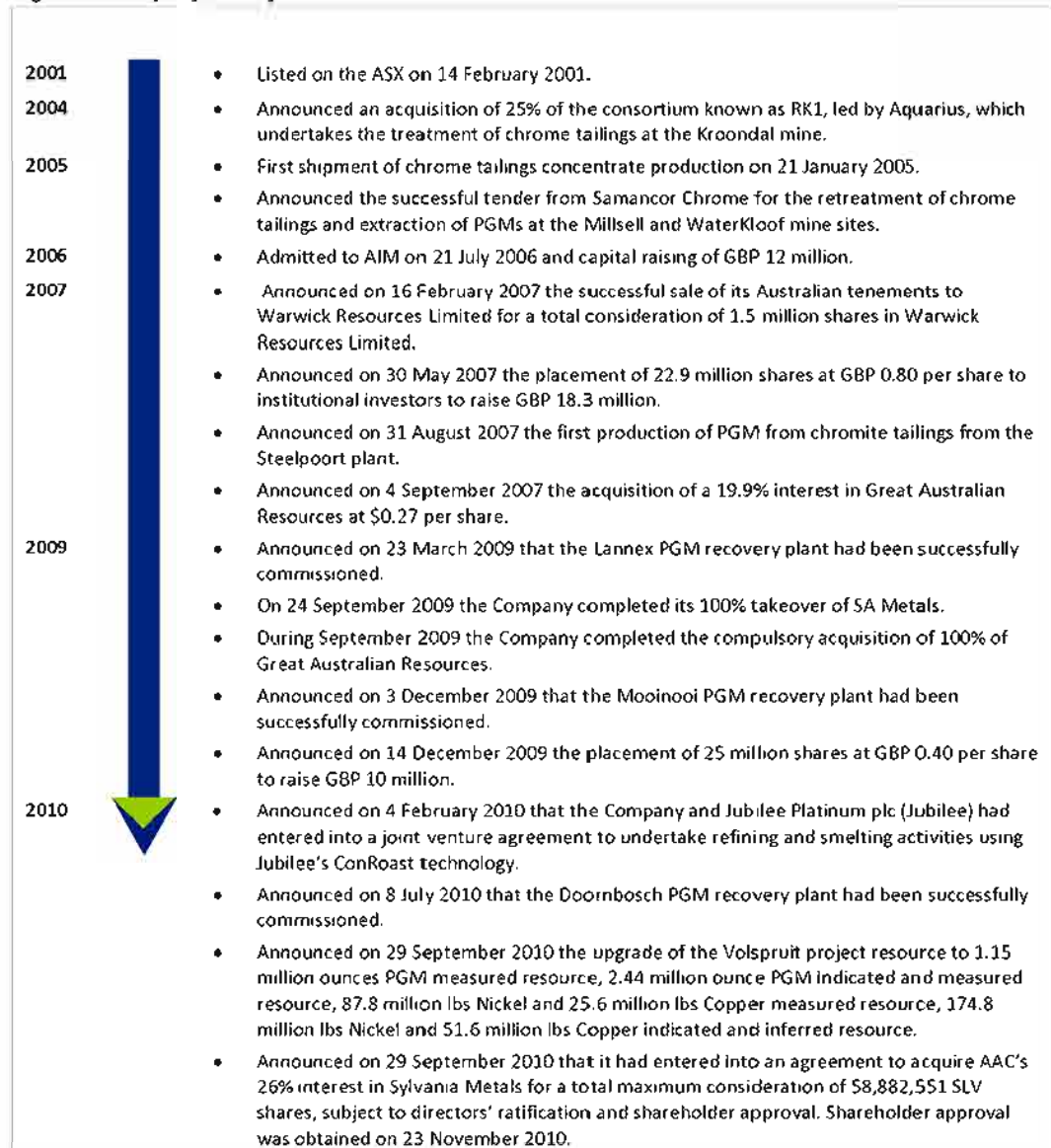
SG = specific gravity

- Through its 100% owned subsidiary Great Australian Resources Limited, SLV holds a 71% interest in two other early stage PGM exploration projects located in the Bushveld Igneous Complex. The Hacra project, comprising three areas of interest, has had a geological model constructed from five new drill holes and historical drilling. The model is currently being reviewed by an external consultant prior to further exploration. The Aurora project, which comprises of seven areas of interest, has also had a geological model constructed which is being reviewed by an independent consultant to determine the economic parameters for a pre-feasibility study. These projects are early stage, do not yet have a JORC compliant resource and exploration drilling and testing is on-going.

3.1 Company history

An overview of the company history is provided in Figure 3 below.

Figure 3: Company history

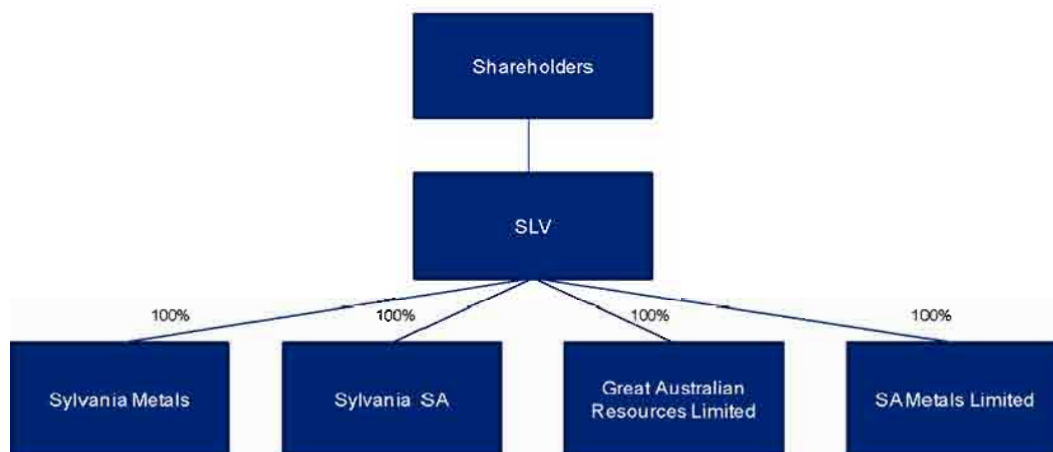


Source: SLV

3.2 Legal structure

Figure 4 below sets out a simplified current structure of the Group showing the major operational entities only.

Figure 4: Simplified current structure of the Group



Source: SLV

3.3 Directors and Management

SLV's directors and key management personnel include:

Table 3: Directors and management

Name	Title
Richard Rossiter	Chairman
Terry McConnachie	Chief Executive Officer
Louis Carroll	Finance director
Grant Button	Executive director

Source: SLV

3.4 Capital structure and shareholders

As at the date of this report SLV had the following securities on issue:

- 301,961,805 fully paid ordinary shares
- 359,909 options exercisable at \$1.40 on or before 30 June 2011
- 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.

SLV's top 5 shareholders are shown in the following table.

Table 4: Top 5 shareholders

Shareholder	Number of shares	% of total shares on issue
AAC (held through Rene Nominees IOM Limited)	58,882,551	19.50
K.B. (C.I.) Nominees Limited	36,960,332	12.24
Nortrust Nominees Limited	29,280,250	9.70
Apollo Nominees Ltd	12,659,616	4.19
Chase Nominees Limited	10,551,020	3.49
Subtotal	148,333,769	49.12
Total shares on issue	301,961,805	100.00

Source: Reuters, SLV

AAC / Rene Nominees IOM Limited and K.B. (C.I.) Nominees Limited are Isle of Man and Jersey residents respectively. The remaining shareholders above are UK based investors.

3.5 Share price performance

A summary of SLV's share price performance is provided in Table 5 below.

Table 5: SLV quarterly share price information

Quarter end date	High (AUD)	Low (AUD)	Last Trade (AUD)	Volume (million)
31-Mar-09	1.10	0.63	0.80	3.79
30-Jun-09	1.77	0.80	1.60	11.53
30-Sep-09	1.65	1.12	1.13	22.00
31-Dec-09	1.33	0.67	0.75	14.83
31-Mar-10	0.99	0.75	0.85	9.44
30-Jun-10	1.13	0.70	0.77	5.86
30-Sep-10	0.90	0.73	0.83	4.48
To 8-Dec-10	0.94	0.71	0.75	7.54

Source: Capital IQ

During the past 12 months, SLV's share price has traded between a low of \$0.67 and a high of \$1.13 with an average daily volume of approximately 0.10 million shares. Total volume for the past 12 months was approximately 27 million, which represents approximately 9% of the current shares on issue and indicates a low level of trading liquidity.

These share price movements and trading volumes are presented graphically in the figure below.

Figure 6: SLV stock activity on ASX



Source: Capital IQ

3.6 Financial performance

The audited income statements of SLV for the periods ended 30 June 2009 and 30 June 2010 are summarised in the table below.

Table 6: Financial performance

	Actual 2009 (AUD'000)	Actual 2010 (AUD'000)
Trading revenue	19,319	29,813
Revenue growth (%)		
EBITDA	(5,019)	(9,602)
Depreciation and amortisation	1,854	3,383
EBIT	(3,165)	(6,219)
Net interest expense	(2,470)	(677)
Profit before tax	(695)	(5,542)

Source: SLV accounts

Revenue increased by approximately \$10.5 million between the period ended 30 June 2009 and 30 June 2010 due to increased PGM production volume and prices. PGM production increased by 10% to 26,204 ounces for the period ended 30 June 2010 while the net basket price increased by 54% to USD 1,015 per ounce.

Losses before tax increased by approximately \$4.8 million between the period ending 30 June 2009 and 30 June 2010 as a result of an increase in share based payments, impairment of processing plant and equipment and foreign exchange losses. However, the loss was partially offset by the gain on the acquisition of Great Australian Resources Limited and SA Metals Limited of approximately \$5.2 million.

3.7 Financial position

The audited balance sheets of SLV as at 30 June 2009 and 30 June 2010 are summarised in the table below.

Table 7: Financial position

	Audited 30 June 2009 (AUD'000)	Audited 30 June 2010 (AUD'000)
Cash	32,215	23,478
Receivables	7,871	13,560
Other	2,645	3,371
Total current assets	42,731	40,409
Property, plant and equipment	65,265	77,000
Investments	12,047	4,234
Deferred exploration expenditure	1,827	69,348
Total non-current assets	79,139	150,583
Payables	7,263	5,696
Interest bearing liabilities	150	311
Current tax liability	12	12
Total current liabilities	7,425	6,018
Deferred tax liabilities	7,376	24,700
Interest bearing liabilities	235	442
Provisions	913	936
Total non-current liabilities	8,524	26,078
Net assets	105,922	158,896

Source: SLV accounts

Property, plant and equipment relates predominantly to the Company's five PGM recovery plants located in the Bushveld Igneous Complex. The decrease in the carrying amount during the period ended 30 June 2010 was due to an impairment write-down of approximately \$4.9 million as a result of the slowdown in global demand for chrome.

Deferred exploration expenditure increased by approximately \$67.5 million during the period ended 30 June 2010 as a result of the fair value capitalised expenditure consolidated into the Company's balance sheet arising from the acquisition of SA Metals Limited.

4 Implications of the Scheme

In this section, we discuss the issues that are likely to arise from the Scheme and their implications to both the Company and the Shareholders of SLV.

4.1 Tax implications

In preparing this section of our report, we have summarised the information contained in the taxation statement prepared by Deloitte Touche Tohmatsu Ltd which is contained in Section 9 of the Scheme Booklet. We note that Deloitte Touche Tohmatsu Ltd has only considered the Australian and UK tax implications of the Scheme for Shares held by Australian and UK Shareholders as investment.

Shareholders should also seek their own professional taxation advice based on their own particular facts and circumstances as tax implications will vary depending on the circumstances of each Shareholder.

4.1.1 Tax background of Sylvania

Sylvania is a Bermudian tax resident and Bermuda does not impose tax on profits or capital gains. It also does not impose withholding tax on dividends or interest paid to non-residents.

4.1.2 Australian income tax implications for Australian Shareholders

Australian resident Shareholders may derive a capital gain or loss on the disposal of Shares in exchange for Sylvania Shares arising from the implementation of the Scheme.

Capital gains arising from the sale of shares are subject to Capital Gains Tax (CGT) for Australian resident Shareholders who hold their Shares as investment. However, such Shareholders can choose to apply for scrip for scrip rollover relief, which will result in any capital gain being exempt for Australian tax purposes. Tax on any capital gain will arise when the Sylvania Shares are eventually sold by the Australian resident Shareholder.

If the disposal results in a capital loss, this capital loss can be used to offset a capital gain made in the same income year or a future income year.

In the event that Sylvania distributes dividends in the future, these dividends would be taxable in the year of receipt. However, dividends will be non-assessable non-exempt income for Australian resident companies that hold at least 10% of Sylvania at the time of the dividend payment.

4.1.3 Australian income tax implications for UK Shareholders

Under the Australian CGT rules, a capital gain made by a UK resident Shareholder will only be subject to Australian CGT if profits made on the disposal of shares relate to companies whose underlying assets predominantly comprise Australian real property (eg. land) and a mining, quarrying or prospecting right that relates to minerals in Australia. SLV does not fall into this category.

As at the date of the Scheme, it is unlikely that any UK resident Shareholders will be subject to Australian CGT in relation to the exchange of their Shares under the Scheme.

4.1.4 UK tax implications for UK resident Shareholders

Under the UK's capital gains tax and corporation tax provisions, UK resident Shareholders who receive Sylvania Shares in exchange for a holding of Shares should not be treated as having made a chargeable disposal provided that certain conditions are met. In effect, the Sylvania Shares they receive in exchange for their Shares should be treated as the same asset, and as having been acquired at the same time and for the same consideration as their Shares.

UK resident Shareholders who do not hold more than 5% of any class of share in or debentures of SLV and who receive Sylvania Shares in exchange for their Shares should be eligible for the above treatment. UK resident Shareholders who hold more than 5% of any class of share in or debentures of SLV should be eligible for the above treatment if the Scheme is implemented for bona fide commercial reasons and not for the avoidance of a capital gains tax or corporation tax liability.

UK corporate Shareholders who hold 10% or more of SLV may not be eligible for the above treatment where the disposal of such shares would qualify for Substantial Shareholdings Exemption (SSE). Where all the conditions are met and SSE applies, the shares will be treated as if sold and any resulting gain would be exempt from tax. No confirmation has been obtained that SLV is a trading group, which is one of the conditions for SSE to apply.

Whilst depository interests (DIs) can attract Stamp Duty Reserve Tax (SDRT), it is expected that exemptions from SDRT are likely to apply under the arrangements of the Scheme. UK resident Shareholders who hold Shares in the form of DIs are therefore unlikely to pay stamp duty on the transfer of their DIs.

The Scheme may result in a higher effective tax rate on the dividends received by UK resident individual Shareholders owning 10% or more of Sylvania if Sylvania were to distribute dividends from ordinary profits in the future. This is because a one-ninth tax credit which may be available to them in relation to dividends received from SLV will not be available when they receive dividends from Sylvania. The impact of the payment of future dividends by Sylvania to UK Shareholders has only been considered on the assumption that any dividends are paid out of ordinary profits of the Company. The payment of future dividends out of contributed surplus has not been considered and such payments may have a different tax analysis for UK Shareholders.

4.2 Legal implications

4.2.1 Ineligible Foreign Holders

Any Shareholder who resides outside of Australia, the UK, the Isle of Man, Jersey, Guernsey, Bermuda, Hong Kong and Singapore will be considered an Ineligible Foreign Holder for the purposes of the Scheme.

The Sylvania Shares, which would otherwise have been issued to the Ineligible Foreign Holders under the Scheme, will be issued to a sale nominee on the Scheme implementation date and subsequently sold. The Ineligible Foreign Holders will receive the net sale proceeds from the sale of their Sylvania Shares. It is estimated that less than 1% of Shareholders will be Ineligible Foreign Holders.

4.2.2 Takeover provisions

If the Scheme is implemented, Shareholders will hold shares or depository interests over shares in a company incorporated in Bermuda rather than a company incorporated in Australia. As a company incorporated in Bermuda, Sylvania will be subject to the provisions of the Bermuda Companies Act and will not be subject to many of the provisions of the Corporations Act which SLV is currently subject to. This will have implications on the rights of Shareholders.

A key difference between the Corporations Act and the Bermuda Companies Act is in relation to takeovers. In the Corporations Act, there is a prohibition on the acquisition of 20% or more of a company or the acquisition of an additional interest in a company if between 20% and 90% is already held unless a full takeover offer is made to all shareholders. There are limited exemptions to this rule set out in Section 611 of the Corporations Act, including obtaining shareholder approval in advance of an otherwise prohibited acquisition. There is no similar provision under the Bermuda Companies Act.

The purpose of this takeover rule in Australia is to provide protection for minority shareholders. No similar takeover protection is provided under the Bermuda Companies Act. Accordingly, a party could acquire an interest of 20% or more, or an existing substantial shareholder who holds between 20% and 90% in the company could increase its shareholding in the company without the other shareholders having the opportunity to receive a full takeover offer or alternatively to approve the proposed acquisition.

Retaining existing listings on the ASX and AIM will provide some protection to ensure that Sylvania's shareholders are minimally disadvantaged by the change in domicile. The relevant Listing Rules include:

- Listing Rule 10 that provides protection in relation to related party transactions
- Listing Rule 3 that covers continuous disclosure requirements
- Listing Rule 7 that governs the issue of shares for capital raising.

4.3 Liquidity of shares

SLV is currently listed on both the ASX and AIM. The change of domicile will be implemented by way of the Scheme and will involve the issue of Sylvania Shares to Shareholders in exchange for their Shares (except for Ineligible Foreign Holders who will receive their consideration in cash), resulting in SLV becoming a wholly owned subsidiary of Sylvania.

SLV will be delisted from the ASX and AIM, and Sylvania will be listed on the ASX and AIM, effectively replacing SLV as the listed entity. Shareholders will continue to hold shares that are tradeable on the ASX and AIM. Assuming all other factors remain the same, we would expect that there will be no change in the liquidity of the Shares and the Sylvania Shares before and after the Scheme is implemented.

4.4 Investor market

Obtaining ASX and AIM listings for Sylvania will continue to provide Sylvania the same level of access to capital in the Australian and UK capital markets as SLV currently has.

However, SLV's Shareholders are predominantly UK investors who are not familiar with Australian legal requirements and express frustration to the management and the board at some of the processes they are unfamiliar with. By contrast, UK investors seem to be comfortable with investing in Bermudian incorporated entities, despite the lack of takeover protection provided under Bermudian law.

The table below shows a number of AIM-listed companies with headquarters in Bermuda and illustrates that it is not uncommon for Bermudian companies to be listed on AIM.

Table 8: Bermudian companies listed on AIM

Shareholder	Primary industry	Market capitalisation US\$m
African Minerals Limited	Precious metals and minerals	1,820
Billing Services Group Limited	Data processing and outsourced services	60.7
Dominion Petroleum Limited	Oil and gas exploration and production	128.9
Energy XXI (Bermuda) Limited	Oil and gas exploration and production	1,203.7
GeoPark Holdings Limited	Oil and gas exploration and production	508.7
Gulf Keystone Petroleum Ltd	Oil and gas exploration and production	2,334.9
IRF European Finance Investments Ltd	Asset management and custody banks	143.6
Oakley Capital Investments Limited	Asset management and custody banks	267.5
Tanzanite One Limited	Diversified metals and mining	22.3

Source: Capital IQ

4.5 Costs

The process of implementing the Scheme is lengthy and involves once-off transaction costs associated with the change in domicile, the Scheme and the listing of Sylvania on the ASX and AIM. Sylvania is expecting to incur costs in the range of \$2.0 million to \$2.2 million for the following services required to implement the Scheme:

- legal fees in Australia, Bermuda and the UK
- tax advice and structuring
- independent expert's report
- competent person's report
- nomad advisory fees for the listing of Sylvania on AIM
- registration and filing fees
- printing and mailing costs
- costs of holding a general meeting for the purpose of the Scheme.

However, it is expected that there will be a reduction in the ongoing operational and administrative costs of the Bermudian entity compared with an Australian entity. The board estimates the cost savings to be at least \$0.8 million to \$1 million per year, as a result of the following:

- cost savings arising from the winding down of the Australian office, which will include reductions in salaries (given that there is no longer a requirement for two Australian executive directors), travel, tax, accounting and administrative costs

- cost savings arising from reduced legal fees
- greater efficiencies in making board decisions, which should translate into reduced corporate time.

We have undertaken limited analysis of the total legal fees and directors' salaries incurred over the past two financial years, and consider these estimates to be reasonable.

At an illustrative discount rate of 15%, the present value of the cost benefits is estimated to be in the range of \$5 million to \$7 million, which represents approximately 2% to 3% of SLV's market capitalisation of \$226 million as at 8 December 2010.

4.6 Financial reporting

There will be no change in the financial reporting requirements as the ASX and AIM listings will require that SLV/Sylvania maintains the same disclosure in its financial reporting before and after the Scheme is implemented. However, there will be a change in the reporting currency from the Australian dollar to the United States dollar.

4.7 Implications if the Scheme is not approved

If the Shareholders do not approve the Scheme, the following key implications will arise:

- Shareholders will retain their Shares in SLV, which will continue to be listed on ASX and AIM
- SLV option holders will continue to hold SLV options and be entitled to receive Shares when the SLV options are exercised
- the benefits expected to arise from the Scheme will not be obtained
- SLV will continue to be subject to the Corporations Act
- regardless of whether the Scheme is actually implemented, most of the costs to be incurred in connection with the Scheme have already been incurred or will be incurred by the date of the meeting to approve the Scheme.

Appendix 1: Glossary

Reference	Definition
3e	3e PGM (platinum + palladium + gold)
4e	4e PGM (platinum + palladium + rhodium + gold)
AAC	Africa Asia Capital Limited
AAC Transaction	Acquisition of AAC's 26% interest in Sylvania Metals in consideration for an initial issue of 7,711,888 SLV shares and, subject to directors' ratification and shareholder approval, an additional issue of 51,170,663 SLV shares (or cash equivalent based on the 180 day volume weighted average price prior to the payment date)
AFSL	Australian Financial Services Licence
AIM	Alternative investment market of the London Stock Exchange
Aquarius	Aquarius Platinum South Africa (Pty) Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
AUD	Australian dollars
AUASB	Auditing and Assurance Standards Board
Bermuda Companies Act	Companies Act 1981 of Bermuda
CGT	Capital gains tax
Company	Sylvania Platinum Limited
Corporations Act	Corporations Act 2001
Cu	Copper
Deloitte	Deloitte Corporate Finance Pty Limited
DIs	Depository Interests
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
FY	Financial year
Group	SLV and its subsidiaries
g/t	Grams per tonne
Implementation Agreement	Agreement setting out certain arrangements agreed between SLV and Sylvania in relation to the re-domicile of SLV
JORC	Australasian code for reporting of exploration results, mineral resources and ore reserves
Jubilee	Jubilee Platinum plc
kms	Kilometres
Listing Rule(s)	ASX listing rule(s)
Mlbs	Million pounds
Mt	Million tonnes
Ni	Nickel
PGM	Platinum group of metals
ppm	Parts per million
RG 111	Regulatory Guide 111 'Content of Expert's Report'
SAMREC Code	South African Code for the reporting of mineral asset valuation

Reference	Definition
Section 411	Section 411 of the Corporations Act 2001
Section 611	Section 611 of the Corporations Act 2001
Samancor	Samancor Chrome Holdings (Pty) Limited
Scheme	Re-domicile of SLV by way of a scheme of arrangement
Scheme Booklet	Information booklet that explains the terms of the Scheme
SDRT	Stamp duty reserve tax
SG	Specific gravity
Shares	SLV shares and SLV DIs
Shareholders	SLV shareholders and holders of SLV DIs
SLV	Sylvania Resources Limited
SSE	Substantial shareholdings exemption
Sylvania	Sylvania Platinum Limited
Sylvania Dump Operations	Sylvania dump tailings retreatment business
Sylvania Group	Sylvania, SLV and its subsidiaries
Sylvania Metals	Sylvania Metals (Pty) Ltd
Sylvania SA	Sylvania South Africa (Pty) Ltd
Sylvania Shares	Sylvania shares and Sylvania DIs
UK	United Kingdom

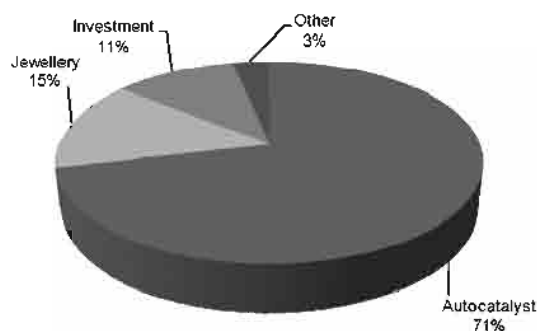
Appendix 2: The Platinum Group of Metals industry

‘PGM’ is a collective term referring to the platinum group of metals which are the six metallic elements of platinum, palladium, ruthenium, rhodium, osmium and iridium. These elements have very similar physical and chemical properties and are often formed together in ore deposits and with nickel and copper. PGMs are among the least abundant of the elements found on Earth. Platinum and palladium are found in the largest quantities and have the greatest economic importance.

Demand

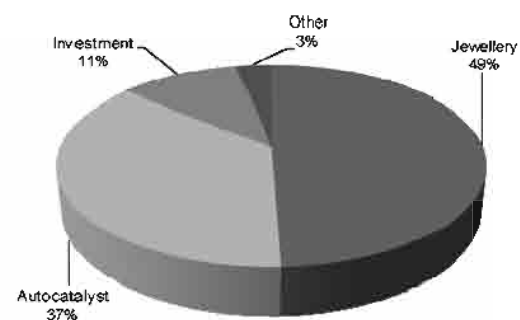
PGMs have a number of applications including autocatalysts in motor vehicles, jewellery, fuel cells and a vast number of other industrial applications. The following illustrates the breakdown of demand for platinum and palladium in 2009 by major application.

Figure 6: Platinum demand in 2009



Source: Johnson Matthey

Figure 7: Palladium demand in 2009



Source: Johnson Matthey

The figures above show that the majority of global demand for platinum and palladium in 2009 came from autocatalysts and jewellery. Other applications include electrical, glass, chemical, medical and petroleum.

An autocatalyst is a device made of a cross section of a fine honeycomb of ceramic and metal coated with a solution of chemicals and PGMs. The autocatalyst is inserted into a steel canister which is then installed in the exhaust line of motor vehicles. The whole device is known as the catalytic converter and has the purpose of converting hydrocarbons, carbon monoxide and nitrogen oxide from engine emissions to environmentally safer carbon dioxide, nitrogen and water vapour.

Platinum's popularity in the jewellery industry is a result of its strength and resistance to tarnish as compared with other metals such as gold and silver. Platinum can be repeatedly heated and cooled without the metal hardening or oxidising, providing a secure setting for diamonds and giving jewellery designers creative freedom not possible with other materials.

Gross demand for platinum and palladium fell by 11.9% and 6.3% respectively in 2009 due to difficult global economic conditions. Demand for platinum and palladium from the automotive industry decreased by 1.43 million ounces to 2.23 million ounces and by 0.45 million ounces to 4.1 million ounces respectively due to a decrease in global vehicle output and the sell down of existing autocatalyst stock. However, there was significant substitution between platinum and palladium in the manufacture of autocatalysts by the automotive industry for gasoline vehicles.

Demand for platinum from the jewellery industry rose strongly during 2009, increasing by 46.1% to 3.01 million ounces. Demand from Europe and North America fell due to poor economic conditions and reduced consumer spending. This was more than offset by the booming Chinese economy where the demand for platinum increased significantly due to retailers increasing their jewellery offering and increasing stock. Chinese demand in 2009 was a record 2.08 million ounces. On the other hand, global palladium demand from the jewellery industry fell by 17.3% to 0.82 million ounces driven primarily by Chinese producers switching from palladium to the higher margin platinum products.

Investment demand for platinum and palladium from trading houses and funds increased by 18.9% and 48.8% respectively in 2009. A buoyant palladium price, positive outlook for the automotive industry and rising gold price created a bullish market driving demand upwards in 2009.

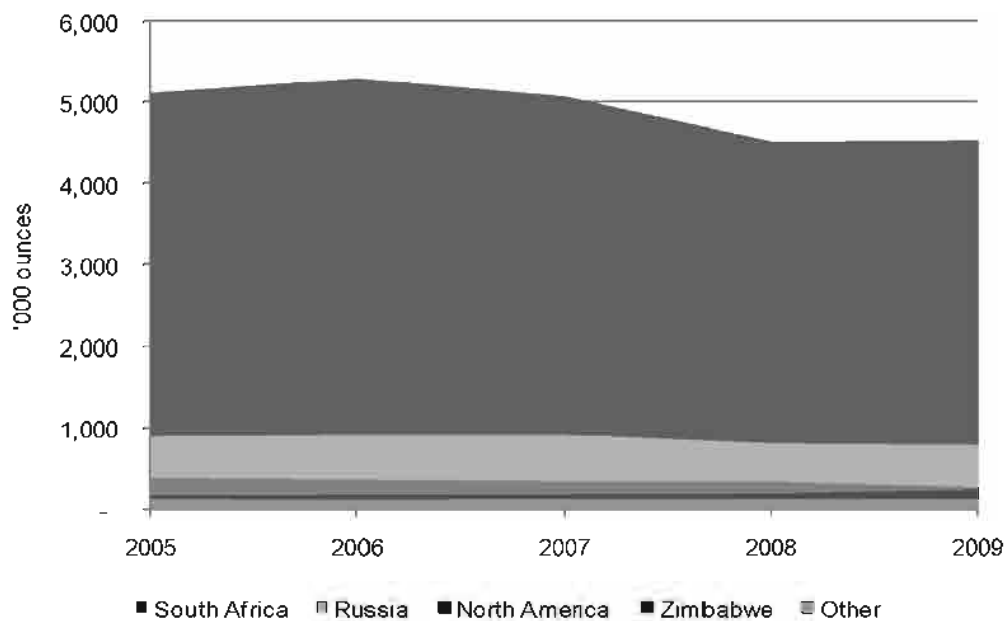
The outlook for PGMs is uncertain driven by the uncertainty in the global economy. While market confidence is slowly improving, there are concerns about the future of the Chinese economy which may have a negative impact on demand. Demand from the automotive industry is expected to increase as consumer spending slowly improves and vehicle production increases. However, demand from the global jewellery industry is expected to be mixed, with demand in North America and Europe expected to increase as consumer sentiment recovers, whereas Chinese demand is expected to fall due to the rising platinum price and the expectation that the restocking observed in 2009 will cease.

Supply

South Africa and Russia are the largest producers of PGMs in the world.

Historical supply of platinum by region is illustrated in the following chart.

Figure 8: Historical platinum supply



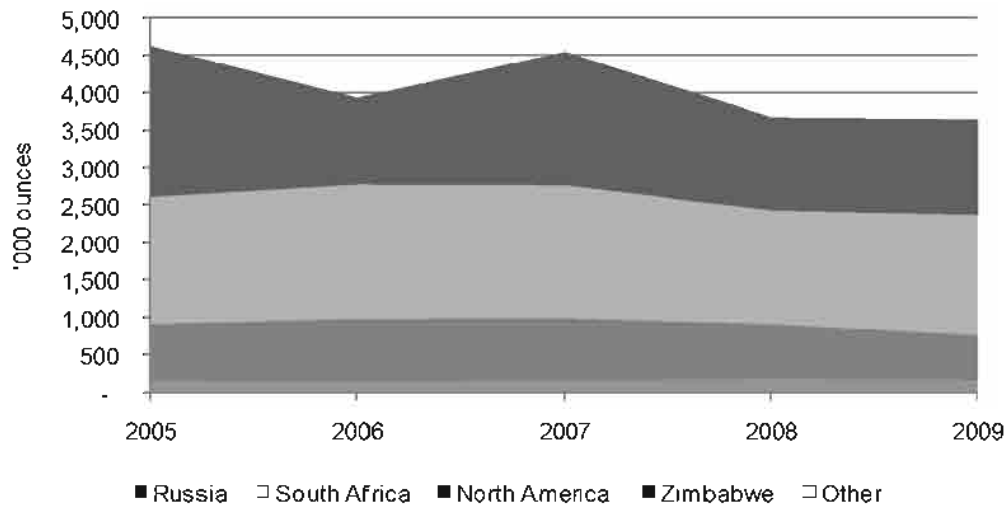
Source: Johnson Matthey

As can be seen in the above chart, South Africa dominates the global supply of platinum. During 2009, South Africa produced 4.53 million ounces of platinum accounting for 77% of total supply. This was similar to 2008 production. Russia's production in 2009 accounted for 13% of total supply with the balance of 10% coming from production in North America and a number of other small producers.

Production in South Africa is expected to increase with new mines coming on line in the next year and development of existing projects underway in South Africa. However, electricity constraints and smelter capacity may prove limiting factors in the medium term.

Historical supply of palladium by region is illustrated in the following chart.

Figure 9: Historical palladium supply



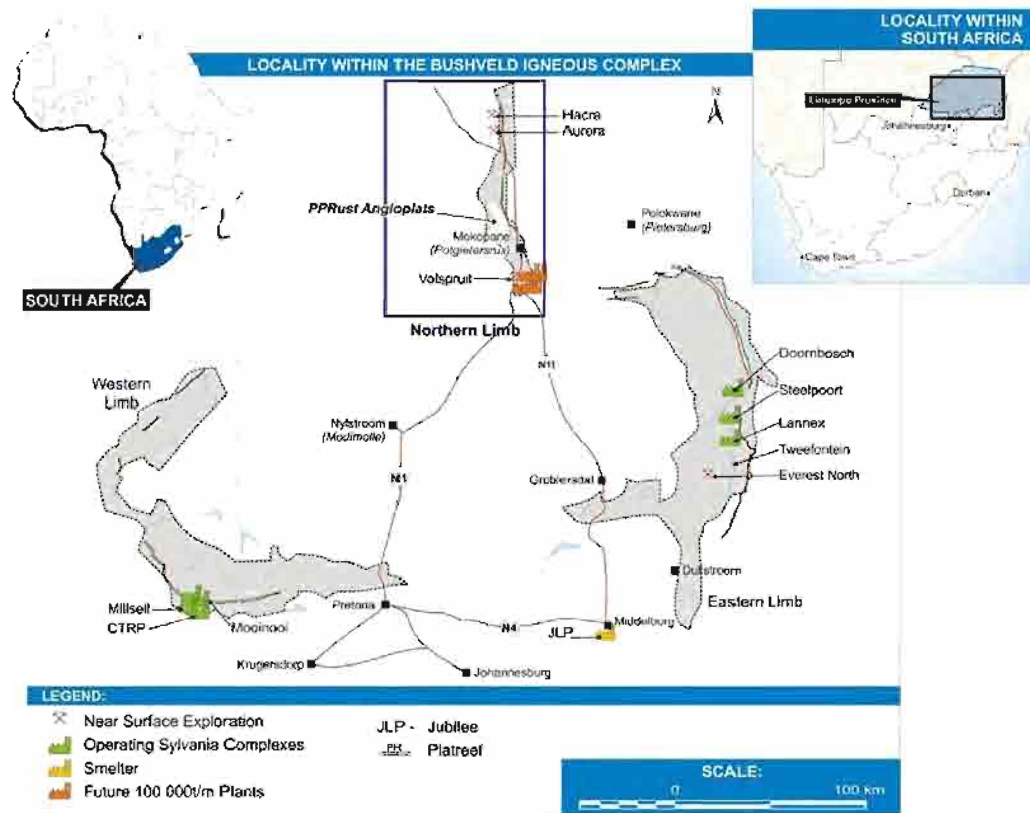
Source: Johnson Matthey

As can be seen in the above chart, Russia and South Africa contribute the majority of the global supply of palladium. North America is the other main producing nation. During 2009, Russia produced 3.64 million ounces of palladium accounting for 51% of total supply. This was similar to 2008 production. South Africa produced 2.37 million ounces in 2009 accounting for 33% of total supply.

Supply is expected to increase marginally in 2010 as Norilsk Nickel’s mining production increases coupled with an increase in production from Russian state owned stockpiles.

In South Africa, the main area of production is the Bushveld Igneous Complex which is the largest PGM resource in the world and is located in the North West Province of South Africa. The following is a diagram of the complex produced by Johnson Matthey.

Figure 10: Bushveld Igneous Complex



Source: Johnson Matthey

Within the Bushveld Igneous Complex there are three main areas of interest, the Merensky Reef, UG2 Chromitite and the Platreef. The current resource of the entire complex as defined in 1999 by Professor Grant Cawthorn of the University of Witwatersrand, South Africa using the South African Code for the reporting of Mineral Asset Valuation (SAMREC Code) at a cut-off depth of 2 kilometres (kms) is as follows:

- proven and probable reserves of platinum and palladium of 6,323 tonnes and 3,611 tonnes respectively
- indicated and inferred resource of 29,206 tonnes and 22,115 tonnes of platinum and palladium respectively.

There is further potential for additional resources, from both currently defined ore bodies at depths below 2 kms and from other PGM bearing horizons in the complex.

The production of PGMs in the Bushveld Igneous Complex is typically done by open pit and narrow reef mining methods utilising a drill and blast process. The mined ore is crushed to reduce particle size then undergoes a process of floatation separation to form a PGM concentrate. The concentrate is then smelted to form a slag containing unwanted materials which are discarded. The final stage of refining is a process of chemical and mechanical purification which liberates the soluble platinum, palladium and gold using hydrochloric acid and chlorine gas, and insoluble PGMs by one or more of number of mechanical processes. The end product has a purity of around 99.95% and can come in the form of ingot, grain or a fine powder known as “sponge”.

In Russia, the most important deposits are located in the Taimyr Peninsula in northern Siberia. The main Russian PGM producer is Norilsk Nickel with its large copper-nickel mining complex in northern Siberia and to a lesser extent its operations in the Kola Peninsula. A portion of the high grade nickel and copper ores is sent to the Norilsk Nickel Combine smelters at Kola Peninsula. PGM slimes are then produced by electrolytic refining, with further purification done at specialist refineries to recover PGMs.

Pricing

The price of platinum and palladium has been volatile over the past five years with a major correction evident during the global financial crisis in the second half of calendar 2008.

The following chart illustrates the actual monthly spot price of platinum and palladium since November 2005 and the current quarterly consensus estimate price to March 2013 as provided by Consensus Economics.

Figure 11: Platinum and palladium price



Source: Reuters, Consensus Economics

The consensus estimate indicates a slight strengthening of the platinum price and maintenance of the palladium price over the short to medium term driven primarily by an expected improvement in the global economic conditions albeit with some volatility. However, current research suggests the fears of a potentially slowing Chinese economy may have a negative impact on the platinum price going forward.

Appendix 3: Sources of information

In preparing this report we have had access to the following principal sources of information:

- Final draft Scheme Booklet
- Draft Implementation Agreement
- By-laws of Sylvania Platinum
- Shareholder register of SLV
- Audited financial statements for SLV for the years ending 30 June 2009 and 30 June 2010
- Johnson Matthey Platinum Industry Report 2010
- Macquarie Bank Research Report – Platinum and Palladium dated 7 October 2010
- Johnson Matthey Platinum website
- Company website of SLV
- Capital IQ
- Reuters
- other publicly available information including media releases.

In addition, we have had discussions and correspondence with certain directors and executives, including Grant Button, Executive Director and Louis Carroll, Finance Director in relation to the above information and to current operations and prospects.

Appendix 4: Qualifications, declarations and consents

The report has been prepared at the request of the Directors of SLV and is to be included in the Scheme Booklet to be given to Shareholders for approval of the Scheme in accordance with Section 411. Accordingly, it has been prepared only for the benefit of the Directors and those persons entitled to receive the Scheme Booklet in their assessment of the Scheme outlined in the report and should not be used for any other purpose. We are not responsible to you, or anyone else, whether for our negligence or otherwise, if the report is used by any other person for any other purpose. Further, recipients of this report should be aware that it has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Scheme.

The report represents solely the expression by Deloitte of its opinion as to whether the Scheme is in the best interests of the Shareholders as a whole in relation to Section 411. Deloitte consents to this report being included in the Scheme Booklet in the form and context in which it is to be included in the Scheme Booklet.

Statements and opinions contained in this report are given in good faith but, in the preparation of this report, Deloitte has relied upon the completeness of the information provided by SLV and its officers, employees, agents or advisors which Deloitte believes, on reasonable grounds, to be reliable, complete and not misleading. Deloitte does not imply, nor should it be construed, that it has carried out any form of audit or verification on the information and records supplied to us. Drafts of our report were issued to SLV management for confirmation of factual accuracy.

In recognition that Deloitte may rely on information provided by SLV and its officers, employees, agents or advisors, SLV has agreed that it will not make any claim against Deloitte to recover any loss or damage which SLV may suffer as a result of that reliance and that it will indemnify Deloitte against any liability that arises out of either Deloitte's reliance on the information provided by SLV and its officers, employees, agents or advisors or the failure by SLV and its officers, employees, agents or advisors to provide Deloitte with any material information relating to the Scheme.

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Neither Deloitte, Deloitte Touche Tohmatsu, nor any partner or executive or employee thereof has any financial interest in the outcome of the proposed transaction which could be considered to affect our ability to render an unbiased opinion in this report. Deloitte will receive a fee of AUD 100,000 exclusive of GST in relation to the preparation of this report. This fee is based upon time spent at our normal hourly rates and is not contingent upon the success or otherwise of the Scheme.

The fees received by Deloitte and Deloitte Touche Tohmatsu (and other entities related to Deloitte Touche Tohmatsu) for work performed for SLV over the past two years were AUD 432,665 exclusive of GST.

Consent to being named in disclosure document

Deloitte Corporate Finance Pty Limited (ACN 003 833 127) of 240 St Georges Terrace, Perth WA 6000 acknowledges that:

- SLV proposes to issue a Scheme Booklet in respect of the Scheme
- the Scheme Booklet will be issued in hard copy and be available in electronic format
- it has previously received a copy of the draft Scheme Booklet for review
- it is named in the Scheme Booklet as the 'independent expert' and the Scheme Booklet includes its independent expert's report in Annex 4 of the Scheme Booklet.

On the basis that the Scheme Booklet is consistent in all material respects with the draft Scheme Booklet received, Deloitte Corporate Finance Pty Limited consents to it being named in the Scheme Booklet in the form and context in which it is so named, to the inclusion of its independent expert's report in Annex 4 of the Scheme Booklet and to all references to its independent expert's report in the form and context in which they are included, whether the Scheme Booklet is issued in hard copy or electronic format or both.

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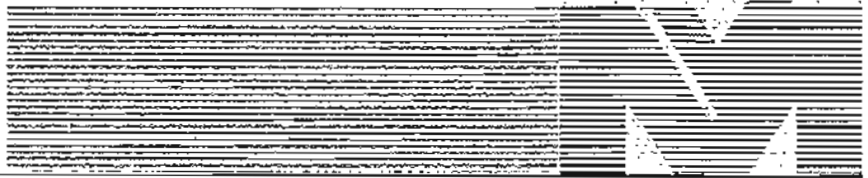
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ANNEX 5

SUMMARY OF COMPETENT PERSON'S REPORT



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**EXECUTIVE SUMMARY OF THE
INDEPENDENT COMPETENT PERSONS' REPORT
(CPR)
ON THE
MINERAL ASSETS
OF
SYLVANIA RESOURCES LIMITED
(SYLVANIA)
BY
VENMYN RAND (PTY) LIMITED
(VENMYN)**

COMPILED BY:-

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MANAGING DIRECTOR

OUR REFERENCE:-D917R
FIRST DRAFT:-19TH NOVEMBER 2010
EFFECTIVE DATE : -1ST DECEMBER 2010

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(VENMYN)**

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SYNOPSIS

Sylvania has established a chrome recovery and platinum group elements (PGEs) processing and extraction business in South Africa predicated on its ability to build and operate metallurgical concentrators designed and engineered to treat tailings produced by both historical and current mining operations.

Sylvania Metals (Pty) Limited (Sylvania Metals), the entity that operates the processing and extraction business in South Africa, is now 100% owned by Sylvania following the recent acquisition by Sylvania of a 26% shareholding in Sylvania Metals that was previously held by its BEE partner, Ehlobo. This 26% shareholding in Sylvania Metals was exchanged for an approximate 19.5% share in Sylvania through the issue of 58,882,551 new Sylvania ordinary shares to a nominee of Africa Asia Capital Limited which is a subsidiary of International Mineral Resources (IMR).

IMR owns a controlling interest in Samancor Chrome which owns and operates a number of chrome mines, ferrochrome smelters and tailing dams in South Africa. Sylvania has entered into an agreement with Samancor Chrome to treat its current tailings risings and its existing tailings dams using the Sylvania Chromite Washing Plant (CWP) and PGE Recovery Plant (PRP) technology.

The primary purpose of the Sylvania relationship with Samancor Chrome is to enable new technologies to be applied to the chromite miners of the Bushveld Igneous Complex (BIC) so that Samancor Chrome can benefit from increased chromite recovery efficiencies whilst Sylvania can generate revenues from PGE recoveries. The recovery of PGEs from chromite has only been of commercial interest over the past 10 years as previously the PGE grades were considered uneconomic by the chrome miners.

In addition, Sylvania has acquired mineral resources in the Northern Limb of the BIC which will be required to realise its smelting and refining initiative. Sylvania has commenced with exploration work to further develop these projects. There are plans to develop the Volspruit Project to a Bankable Feasibility Study by 2011, while carrying out exploration on the farms Harriet's Wish, Aurora and Cracouw with the aim of defining a mineral resource for the prospect. The AIM Note for mining and oil and gas companies Appendix 3 summary of reserves and resources is presented below:-

ASSET	CATEGORY	TONNES (Mt)	GROSS			NET ATTRIBUTABLE		
			GRADE 3PGE (g/t)	CONTAINED 3PGE (oz)	TONNES (Mt)	GRADE (g/t)	CONTAINED 4PGE (oz)	
Volspruit Project (75%)	Measured	28.47	1.26	1,153,336	21.35	1.26	865,002	
	Indicated	16.63	1.16	620,223	12.47	1.16	465,167	
	Inferred	0.76	0.95	23,213	0.57	0.95	17,410	
	SUBTOTAL	45.86	1.22	1,796,772	34.40	1.22	1,347,579	
Everest North Project* (74%)	Measured	5.08	4.74	774,176	3.76	4.74	572,890	
	Indicated	-	-	-	-	-	-	
	Inferred	-	-	-	-	-	-	
	SUBTOTAL	5.08	4.74	774,176	3.76	4.74	572,890	
Aurora Project PPD (71%)	Measured	-	-	-	-	-	-	
	Indicated	-	-	-	-	-	-	
	Inferred	133.43	1.34	5,748,519	94.74	1.34	4,081,449	
	SUBTOTAL	133.43	1.34	5,748,519	94.74	1.34	4,081,449	
	GRAND TOTAL	184.37	1.40	8,319,468	132.89	1.40	6,001,918	

* Grade quoted in 4PGE

Operator: Sylvania Resources Limited

Rounding may result in minor computational discrepancies

Sylvania produces PGEs and chromite concentrates using standard gravity and hydrometallurgical technology in South Africa. The company is evaluating alternatives to develop its business through a strategic rationale which includes: -

- expanding existing production of chromite and PGEs by accessing conventional, in the ground mineral resources as well as previously uneconomic chromite and PGE deposits which contain low grade PGE grades in existing tailings dumps and current risings;
- consolidating Sylvania's CWP/PRP technology within the Samancor Service and Supply Agreement (Samancor Chrome Agreement) and expanding the technology throughout the South African chrome and PGE mining industry in South Africa. The application of the CWP/PRP technology will be evaluated for global opportunities;
- further developing a joint venture relationship with Jubilee/Braemore, the owners of a direct current (DC) furnace technology to treat high chrome low grade PGE concentrates that existing PGE refiners prefer not to treat; and
- the original relationship between Samancor Chrome and Sylvania was generated as a result of an open market-related tender for the dumps which was awarded on a competitive basis to Sylvania. As a result, Sylvania and Samancor Chrome have developed a mutually advantageous commercial partnership.

In Venmyn's opinion, Sylvania has founded its business on relatively simple and standard physical and hydrometallurgical technology for which the capital costs are relatively low and the pay backs short. Sylvania is well positioned in South Africa in the heart of the PGE and chromite orebody mineral resources to take full advantage of its existing technology. It can also grow that niche position based upon a proven track record at a time when the major industry players are seeking ways to minimise cost and improve efficiencies.

Prior to the introduction of Africa Asia Capital Limited, the most critical potential threat to Sylvania was the integrity of the Samancor Chrome Agreement, which provides for the on-going feed material to all of Sylvania's plants. The Samancor Chrome Agreement was renegotiated to clarify some operational clauses and improve the current working relationship. The corporate structure within which the mineral assets described in this report have been set is shown for Sylvania (Figure 1).

At the outset, it should be noted that because of the range of mineral assets to be reviewed and evaluated, this document has been structured to provide "Short and Concise" information for each material asset.

Therefore, this document provides the framework within which to describe the different mineral assets. However, each asset, once prepared into a Short Form Technical Statement, has been included as a specifically numbered Appendix.

The report process took into account the principles incorporated in the requirements of the Regulatory Guides Numbers 111 and 112 of the Australian Securities and Investments Commission (ASIC), ASIC consultation Paper 143 (which relates to Regulatory Guides 111 and 112), and the Note for Mining and Oil and Gas Companies – June 2009 of the Alternative Investment Market (AIM).

The Technical Statements are intended to incorporate all material issues required by the expert reporting codes and, in particular, JORC and VALMIN, of Australasia, and SAMCODE, of South Africa.

The Tweefontein Complex is under review and negotiations are taking place for Sylvania to take over the existing "Green" CWP at the Tweefontein site. A scoping level study will be designed to replicate processes at Mooinooi. Whilst this is conceptual, the experience at Mooinooi should lead to successful implementation. The cost and timing will be defined shortly.

In respect of the Volspruit Project, the initial Sylvania feasibility work demonstrates a positive NPV valuation but this will be prepared into a Definitive Feasibility Study over the next year and may demonstrate additional upside potential.

The mass balances contained within the Metallurgical Statements were accurate at the time of the release of the document, but are subject to change with future developments.

The information in this report (and the appendices) relating to exploration results, mineral resources and ore reserves is based on information compiled by Andrew Neil Clay, who is a Fellow of the Australasian Institute of Mining and Metallurgy, as set out in Appendix 3 (Qualifications, Declarations and Consents), has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2004 Edition of the JORC Code. Mr Clay is employed by Venmyn.

DISCLAIMER AND RISKS

This Competent Person's Report has been prepared by Venmyn. In the preparation of the report, Venmyn has utilised information relating to operational methods and expectations provided to it by Sylvania. Where possible, Venmyn has verified this information from independent sources after making due enquiry on all material issues that are required in order to comply with the Code for Technical Assessment of Mineral and Petroleum Assets and Securities for Competent Person's Report (Valmin Code). Venmyn and its directors accept no liability for any losses arising from reliance upon the information presented in this report.

OPERATIONAL RISKS

The businesses of mining and mineral exploration, development and production by their nature contain significant operational risks. The businesses depend upon, amongst other things, successful prospecting programmes and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances and technical issues.

POLITICAL AND ECONOMIC RISK

Factors such as political and industrial disruption, currency fluctuation and interest rates could have an impact on Sylvania's future operations, and potential revenue streams can also be affected by these factors. The majority of these factors are, and will be, beyond the control of Sylvania or any other operating entity.

**COMPETENT PERSON'S REPORT
(CPR)
ON THE
MINERAL ASSETS
OF
SYLVANIA RESOURCES LIMITED
(SYLVANIA)
BY
VENMYN RAND (PTY) LIMITED
(VENMYN)

SYNOPSIS
LIST OF CONTENTS**

1.	NATURE AND SCOPE OF THE REPORT	7
1.1.	Nature and Purpose of the Report	7
1.2.	Basis of the Assessment	7
1.3.	Sources of Information	7
1.4.	Limitations and Reliance on Information	7
2.	PROFILE OF THE SYLVANIA GROUP	13
2.1.	Overview	13
2.2.	Location	13
2.3.	Corporate Structure and Management	13
2.4.	Samancor Chrome Mining and Tailings Operations	15
3.	SYLVANIA MINERALS (PTY) LIMITED MINERAL ASSETS	16
3.1.	Introduction to the Plant Complex	16
3.2.	Summary	17
4.	SYLVANIA SOUTH AFRICA (PTY) LIMITED	17
4.1.	Introduction	17
5.	GREAT AUSTRALIAN RESOURCES LIMITED	17
5.1.	Introduction	17
6.	S A METALS LIMITED	17
6.1.	Introduction	17
7.	LEGAL ASPECTS AND TENURE	18
7.1.	Material Agreements	18
7.1.1.	Samancor Services Supply Agreement	18
7.1.2.	Offtake Agreements	19
7.2.	Environmental Considerations	19
8.	CONCLUSIONS AND RECOMMENDATIONS	20

LIST OF FIGURES

Figure 1:	Corporate Structure of Sylvania	8
Figure 2:	Regional Location of the Western BIC and Related Mineral Assets to this Transaction	9
Figure 3:	Regional Location of the Eastern Bushveld and Mineral Assets Related to this Transaction	10
Figure 4:	Regional Location of the Northern Bushveld and Mineral Assets Related to this Transaction	11
Figure 5:	Schematic Geology of the BIC	12

LIST OF TABLES

Table 1: Summary of the Mineral Assets of Sylvania South Africa	17
Table 2: Summary of the Mineral Assets of GAU.....	17
Table 3: Summary of the Mineral Assets of SA Metals	18
Table 4: Summary of the Legal Tenement for Sylvania's Mineral Properties	18

APPENDIXES

Appendix 1: Glossary of Terms	21
Appendix 2: Abbreviations.....	23
Appendix 3: Qualifications, Declarations and Consents.....	25
Appendix 4: Metallurgical Statement for Millseli Complex.....	40
Appendix 5: Metallurgical Statement for Mooinooi Complex.....	41
Appendix 6: Metallurgical Statement for CTRP Complex.....	42
Appendix 7: Metallurgical Statement for Lannex Complex.....	43
Appendix 8: Metallurgical Statement for Steelpoort Complex.....	44
Appendix 9: Metallurgical Statement for Doornbosch Complex.....	45
Appendix 10: Technical Statement for Everest North Project.....	46
Appendix 11: Technical Statement for Cracouw 391 LR (HACRA Project)	47
Appendix 12: Technical Statement for Aurora 397 LR (HACRA Project).....	48
Appendix 13: Technical Statement for Harriet's Wish 393 LR (HACRA Project)	49
Appendix 14: Technical Statement for Volspruit Project	50
Appendix 15: Technical Statement for Aurora Project	51

1. NATURE AND SCOPE OF THE REPORT

1.1. Nature and Purpose of the Report

This Competent Person's Report has been prepared for Sylvania to describe and define the technical issues relevant to specific mineral assets within the Sylvania corporate structure. Sylvania intends changing its domicile from Australia to Bermuda by way of it becoming held by a newly incorporated Bermudan entity called Sylvania Platinum Limited that will be listed on the ASX and AIM. The existing reporting jurisdiction of Sylvania has led to this document being prepared in accordance with the Code for Technical Assessment of Mineral and Petroleum Assets and Securities for Competent Person's Reports (Valmin Code). The principal author of this report is a fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) as well as the South African regulatory bodies in the minerals industry.

Venmyn was not required to comment on the fairness of any vendor or promoter considerations in relation to any of the properties which are the subject of this report and no opinion in that regard has been offered. However, the reasonableness of the underlying assumptions and the proposed business plan for each individual mineral asset has been assessed.

1.2. Basis of the Assessment

An information gathering process and investigation into the mineral assets held by Sylvania was undertaken during November 2010. This process and the information so gathered were supported by discussions with the various company management and employee representatives, together with site visits where possible. This information was used to substantially update a comprehensive review carried out by Venmyn in October 2009.

The relevant details pertaining to the assessment of prospectivity, operating performance and the combination of technical issues for each mineral asset were then consolidated into compliant Short Form Technical Statements. These represent stand alone reports for each mineral asset and have been incorporated into this document as duly marked Appendices. Venmyn has, to the best of its abilities, applied its mind to the reasonableness of the information and parameters pertaining to each mineral asset.

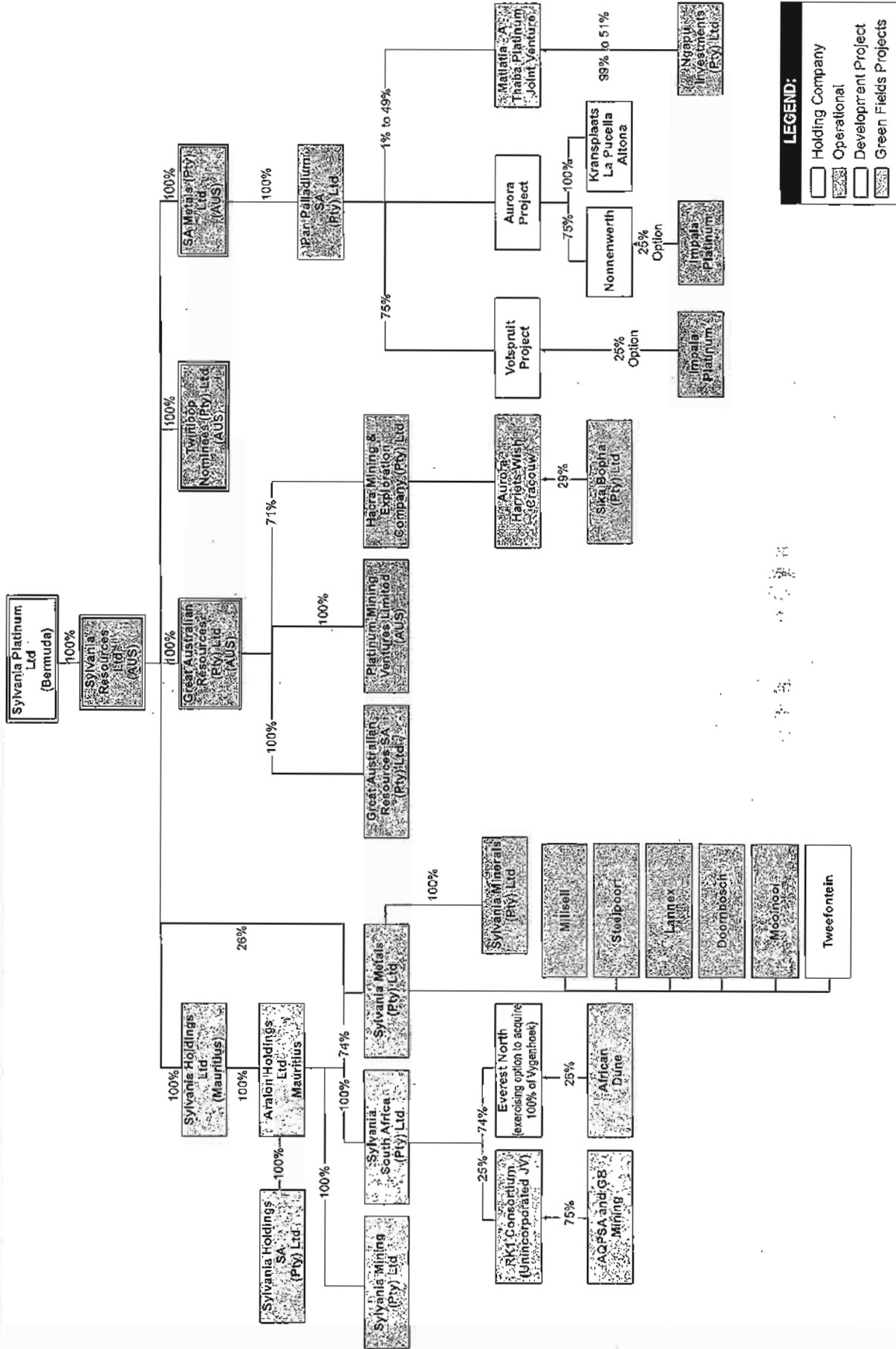
1.3. Sources of Information

Sylvania management provided full and open access to its records and information on its mineral assets. This included corporate, legal, financial and operating information for existing plants, proposed plants and mineral projects. At the same time, the commercial and technical arrangements between Sylvania and Samancor Chrome were also provided since Samancor Chrome is the owner of the source materials for the majority of the existing CWP and PRP operations. Additional sources included the press releases and other public domain information available electronically via the Internet.

1.4. Limitations and Reliance on Information

Venmyn considers that its expert work must be prepared and considered within the context of Sylvania's business plan to appreciate the status of the mineral assets. Venmyn's view is also based upon technical, financial and other conditions and expectations prevailing at the date of this report. These conditions and expectations could change over relatively short periods of time. To the extent that there are legal issues relating to the mineral assets or issues relating to compliance by Sylvania with applicable laws, regulations and policies, Venmyn assumes no responsibility and offers no legal opinion or interpretation on these issues.

CORPORATE STRUCTURE OF SYLVANIA

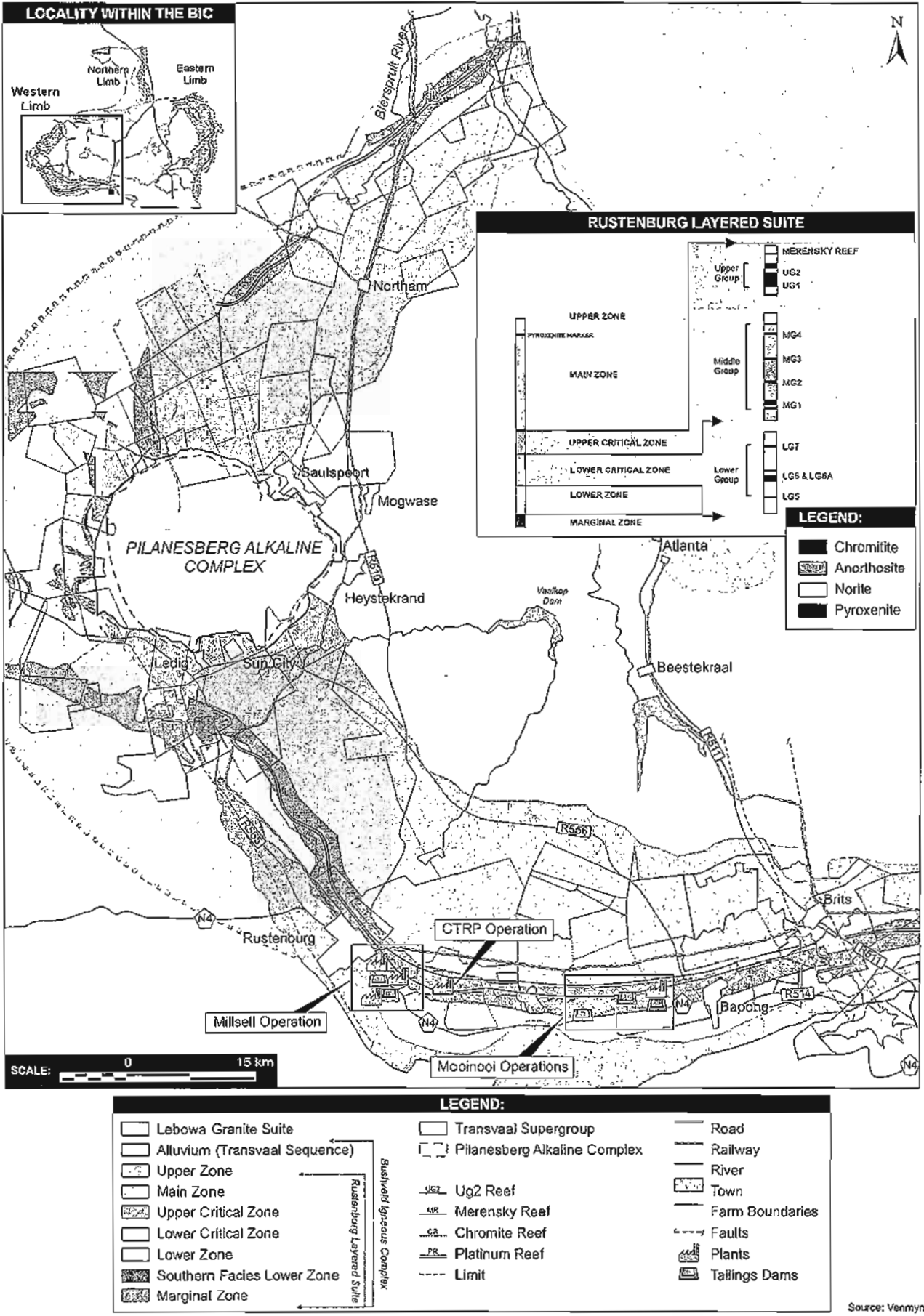


LEGEND:

- Holding Company
- Operational
- Development Project
- Green Fields Projects

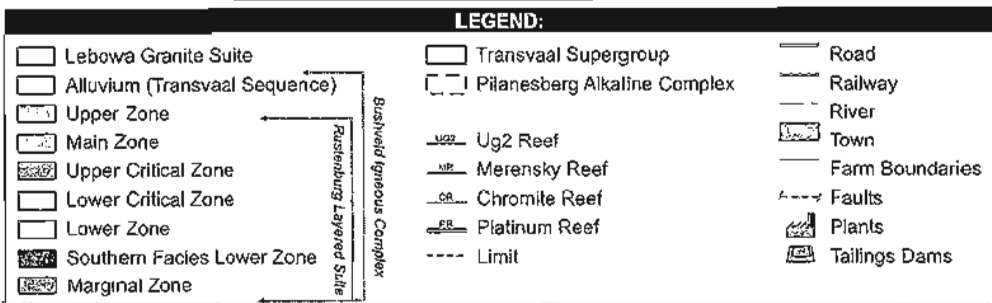
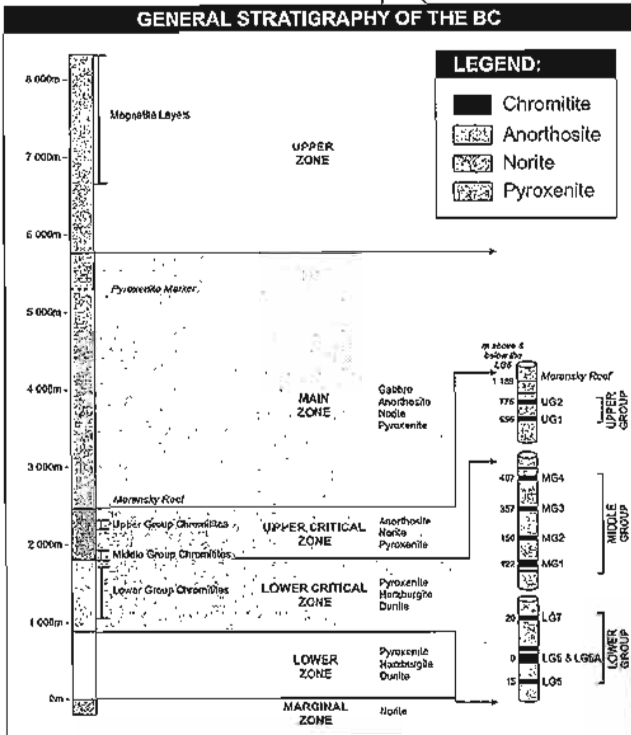
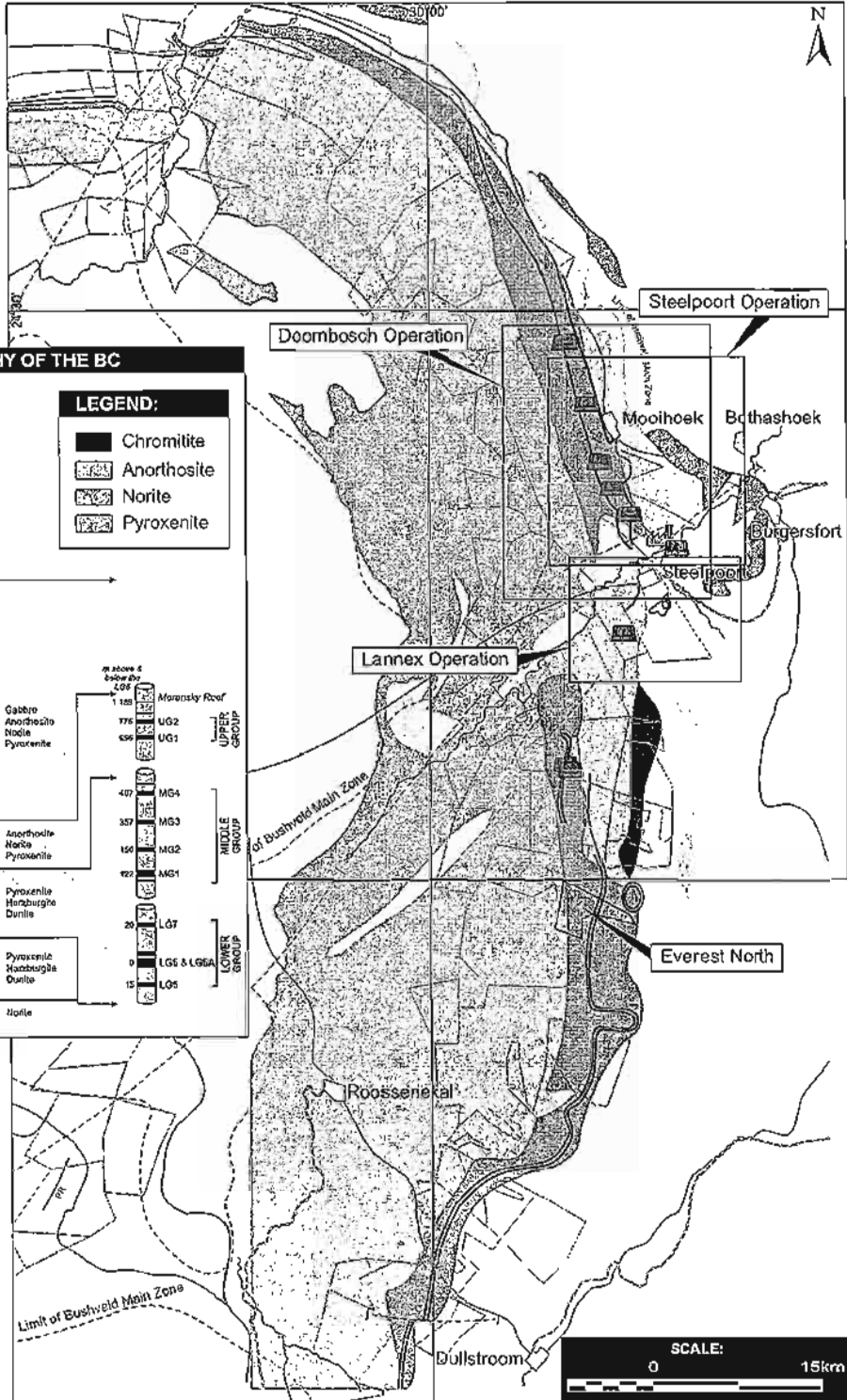
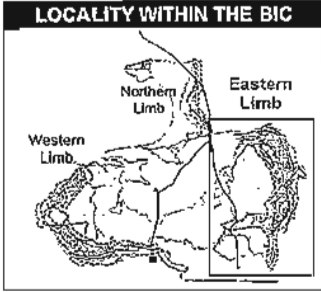
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REGIONAL LOCATION OF THE WESTERN BIC AND MINERAL ASSETS RELATED TO THIS TRANSACTION



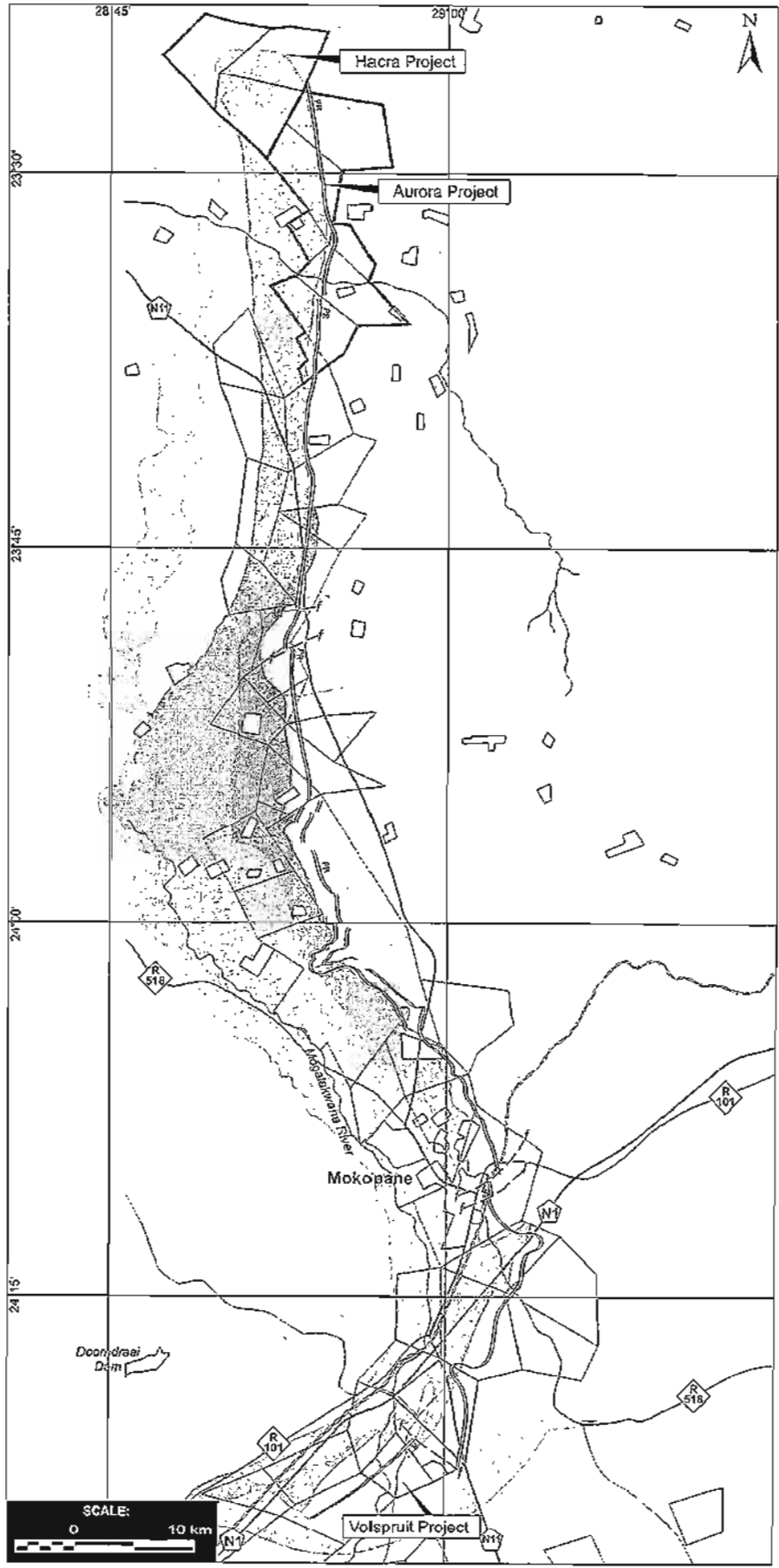
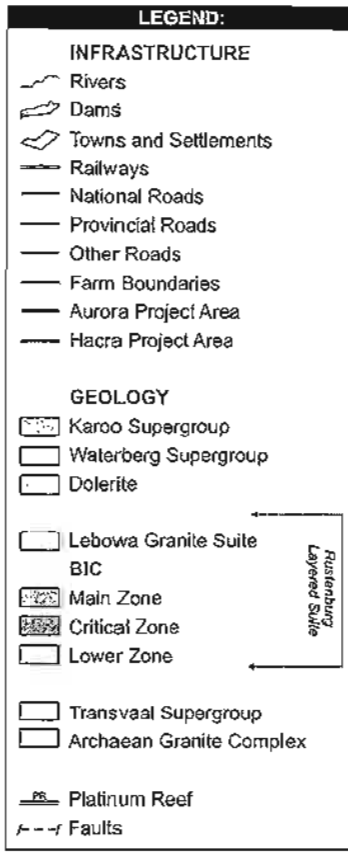
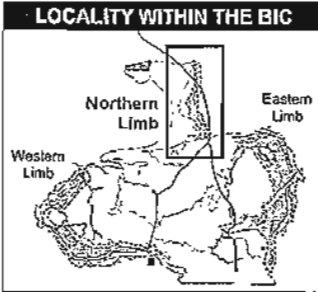
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REGIONAL LOCATION OF THE EASTERN BIC AND MINERAL ASSETS RELATED TO THIS TRANSACTION



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REGIONAL LOCATION OF THE NORTHERN BIC AND MINERAL ASSETS RELATED TO THIS TRANSACTION



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SCHEMATIC GEOLOGY OF THE BIC

LEGEND:

INFRASTRUCTURE

Roads
Main River

Mineral Projects
Operating Sylvania Complexes

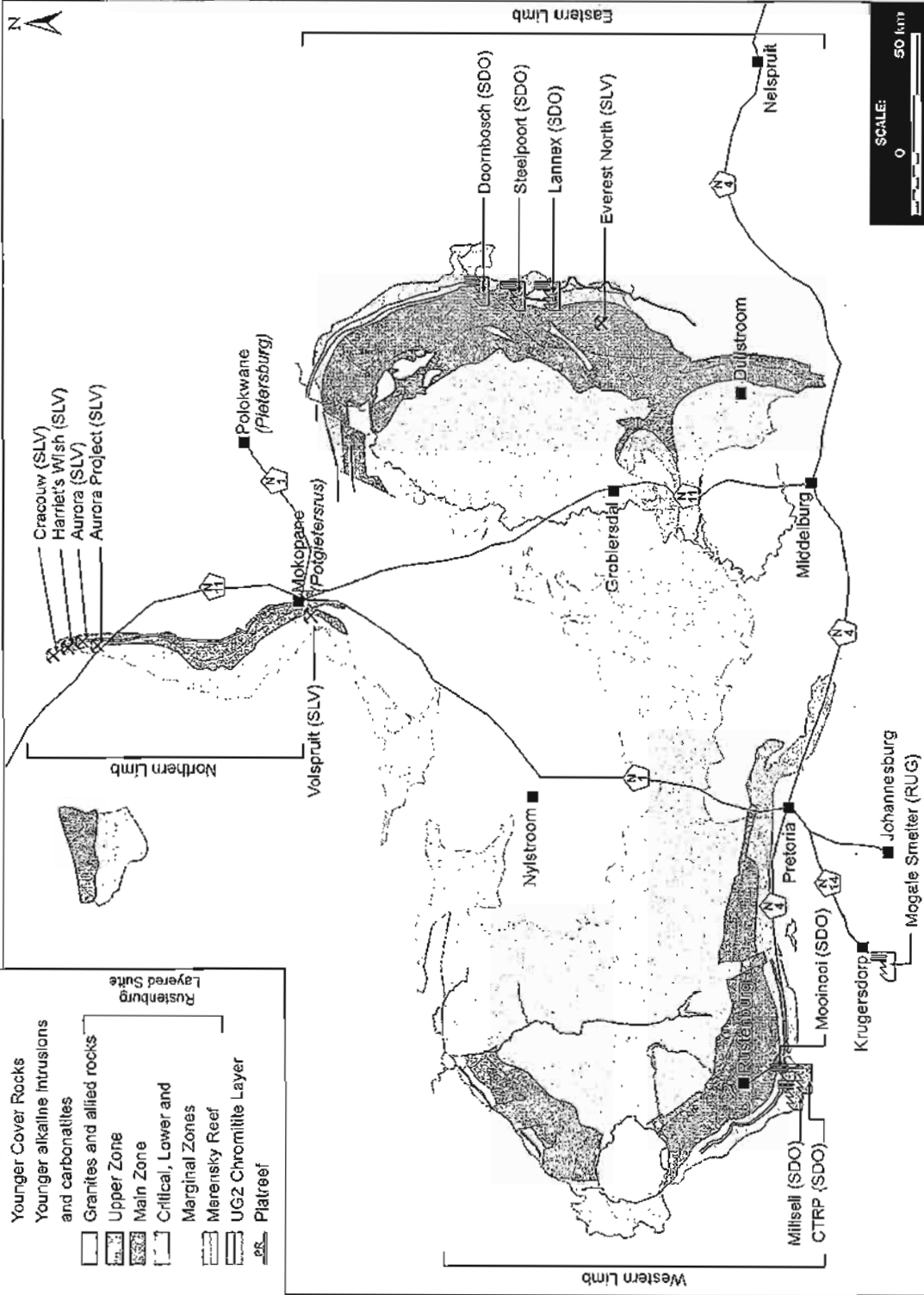
SLV - Sylvania
SDO - Sylvania Dumps Operations

GEOLOGY

Younger Cover Rocks
Younger alkaline intrusions
and carbonatites

Granites and allied rocks
Upper Zone
Main Zone
Critical, Lower and
Marginal Zones
Merensky Reef
UG2 Chromitite Layer
Platreef

Rustenburg
Layered Suite



2. PROFILE OF THE SYLVANIA GROUP

2.1. Overview

Sylvania is a PGE producer created to exploit the opportunity to treat chromite dumps and various chromite and PGE tailings for the purpose of recovering chromite and, separately, PGEs. Having established the company as a niche hydrometallurgical plant builder and operator in South Africa, the company has acquired mineral exploration projects. These projects are intended to generate mineral resources that can eventually be mined for its own account as a strategic backward integration. In recent times, Sylvania has been evaluating the potential to forward integrate into smelting and base metal refining through a JV arrangement with Jubilee/Braemore.

2.2. Location

Sylvania's offices are located in west Johannesburg and its operations and interests are shown schematically in Figure 2, Figure 3 and Figure 4.

2.3. Corporate Structure and Management

The corporate structure of the Sylvania Group is shown in the Scheme Booklet and Figure 1.

The Board and management team of Sylvania is as follows: -

Board of Directors

Mr Richard Rossiter - Non-Executive Chairman

BSc (Hons) MSc

Mr Rossiter was appointed to the Sylvania Board in August 2007 and acts as the non-executive Chairman. He leads the Board in implementing its strategy of becoming a significant PGE producer.

He began his career as a geologist with General Mining Union Corporation in South Africa. He subsequently qualified in mine management and held various production management and business development roles. He later joined the financial sector as a mining analyst and then moved to Australia where he became involved in corporate advisory, mergers and acquisitions and divestments. Mr Rossiter is also a director of Morning Star Holdings (Australia) Limited.

Mr Terry McConnachie - Managing Director

Mr McConnachie has over 35 years experience in mining, beneficiation of ferroalloys and precious metals.

He was the founder of Merafe Resources Limited (formerly South African Chrome & Alloys Limited), a successful black empowered chrome mining company that listed on the JSE Limited with assets worth in excess of ZAR1bn (AUD56m). Mr McConnachie has been CEO of a number of mining, mining services and smelting companies in South Africa.

Mr Louis Carroll - Finance Director / Joint Company Secretary

B Com, MAP, H. Dip. Corporate Law, H. Dip. Property Management, Dip Business Management

Mr Carroll was appointed to the Sylvania Board in August 2007 and acts as the Finance Director having worked for the Company in its South African operations, principally in developing and structuring financial reporting systems. He has 40 years' experience in the resources industry and has served as an executive and non-executive director for a number of private and publicly listed companies. He has also served as chief operating officer in a listed oil and gas company.

Mr Grant Button - Executive Director / Joint Company Secretary

Mr Button was a director and company secretary of Sylvania for four years until June 2007. He rejoined Sylvania as the company secretary in January 2009 and was appointed to the Board in May 2009. Mr Button is a qualified accountant with 18 years' experience at a senior management level in the resources industry. He has acted as an executive director, managing director, finance director, chief financial officer and company secretary for a range of publicly listed companies. Mr Button is currently an executive director of Magnum Mining & Exploration Limited, chairman of Morning Star Holdings (Australia) Limited and chairman of Alamar Resources Limited.

Senior Management

N Trevarthen – Deputy Chief Executive Officer
BSc (Hons) Mining R.S.M

Mr Trevarthen joined Sylvania Resources on 1st September 2010 and his main focus is on operations in South Africa. He holds a Bachelor of Science degree in Mining Engineering from the London School of Mining. He joined the Anglo Group after completing his studies and has most recently returned from Guinea where he was managing director of the Siguri Mine. He has held a number of management positions within AngloGold where he gained both operational and corporate experience which will assist Sylvania in implementing its current expansion plans and achieving its long-term strategies.

Mr Zoran Marinkovic – Director of Sylvania Metals (Pty) Ltd
BSc (Chem Eng), University of Belgrade

Mr Marinkovic has worked in a number of industries, including the petrochemical, shipping and mining sectors in Europe. The senior positions he has held include that of site director and special adviser for Mostec Limited, based at a shipyard in the Ukraine; production director at the High Density PolyEthylene Plant (HDPE) at the Petrochemical Complex of Pancevo in Yugoslavia; and, most recently, co-owner and director of ABM International Limited.

This is a Belgrade-based company trading in chrome and other metals on the European and Russian markets as well as undertaking research and consulting in the area of chromium waste and tailings. Since January 2006, Mr Marinkovic has been responsible for developing and controlling Sylvania's chromium and PGE projects pursuant to the Samancor Chrome Agreement. He is currently developing new projects that will expand Sylvania's supply of PGE base material.

Lewanne Carminati – Financial Manager
BComm (Hons), CA (SA)

Lewanne Carminati started her career in finance in 2005, and has gained experience in both the contracting and mining industry. Lewanne joined Sylvania in July 2009.

Mr Ben Kruger – Management Accountant
NHD (Cost and Management Accounting), Technikon RSA

Mr Kruger has spent 17 years in the field of cost and financial accounting, working in the mining, manufacturing, printing and services industries. His responsibilities have included general accounting, finance, project accounting and costing. While employed by the De Beers Group and Gold Fields Limited, he was exposed to opencast, shallow underground and deep level mining. This experience included involvement in a feasibility study for Gold Fields' South Deep mine. Mr Kruger joined Sylvania in October 2007.

Senior Consultants

Johan Meyer - General Manager: Operations
BEng (Mech) (Hons), University of Stellenbosch
GDE (Indus Eng), University of Witwatersrand

Mr Meyer started his career in the mining industry as a project engineer, working first for Rio Tinto and afterwards for Anglo American and Gold Fields. He then moved into the manufacturing industry where he held several senior management positions. He has extensive knowledge of business start-ups, as he was a key member of the team that led an aluminium company through an expansion in which the business quadrupled in size. During this period, he acquired a sound understanding of base metals and metals trading as it relates to the London Metal Exchange.

After joining Sylvania, Johan designed and constructed the first two plants which are now operating at design capacity. Currently, he is heading growth projects for the group, focusing on the retreatment of chrome and platinum. He is also responsible for all commercial aspects of the business.

Mr Phil Carter – General Manager Capital Projects
BSc (Mining Eng), University of the Witwatersrand

Mr Carter, who holds a Mine Manager's Certificate of Competency, has been in the mining industry for 30 years. At different stages of his career he has worked for the De Beers Group, AngloGold Ashanti Limited and SA Chrome and he has experience at a senior management level in diamond, deep-level gold and chrome mines. Mr Carter's particular field of expertise is in mine and project management. At SA Chrome, he commenced the Horizon Chrome mine as a greenfields project and was responsible for the design, construction and management of the chrome concentrator plant, as well as the opencast and underground mines.

At Sylvania, Mr Carter is managing the development of the Everest North mine project and the capital construction expansion programme.

Dr Peter Cox – Strategic Planner

BSc (Mining Eng) University of the Witwatersrand; MSc, PhD (Mining Eng) Harrington; Dip (Civil Eng), University of Natal

Dr Cox started his career in the mining industry 30 years ago as a learner surveyor. After studying mining engineering as a JCI bursar, he has filled various positions at gold and platinum mines and as a senior section manager. Dr Cox joined a privately owned mining and exploration company, Severin Southern Sphere Mining, as a consulting engineer and general manager. Since mid-1991 he has been the managing director of Goldline Global Consulting (Pty) Ltd, an engineering consulting company which serves the mining industry worldwide. Dr Cox holds a Mine Surveyor's and a Mine Manager's Certificate of Competency.

Mr Christo de Vos – Internal Legal Adviser

BComm, University of the Free State; LLB, Unisa

Mr de Vos is admitted as an attorney, notary and conveyancer in South Africa. He was a senior partner at Wessels & Smith, a law firm in Welkom, South Africa, for 28 years, specialising in commercial and mining law, trust law, estate planning and tax law, before being appointed by Sylvania as its legal and commercial executive adviser. Mr de Vos has experience with black economic empowerment transactions, and acts as a trustee for several black empowerment trusts and employee incentive schemes.

2.4. Samancor Chrome Mining and Tailings Operations

Sylvania has entered into an agreement with Samancor Chrome to treat its current tailings risings and its existing tailings dams using the Sylvania CWP and PRP technology.

The company dates from 1975, when it was established as a result of a merger between SA Manganese Limited and Amcor Limited. SA Manganese was formed in 1926 to mine manganese ore in the Northern Cape. Amcor was established in 1937 to exploit mineral deposits for the steel industry and to process those minerals into ferroalloys.

Samancor was listed on the JSE Limited until 1998, when the minority shareholders were bought out by the then majority shareholders, Billiton and Anglo American plc. This led to the delisting of the company. The resulting shareholding was 60% African Metals Limited (a BHP Billiton (BHPB) Company) and 40% Anglo South Africa Capital (Proprietary) Limited (an Anglo American company). Samancor then consisted of chrome and manganese operations and stainless steel investments with marketing and distribution arrangements via structures held wholly and indirectly by BHPB and Anglo American.

Towards the end of 2004, bids were invited for the purchase of Samancor Chrome. The successful bidder, the Kermas Group, effectively took over the operations from the 1st June 2005. Over 80% of Samancor Chrome's chromite ore production is used to produce ferrochrome in South Africa. The remainder of the ore is exported. Approximately 85% of the company's ferrochrome production is exported to stainless steel producers across the globe. Stainless steel typically contains 18% chrome and 8% nickel. Samancor Chrome produces mined chromite ore and chrome alloys produced by smelter operations. Samancor Chrome's five fully integrated and self-reliant chrome alloy plants have a combined annual production capacity of more than 1Mt of alloy, including charge chrome, intermediate carbon ferrochrome (IC3), low-carbon ferrochrome and ferrosilicon chrome.

The mining operations' mineral resources exceed 450Mt, calculated to a depth of 300m, with an annual production capacity of between 5Mt and 10Mt. The company's total chromite mineral resources exceed 650Mt and are expected to support current mining activity for well over 200 years at the current rate of extraction. Some ores and concentrates are exported, but the main allotments are destined for conversion into ferrochrome at the alloy plants. Samancor Chrome's core business is the mining and smelting of chrome ore. Samancor Chrome is one of the largest integrated ferrochrome producers in the world.

The company's corporate office is based in Sandton, Johannesburg. Three ferrochrome plants and two chrome ore mining complexes operate as separate business units in different locations in South Africa: -

- Western Chrome Mines - Rustenburg area in the North West Province;
- Eastern Chrome Mines - Lydenburg/Steelpoort in the Limpopo Province;
- Ferrometals Plant near eMalahleni, Mpumalanga Province;
- Middelburg Ferrochrome and Middelburg Technochrome Plants near Middelburg, Mpumalanga Province; and
- Tubatse Ferrochrome Plant in the Lydenburg/Steelpoort area of the Mpumalanga Province.

Samancor Chrome has a number of tailings dams and its initiative with Sylvania to extract chromite from current risings as well as the previous tailings are both commercially opportune and environmentally friendly.

3. SYLVANIA MINERALS (PTY) LIMITED MINERAL ASSETS

3.1. Introduction to the Plant Complex

The scope of the Metallurgical and Mineral Processing Statements was to provide an independent overview of the Sylvania Resources Limited (Sylvania) tailings retreatment operations in the eastern and western BIC.

The set of Metallurgical and Mineral Processing Statements produced by Venmyn are individually focused on each of the assets which represent the Sylvania retreatment operations, termed the Samancor Dumps Operations (SDO) by Sylvania as presented in Figure 1.

Sylvania entered into a contract with Samancor Chrome in November 2005 in respect of services to be conducted by Sylvania to retreat chrome tailings for the purpose of extracting chrome and PGEs at Samancor's Millsell and Waterkloof mine sites in South Africa.

In May 2006, Sylvania signed a further agreement with Samancor Chrome to produce chromite concentrate and PGEs from all of the Samancor-controlled chrome tailings assets within the BIC. Each of Sylvania's re-processing operations consists of two plants operating in series. The first is the Chrome Washing Plant (CWP) and the second is the Platinum Recovery Plant (PRP) located adjacent to each other on each of Samancor Chrome's washing plant sites. For purposes of this report, the CWP and PRP will be referred to as the "Complex".

Sylvania is contracted to produce chromite with a Cr₂O₃ content of 44%, which is a metallurgical grade for resale to Samancor Chrome from the CWP. This is primarily generated through the spirals section of the plant. However, this also enables an enriched PGE tailings stream to be generated. This enriched PGE tailings streams feeds into the PRP section of the plant to produce a PGE concentrate for sale to a PGE refinery. In effect, the CWP produces a PGE-enriched material for the PRP at basically no cost as capital and operating costs associated with the CWP should be offset by the revenue from the contractual chromite sales to Samancor Chrome.

As part of the operational synergies that the Sylvania CWP/PRP combination provides for the primary recovery of Cr₂O₃ for Samancor Chrome, Sylvania has the right to treat remaining fines for PGEs. This is a strategic and core business process created by Sylvania. The research and development work to confirm the feasibility of PGE extraction from chrome tailings was based upon the successful construction and operation of the Chrome Tailings Retreatment Plant (CTRP) at the Kroondal operations of Aquarius Platinum (SA) (Pty) Limited (AQPSA).

The CTRP plant was completed in February 2005 and was financed by a consortium in which Sylvania has a 25% stake. The CTRP was initially designed for a total feed rate of about 20,000t_{pm} of dump material and current risings from the nearby Xstrata and Bayer chrome plants. The success of this plant provided the basis for the Samancor Chrome Agreement with Sylvania. All of the plants are sited on brownfield sites within Samancor Chrome's surface rights holdings.

Consequently, they can take advantage of existing infrastructure such as access roads, power and water supplies. Furthermore, the required environmental impact assessment (EIA) for each plant is based upon existing Samancor Chrome permits rather than new applications.

This is a very important benefit of developing the Sylvania operations on the Samancor Chrome's sites. The business structure for the SDO is shown in Figure 1.

The Samancor Chrome tailings dumps, as well as current risings from various projects, provide the feedstock for these re-treatment plants. To-date, Sylvania has constructed and commissioned five facilities, namely the Millsell, Steelpoort, Lannex, Moonooi and Doorbosch plants, and has begun commercial production at each complex.

It has been estimated by the management of Sylvania that it should take just under five years to complete the washing of the historical chrome dumps covered by the contract, but the rewashing of current risings is anticipated to continue for a longer time period, albeit at a higher grade and higher recovery because of the nature of current risings. However, Sylvania has determined that the economics of a second reprocessing step is feasible and economically viable. Although several exploration projects in the northern and eastern BIC afford potential for Sylvania to generate its own supply of lower grade PGE concentrates, these are essentially greenfield projects. Sylvania's dump operations own no Mineral Resources but hold the rights to treat the PGEs for Sylvania's own account. The retreatment project is directly linked to the mineral assets of the Samancor Chrome mines and dumps, and in terms of compliance with JORC and SAMCode, these plants have been assessed as mineral assets.

As a mineral asset and the technical assumptions used in the review are presented in a JORC and SAMCode compliant manner. In terms of the Samancor Chrome Agreement, Sylvania will sell back to Samancor Chrome any chrome washed from the tailings at a fixed price. The revenue obtained from the sale of the PGE concentrates will be for Sylvania's account.

3.2. Summary

The individual Metallurgical Statements for each plant held and operated by Sylvania have been prepared in the Appendices.

4. SYLVANIA SOUTH AFRICA (PTY) LIMITED

4.1. Introduction

The mineral assets held under Sylvania South Africa (Pty) Limited are the CTRP and the interest in Everest North. (Table 1)

Table 1: Summary of the Mineral Assets of Sylvania South Africa

SYLVANIA SA	ATTRIBUTABLE EQUITY (%)
Everest North	74.0%
CTRP	25.0%

5. GREAT AUSTRALIAN RESOURCES LIMITED

5.1. Introduction

Sylvania has acquired 100% of GAU. The mineral resource projects are at an early stage. GAU purportedly held a number of other projects which were excluded from this review on the basis that they were not material or the certainty over continued mineral rights tenure was not confirmed. GAU's shareholding in various projects is presented in Table 2: -

Table 2: Summary of the Mineral Assets of GAU

GAU	ATTRIBUTABLE EQUITY (%)
Aurora 397LR	71.0%
Harriet's Wish	71.0%
Cracouw	71.0%

6. S A METALS LIMITED

6.1. Introduction

SA Metals has recently been acquired by Sylvania. This vehicle held Pan Palladium which, in turn, held projects in the Northern Limb of the BIC. The attributable equity in these projects is presented in Table 3:-

Table 3: Summary of the Mineral Assets of SA Metals

SA METALS	ATTRIBUTABLE EQUITY (%)
Volspruit	75.0%
Kransplaats 422	100.0%
La Pucella/Altona	100.0%
Nonnenwerth	75.0%
PPD/Implats JV	0.0%
Matlala-a-Thaba JV	49.0%

7. LEGAL ASPECTS AND TENURE

Mineral rights in South Africa are held under the custodianship of the DMR and governed primarily by the Minerals and Petroleum Development Act No.28 of 2002 (MPRDA). Companies can apply for either a Prospection or a Mining right under this legislation to earn the right to either carry out exploration or mining on designated land or property. Sylvania, under its subsidiaries and Joint Venture (JV) agreements has the legal titles (all of which are prospection rights) listed below:-

Table 4: Summary of the Legal Tenement for Sylvania's Mineral Properties

PROJECT	LICENCE NO.	FARM	HOLDER	MINERALS	EXPIRY	STATUS
Everest North	132/2007	Vygenhoek 10JT	Aquarius Platinum SA (Pty) Ltd	PGM's and associated minerals	07/12/2012	
Volspruit	111/2006	Volspruit 326 KR and Zoetveld 294 KR (Ptn 2)	Pan Palladium SA (Pty) Ltd	PGM's, Gold, Copper, Nickel, Chrome & Associated Minerals & Metals	27/02/2011	Renewal application will be lodged in early 2011
Aurora	134/2007	Nonnenwerth 421 LR	Pan Palladium SA (Pty) Ltd	All minerals with the emphasis on PGM's, Au, Cu, Ni, Cr & Cobalt ore	29/11/2011	
	105/2006	Kransplaats 422 LR; La Pucella 693 LR and Altona 696 LR	Pan Palladium SA (Pty) Ltd	PGM's, Gold, Copper, Nickel, Chrome & Associated Minerals & Metals	27/02/2011	Renewal application will be lodged in early 2011
	01/2005	Non Plus Ultra 683 LR, Luge 687 LR and Schaffhausen 689 LR	Matlala a Thaba Platinum Joint Venture	PGM's and all other associated minerals, including gold, nickel and copper	16/03/2011	
	595/2007	Aurora 397 LR, half share Cracouw 391 LR	Rustenburg Platinum Metals (Pty) Ltd	PGM's, being platinum, palladium, rhodium, iridium, osmium, ruthenium, gold, silver, nickel and copper	22/05/2012	To be ceded to Hacra Mining & Exploration Company (Pty) Limited
HACRA	792/2007	Half share Cracouw 391 LR, half share Harriet's Wish 393 LR	Sika-Bopha Trading (Pty) Ltd	PGM's and unspecified minerals	29/04/2013	To be ceded to Hacra Mining & Exploration Company (Pty) Limited
	782/2007	Half Share Harriet's Wish 393 LR	Rustenburg Platinum Metals (Pty) Ltd	PGM's, being platinum, palladium, rhodium, iridium, osmium, ruthenium, gold, silver, nickel and copper		To be ceded to Hacra Mining & Exploration Company (Pty) Limited

Sylvania's plant complexes do not fall under mineral projects, but rather under industrial projects. They are therefore not governed by the MPRDA.

7.1. Material Agreements

7.1.1. Samancor Services Supply Agreement

On 31st March 2006, Sylvania signed the Services and Supply Agreement (Agreement) with Samancor Chrome to retreat historical chrome tailings, current risings at certain defined tailings dams and run of mine (ROM) from current mining activities. The Agreement was subsequently amended to also include ROM fines generated from certain defined mining activities.

In the Addendums to the Agreement, other aspects were also addressed such as the duration of Agreement, which was extended to endure until the latest of:-

- the application of the services to all the base materials contained in the tailings dams, current risings and ROM;
- five years have passed as from the effective date; and
- such time as the Agreement is terminated in accordance with its terms.

Other key aspects include:-

- Sylvania has agreed to build CWP's to process both historical chrome tailings and current risings to recover a chromite product for delivery to Samancor Chrome;
- after the chromite washing phase, Sylvania has the right to treat resultant final tails to recover PGEs and sell it for its own account;
- Sylvania has undertaken to Samancor Chrome that it will ensure that its operation entities will be compliant with the terms of the BBBEE Act No 53 of 2002, this requirement has been waived by Samancor;
- it is also contracted that the provisions of services such as water for the CWP shall be for the Samancor Chrome account; and
- provision for services for the PRP, will either be supplied by Samancor Chrome at an agreed price by both parties, or alternatively supplied directly by the local service provider.

It has been estimated by the management of Sylvania SA that it should take just under 5 years to complete the first pass treatment of the historical chrome dumps covered by the agreement, but the treatment of current risings and second pass re-treatment are anticipated to continue for life of mine (LOM). The Samancor Chrome Agreement does not contain any change of control provisions. However, should there be a change of control in Samancor Chrome, Sylvania has obtained additional rights with regards to the PGE's in Samancor Chrome's tailings. As a consequence, Sylvania's rights to the PGE's are secure.

A subsequent agreement to those already signed by Sylvania and Samancor Chrome provides for the additional service of primary chrome washing treatment of 300,000tpa direct ROM ore from three more Samancor Chrome mines. Additional feed is already derived from Mooiooi and Buffelsfontein mines for the Mooiooi Complex. Spitzkop and Broken Hill mines in the eastern BIC will report to the nearest Sylvania complexes. As a consequence of recent shareholder events, and as per the announcement on the 29th September 2010, a third addendum was signed to the Agreement.

7.1.2. Offtake Agreements

Sylvania has entered into several contracts for the sale of PGE flotation concentrates with Anglo Platinum and Impala Platinum. Although the off-take marketing agreements do exist between Sylvania and the larger PGE producers, the vision for the Sylvania initiative is that a DC furnace may be used as a PGE smelter to treat a lower grade PGE concentrate from Sylvania's Northern Limb resources with which Sylvania can sell a further beneficiated product in years to come.

7.2. Environmental Considerations

The Plant Complexes are the subject of a single environmental authorisation process, namely an Environmental management programme Report (EMPR) amendment as per the MPRDA. The EMPR amendment constitutes an amendment to the existing EMPR held by the mineral rights holder (Samancor) for the inclusion of the plant complex, under Section 102 of the Act.

Sylvania has compiled and submitted the EMPR amendments to Samancor, who have submitted the document as an amendment during their EMPR Performance Assessment for each year.

The financial provision determined for rehabilitation by Sylvania in the EMPR amendment, while technically adequate, is yet to be approved in some cases by the DMR. Finally, a commitment is made in the EMPR for the plant complexes to include Sylvania's operations in the environmental monitoring commitments of Samancor. No such monitoring results have been undertaken as yet. Samancor will include them in the next review.

8. CONCLUSIONS AND RECOMMENDATIONS

This report has created a mineral asset portfolio of the individual plants and exploration prospecting rights that are held either directly or indirectly by Sylvania.

Thus prepared and signed in Johannesburg 1st December 2010.



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Appendix 1: Glossary of Terms

The following glossary contains definitions of certain technical terms used in this report. These definitions may differ from the definitions ascribed to such terms under applicable legislation.

Assay laboratory	A facility in which the proportions of metal in ores or concentrates are determined using analytical techniques.
Beneficiation plant	A plant which upgrades the quality of the ore using mechanical means, and in this case, gravity separation.
Block model	Technique of modelling which divides the resources into mineable blocks.
Charge Chrome	Charge chrome is produced from lower-grade chrome ores produced in South Africa and Finland, and contains 50-55% chromium and 6-8% carbon. It is used in the production of stainless steel by the AOD process, which is carried out in an adapted converter vessel where impurities are blown-out by a mixture of oxygen and argon gas
Chrome to Iron Ratio	This ratio is calculated using the following equation:- $Cr/Fe = (Cr_2O_3 \times 0.6843) / (FeO \times 0.7773)$
Chromite	An iron magnesium chromium oxide mineral (Fe, Mg)Cr ₂ O ₄ classed in the spinel group of minerals.
Chromitite as the BIC	An igneous cumulate rock composed mostly of the mineral chromite. It is found in layered intrusions such
Cr ₂ O ₃	Chrome oxide
Cut-off grade	The lowest grade of mineralised material considered economic to extract; used in the calculation of the ore reserves in a given deposit.
Cyclone	A device used for classifying a mineral pulp into two streams, one containing coarser and higher-density particles, and another containing finer, lower-density particles.
DC Furnace	DC furnaces normally operate with open baths in which molten process liquids are in direct contact with the refractory lining. The high reaction kinetics associated with vigorously stirred baths reduces black top formation of un-reacted material floating on the slag surface, thereby increasing freeboard-operating temperatures by radiation and convection.
Dip	The angle that a structural surface, i.e. a bedding or fault plane, makes with the horizontal measured perpendicular to the strike of the structure.
DMS Plant	Dense Medium Separation plant which separates gangue from ore using gravity. Examples of DMS plants include spiral plants and drums.
Elutriation	Purification or sizing by washing and pouring off fines matter that is suspended in water, leaving the heavier or coarser portions behind.
Exploration	Prospecting, sampling, mapping, diamond drilling and other work involved in the search for mineralisation.
Faulting	The process of fracturing that produces a displacement.
Feed grade	The grade of material fed to the front of the beneficiation plant.
Feasibility study	A definitive engineering estimate of all costs, revenues, equipment requirements and production levels likely to be achieved if a mine is developed. The study is used to define the economic viability of a project and to support the search for project financing.
Ferrochrome	Ferrochrome is an alloy of iron and chrome produced by the smelting of chromite in a reducing environment.
Flux	A chemical used to increase the fluidity of refining slags.
Footwall	The underlying side of a fault, orebody or stope.
Grade	The relative quality or percentage of ore metal content.
Groundwater	Water found beneath the surface of the land.
Hydrological	Pertaining to water either above or below the surface.
In situ	In place, i.e. within unbroken rock.
Internal standard	Internal laboratory sample for which the metal content is known.
Kriging	A mathematical estimation technique based on geostatistics and used for modelling ore bodies.
Metallurgy	In the context of this document, the science of extracting metals from ores and preparing them for sale.
Metallurgical recovery	Proportion of metal in mill feed which is recovered by a metallurgical process or processes.
Milling/mill	The comminution of the ore, although the term has come to cover the broad range of machinery inside the treatment plant where the mineral is separated from the ore.
Mineable	That portion of a resource for which extraction is technically and economically feasible.
Mineralisation	The presence of a target mineral in a mass of host rock.
Mineralised area	Any mass of host rock in which minerals of potential commercial value occur.
Mine Recovery Factor	This factor reflects the difference between the in situ ore reserve grades (or contained metal) and the grade (or contained metal) at the front of the concentrator plant and accounts for losses of metal during the mining process.
Net Present Value	The NPV is the present value of future cash flows calculated from an escalated and inflated free cash flow of the operations. This is discounted back at inflation and then further discounted at a project risk rate. The NPV can be of cash flows before or after tax, or based upon full shareholders returns net of withholding taxes.
Ore	A mixture of valuable and worthless minerals from which at least one of the minerals can be mined and processed at an economic profit.
Orebody	A continuous well defined mass of material of sufficient ore content to make extraction economically feasible.
Refining	The final purification process of a metal or mineral.
Rehabilitation	The process of restoring mined land to a condition approximating to a greater or lesser degree its original state. Reclamation standards are determined by the South African Department of Mineral and Energy Affairs and address ground and surface water, topsoil, final slope gradients, waste handling and revegetation issues.

Run-of-Mine	This is ore extracted from the mine and which has sufficient metal content to justify processing. This figure includes dilution.
Sampling	Taking small pieces of rock at intervals along exposed mineralisation for assay (to determine the mineral content).
Slimes	The fraction of tailings discharged from a processing plant after the valuable minerals have been recovered.
Smelting	The extraction of metal from ore by heating.
Specific gravity	Measure of quantity of mass per unit of volume, density.
Spot price	The current price of a metal for immediate delivery.
Stratigraphic	A term describing the sequence in time of bedded rocks which can be correlated between different localities.
Strike length	Horizontal distance along the direction that a structural surface takes as it intersects the horizontal.
Stockpile	A store of unprocessed ore or marginal grade material.
Stope	Excavation within the orebody where the main production takes place.
Tailings	Finely ground rock from which valuable minerals have been extracted by milling.
Tailings dam	Dams or dumps created from waste material from processed ore after the economically recoverable metal has been extracted.
Tonnage	Quantities where the ton is an appropriate unit of measure. Typically used to measure reserves of metalbearing material in-situ or quantities of ore and waste material mined, transported or milled.
Total tonnes mined	Total number of tonnes of ore and waste which is extracted from the mine.
Waste rock	Rock with an insufficient metal content to justify processing.
Working costs	Working costs represent:-
	a) production costs directly associated with the processing of metal; and
	b) selling, administration and general charges related to the operation.
Yield/Recovered grade	The actual grade of ore realised after the mining and treatment process.

Appendix 2: Abbreviations

AAPG	American Association of Petroleum Geologists
AC	Alternating Current
Amsl	Above Mean Sea Level
Anglo	Platinum Anglo Platinum Limited
AQPCS	Aquarius Platinum SA Corporate Services (Pty) Limited
ASAIMM	Associate of the South African Institute for Mining & Metallurgy
APPA	Atmospheric Pollution Prevention Act
B.Com	Bachelor of Commerce Degree
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BFS	Bankable Feasibility Study
BIC	Bushveld Igneous Complex
BMR	Base Metal Refining
Bn	Billion
CCI	Cameron Cross Incorporated
CIMMP	Canadian Institute of Mining, Metallurgy and Petroleum
Cr ₂ O ₃	Chrome oxide
CTRP	Chrome Tailings Retreatment Plant
CWP	Chrome Washing Process
DC	Direct Current
DCF	Discounted cash flow
DEAT	Department of Environmental Affairs and Tourism, Republic of South Africa
Deloitte	Deloitte Corporate Finance (Pty) Limited
DFS	Definitive Feasibility Study
Dip. Bus.	M Diploma of Business Management
DME	Department of Minerals and Energy, Republic of South Africa
DWAF	Department of Water Affairs and Forestry, South Africa
E&Y	Enerst and Young
EAF	Electric Arc Furnace
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EMPR E	Environmental Management Programme Report
EPS	Environmental and Process Solutions
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
FGSSA	Fellow of the Geological Society of South Africa
FSAIMM	Fellow of the South African Institute for Mining & Metallurgy
GAU	Great Australian Resources Limited
GDACE	Gauteng Department of Agriculture, Conservation and Environment
GDE	Graduate Diploma in Engineering
Golders	Golders Associates Africa (Pty) Limited
Hacra	Hacra Mining and Exploration (Pty) Limited
HCFeCr	High Carbon Ferrochrome
IMR	International Mineral Resources (AG)
IOD	Institute of Directors of South Africa
IRS	Impala Refinery Services
Ivanhoe	Ivanhoe Platinum and Nickel Limited
IWWMP	Integrated Waste and Water Management Plan
Kemas	Kemas South Africa (Pty) Limited
km	Kilometre
km ²	Square kilometre
LCFeCr	Low Carbon Ferrochrome
LG	Lower Group (of the Critical Zone of the BIC)
LOP	Life-Of-Plant
M.Sc	Master of Science degree
m ²	Square metres
mamsl	Meters above mean sea level
MBA	Masters of Business Administration
MBL	Masters of Business Leadership
MCFeCr	Medium Carbon Ferrochrome

MG	Middle Group (of the Critical Zone of the BIC)
MGSSA	Member of the Geological Society of South Africa
MIAIA	Member of the Institute of Impact Assessment
Min.Eng	Mining Engineer
MSAIMM	Member of the South African Institute for Mining & Metallurgy
Mt	Million tonnes
MPRDA	Minerals and Petroleum Development Act No. 28 of 2002 , Republic of South Africa
MRF	Mine Recover Factor
NAV	Net Asset Value
NEMA	National Environmental Management Act No.107 of 1998, Republic of South Africa
NMD	Notified Maximum Demand
NPV	Net Present Value
oz	Ounce
PGE's	Platinum Group Elements
PMR	Precious Metals Refining
Pr.Sci.Nat	Professional Natural Scientist
Prescali	Prescali Environmental Consultants (Pty) Limited
PRP	Platinum Recovery Process
Prill Split	The percentage of the individual PGE elements within a feed source
QA/QC	Quality Assurance and Quality Control
RPM	Rustenburg Platinum Mines Limited
ROM	Run-Of-Mine
SABS	South African Bureau of Standards
Samancor Chrome	Samancor Chrome (Pty) Limited
Samancor Manganese	Samancor Manganese (Pty) Limited
Sika Bopha	Sika Bopha Trading (Pty) Limited
SSA	Stainless Steel Alloy
Sylvania/SLV	Sylvania Resources Limited
SXM	SA Metals
t	Metric tonnes
tpd	tonnes per day
tpy	tonnes per year
tpm	tonnes per month
TSF	Tailings Storage Facility
UG	Upper Group (of the Critical Zone of the BIC)
USD	United States of America Dollar
USDm	Million US Dollars
USD/oz	US Dollar per ounce
Venmyn	Venmyn Rand (Pty) Limited
ZAR	South African Rand
ZARm	Million South African Rands
ZAR/t	South African Rands per tonne

Appendix 3: Qualifications, Declarations and Consents

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CERTIFICATE OF AUTHOR

I, Andrew Neil Clay, do hereby certify that:-

- I am the Managing Director of Venmyn Rand (Pty) Ltd
 First Floor, Block G
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 South Africa
- I am a graduate in Geology and a Bachelor of Science from University College Cardiff in 1976;
- I am a member/fellow of the following professional associations:-

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member	Canadian Institute of Mining, Metallurgy and Petroleum	2006
Advisor	JSE Limited Listings Advisory Committee	2005
Issuer	JSE Issuer Services	2008
Member	JSE Issuer Mining Sub-committee	2009
Associate Member	American Association of Petroleum Geologists	2005
Member	South African Institute of Directors	2004
Fellow	Geological Society of South Africa	2003
Member	American Institute of Mineral Appraisers	2002
Member	South African Institute of Mining and Metallurgy	1998
Fellow	Australasian Institute of Mining and Metallurgy	1994
Member	Natural Scientist Institute of South Africa	1988
Member	Investment Analysts Society of South Africa	1990

- I have practiced my profession from 1975 to currently, my relevant experience for the purpose of this Expert Opinion Report is:-

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2010	Bauba Platinum	Platinum	Independent Strategic Technical Advisor
2010	African Copper	Copper	Independent Mass Balance and Orebody Fatal Flaws Assessment
2010	Advanced Mineral Recovery Technologies	Gold	Independent Sampling and Mass Balance Report
2010	Xstrata Coal	Coal	Independent Valuation Certificate
2010	Sephaku	Cement	Independent Technical Review
2010	White Water Resources	Gold	Independent Competent Persons' Report
2010	White Water Resources	Gold	Independent Technical Statement
2010	Platmin	Platinum	Independent Techno-Economic Reports and Valuation
2010	West Wits Mining	Gold	Independent Prospectivity Review
2010	SSC Mandarin	Gold	Independent Corporate and Technical Review
2010	Ultra Tech	Cement	Independent Techno-Economic Statements
2010	Taung	Gold	Independent Technical Review
2010	Taung	Gold	Independent Valuation Statement
2010	Sylvania	PGMs	Independent Technical and Valuation Experts Report
2010	Mzuri Capital	Gold	Independent AIM Compliant Competent Person's Report
2010	Kalagadi	Manganese	Independent High Level Techno-Economic Review
2010	Lesego	Platinum	Independent Techno-Economic Valuation Report
2010	Lesego	Platinum	Independent Executive Summary
2010	G&B Resources	Li	Independent Prospectivity Review
2010	Miranda	Coal	Independent Technical Resource and Valuation Statement
2010	Loncor	Gold	Independent Techno-Economic Valuation Report

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2010	Gentor Resources	Copper	Independent Techno-Economic Report
2010	ETA Star	Coal	Independent Valuation Report
2010	AfriSam	Cement	Independent Technical Review
2010	Buildmax	Cement	Independent Short-Form Competent Report
2010	Anglo Platinum	Platinum	Independent Valuation of the PGM Assets
2010	Nyota Minerals	Gold	Independent Inferred Resource Estimate
2010	Absolute Holdings	Platinum	Independent Competent Persons' Report
2010	AfriSam	Cement	Independent Technical Review
2010	African Copper	Copper	Mass Balance and Orebody Fatal Flaws Assessment
2010	Ruukki	Platinum	Short-Form Techno-Economic Statements
2010	Umbono Capital	PGMs	Independent Competent Persons' Report
2010	Anglo Platinum	PGMs	Independent Mineral Asset Valuation
2010	Zambia Copper Investments	Copper	Mineral Asset Valuation
2010	White Water Resources	Gold	Short-Form Valuation Statements
2010	Central African Gold	Gold	NI 43 – 101 Technical Report
2010	Platmin	Platinum	Updated NI 43 – 101 Technical Report
2009	G & B Resources	Uranium	Independent Competent Persons' Report
2009	Kalagadi	Manganese	Independent Techno-Economic Review
2009	Sephaku Cement	Cement	Independent Competent Persons' Report
2009	Metorex	Gold	Independent Fairness Opinion
2009	Kivu Resources	Pegmatites	Independent prefeasibility study
2009	Kalagadi Manganese	Manganese	Independent Tehno-Economic Review
2009	Taung Gold	Gold	Independent Competent Person's Report
2009	Sylvania Resources	Platinum	Independent Technical and Valuation Expert's Report
2009	Ernst & Young Jordan	Gold	Independent Valuation Report on mineral assets of a Gold Mining Concession in Ethiopia
2009	Dwyka Resources	Gold	Independent Technical Statement on Tulu Kapi Gold Project
2009	G & B African Resources	Pot Ash	Independent Prospectivity Review
2009	Central African Gold	Gold	Information Memorandum in the form of NI 43-101 Compliant Technical Statement
2009	Braemore Resources	Platinum	Fairness Opinion
2009	New Dawn	Gold	Independent Technical Statement
2009	Investec	Cement	Independent Technical Review of CILU Cement assets
2009	IBI	Iron ore	Independent Technical Resource Statement
2009	Chrometco	Chrome	Fairness Opinion
2009	Rand Uranium	Uranium	Mineral Resource Review and Modelling
2008	Signet Mining	Coal	Independent valuation of coal assets
2008	Lesego Platinum	PGMs	Independent Competent Person's Report for JSE:Listing
2008	Norilsk Nickel	Nickel	Review of business strategy
2008	Minero Group	Zinc/Lead	Review of business strategy and Competent Person's Report
2008	Paramount Mining	Diamonds	Independent Technical Statements
2008	Anglo Platinum	PGMs	Independent Technical Report and valuation
2008	Demindex	Diamonds	Review of business strategy and Technical Advice
2008	Investec	Cement	Due Diligence and valuation of Cilu Cement
2008	DGI	Copper/Cobalt	Independent Technical Statements
2008	Abalengani	Platinum	Review of plant and valuation
2008	Absolute Holdings		Quarry valuation
2008	Metorex	Copper/Cobalt	Fairness Opinion
2008	Investec	Cement	Due diligence on Sephaku assets
2008	Kivu Resources	Tantalite	Tantalite strategic planning and valuation
2008	Tantalite Resources	Tantalite	Independent Technical Report
2008	DGI	Copper/Cobalt	Independent Technical Statement and valuation
2008	Uramin	Uranium,	Recourse Review and Technical Statements
2008	Harmony Gold Mining	Au, Uranium	Independent Technical Statements and Strategic business plan
2008	Harmony Gold	Uranium	Cooke Dump Resource and Financial Valuation
2008	Harmony Gold	Au Uranium	Reserve and Resource Audit for the group
2008	Nkwe Platinum	PGMs	Independent Technical Statement and Competent Person's Report
2008	Highveld Steel & Vanadium Corporation	Steel, Vanadium	Independent Resource and Reserve planning
2008	African Minerals	Diamonds	Independent Technical Statements
2008	Continental Coal	Coal	Independent Technical Report
2008	Industrial Base Metals	Base Metals	Base Metal Refinery Audit
2007	Crushco	Industrial Minerals	Independent valuation
2007	Kimberley Consolidated Mining	Diamonds	Independent valuation
2007	LionOre Mining	Nickel, PGMs	Technical and economic valuation
2007	PBS Group	PGMs	Project review

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2007	Western Areas	Au	Independent valuation
2007	Harmony Gold Mining	Au, Uranium	Independent scoping and valuation
2007	Great Basin Gold	Au	Independent valuation for BEE transaction
2007	BRC/Diamondcore Resources	Diamonds	Valuation and Opinion provider
2007	Urals Investors	Diamonds Au, PGMs and Oil and Gas	Independent Transaction Report
2007	Energem	Diamonds	Independent Technical Statement for Koidu
2007	Xsiraia	Cr	Independent CGT and Valuation advice
2007	PWC Magnetite Mine Review	Magnetite	Independent Mineral Resource Review and Valuation for apportionment calculations
2007	Magnum Resources	Ta	Independent Mineral Resource Review
2007	Gaanahoek Coal Deposit	Coal	Prospectivity Review
2005	Letseng	Diamonds	Independent Competent Person's Report for disposal
2005	Zimplats Tenements	Platinum Group Metals	Independent Competent Person's Report for disposal
2005	DRD	Gold	Fair & Reasonable
2005	ARM Madikwa	Platinum Group Metals	Independent Valuation for Impairment Calculation
2005	Harmony Competitions Tribunal	Gold	Independent Expert Witness
2005	Ecca Holdings	Bentonite	Independent Industry Review
2007	DRDGold	Au	Emperor Gold Mines independent forensic review
2007	Kimberley Diamonds Corporation	Diamonds	Independent Listings Documentation
2007	Rockwell	Diamonds	Transhex Transaction Documentation
2007	Rockwell	Diamonds	Independent Mineral Resource Review
2007	Caledonia Mining	Au	Independent Disposal Documentation Eersteling
2007	Caledonia Mining	Au	Independent Disposal Documentation Barbrook
2007	Adsani Tantalite Refinery	Ta	Independent Technical Report
2006	LionOre	Ni Base Metals	Independent Valuation of Falconbridge International and Nikkelverk Refinery
2006	LionOre/BCL	Ni Base Metals	Independent Technical and Economic Valuation
2006	Vanamin	V	Independent Report for disposal
2006	Kurils Islands	Au	Independent Technical Report N43-101
2006	Mgart Armenia	Au	Independent Assessment and Valuation for AIM
2006	Zimbabwe-Mining Bill	All	Preparation of Industry submission to government
2006	Energem	Oil & Gas	Preparation of National Instrument Compliance
2006	Ncondedzi Coal	Coal	Technical & Corporate Listing Documentation
2006	Metallon International - Armenia	Gold & Base Metals	Prospectivity & Exploration Programme Preparation
2006	Hood Tantalite	Tantalite	Independent Techno Economic Valuation Report
2005	Harmony Randfontein 4 Shaft	Gold	Independent Valuation
2005	Gallery Gold	Gold	Independent Competent Person's Report for disposal
2005	Stuart Coal	Coal	Independent Competent Person's Report for disposal
2005	Elementis Chrome	Chrome	Independent Industry Review
2005	Diamond Core	Diamonds	Independent Competent Person's Report
2005	Diamond Core	Diamonds	Fair & Reasonable Statement
2005	Kensington Resources	Diamonds	Independent Inspection & Certification of Laboratory
2005	Bayer Valuation	Chrome	Independent Valuation for Economic Empowerment Transaction
2005	Pangea Diamonds	Diamonds	Independent Competent Person's Report
2005	LionOre International	Nickel	Tati Nickel Review of Mineral Resources.
2005	Aquarius PSA2		Independent Competent Person's Report
2005	Aquarius	Platinum	Marikana Mineral Resources Review.
2005	LionOre International	Nickel	Nkomati Due Diligence and Transaction Value Calculations.
2005	LionOre International	Nickel	World Nickel market study for group corporate work.
2004	Avgold Limited	Gold	Fair & Reasonable Opinion on the Methodologies applied and Values attributed to the Mineral Assets of ET Cons
2004	Aquarius	Platinum	Update of Independent Valuation of Mimosa
2004	Aquarius	Platinum	Independent Techno-Economic Report and Fair and Reasonable Opinion tot the PIC, DBSA and IDC on the 26% BEE Transaction for AQPSA – Document waived by the JSE.
2004	Mimosa Mining Company	Platinum	Mineral Resource and Ore Reserve Review
2004	Zimplats	Platinum	Zimplats Makwiro Valuation and Corporate Restructuring
2004	Assmang	Manganese	CGT Valuation
2004	Aquarius	Platinum	CGT Valuation
2004	Sishen South	Iron	CGT Valuation
2003	Unki Platinum Project	Platinum	CGT Valuation
2003	Hemic Ferrochrome (Pty) Ltd, Itochu Corporation	Chromite	Independent valuation of the Stellite Chromite Mine Joint Venture.
2003	African Diamond Holdings (Pty) Ltd	Diamonds	Independent techno-economic due diligence and valuation of African Diamond Holdings marine diamond concessions and diamond cutting operation in Walvis Bay, Namibia.

YEAR	CLIENT	COMMODITY	DOCUMENTATION
2003	Unki Platinum Project, Zimbabwe	Platinum	Techno-Economic Valuation Report & Fair & Reasonable Opinion
2003	Transvaal Ferrochrome Ltd	Ferrochrome	Independent Competent Person's Report and Valuation as a bankable Document for Australian Stock Exchange
2003	Aquarius Platinum (SA) (Pty) Ltd	Platinum	Independent Competent Person's Report and Valuation for the Everest South Project
2002	Zimbabwe Platinum Mines Ltd	Platinum	Independent valuation of Zimplats relative to the value of the Impala Platinum Ltd/AurionGold Ltd transaction.
2002	Mitsubishi Corporation	Ferrochrome	Expansion Report and Valuation on Hemic Ferrochrome (Pty) Ltd.
2002	Aquarius Platinum Ltd	Platinum	Acquisition Report on ZCE Platinum Ltd including the due diligence and valuation of Mimosa Mine in Zimbabwe.
2002	Freddev	Gold	Valuation of Mineral Rights & Royalties
2002	Barnex	Gold	Valuation of Mineral Rights & Royalties
2002	Western Areas	Gold	WA4 Project : Valuation of Mineral Rights & Royalty Agreement
2002	Mitsubishi	Ferrochrome	Expansion report and valuation
2002	Aquarius	Platinum	Acquisition Report
2001	Northam	Platinum	Valuation
2001	Mitsubishi Corporation	Ferrochrome	Due Diligence, Valuation and Acquisition Report
2001	Arcol Due Diligence	Bentonite	Independent due diligence and valuation on G&W
2001	Zimplats Impala Raising	Platinum	Circular to shareholders valuation report
2000	African Minerals	Varied	Independent competent person's report
2000	Barnato Exploration Limited	Varied	Competent person's report
2000	Durban Deep	Gold	Independent valuation report
2000	Iscor Limited	Varied	Independent valuation of exploration assets
1999	Harmony Gold Mining Co Ltd	Gold	Harmony / Kalgold / West Rand Cons
1999	Leighton Contractors	Tin	Pre-feasibility study Pemali Tin (Indonesia)
1999	Mitsubishi	Ferro-Chrome	Techno-economic valuation of Hemic Chrome
1998	Barnex Ltd	Wits Gold	Due diligence
1998	Camco	Diamonds	Independent Competent Person's Report and valuation
1998	Crown Mines and DRD	Wits Gold	Valuation
1998	Egyptian Government	Phosphate	Due diligence and valuation
1998	Great Fitzroy Mines	Copper	Competent Person's Report and Valuation
1998	Iscor Mining	Greenstone Gold	Due diligence and valuation
1998	JCI Ltd	Wits Gold	Competent Person's Report
1998	Randgold & Exploration Co Ltd	Gold	Competent Person's Report
1998	Western Areas	Wits Gold	Competent Person's Report
1997	CBR Mining	Coal	Due diligence
1997	Durban Roodepoort Deep Ltd	Wits Gold	Competent Person's Report
1997	G&W Base	Bentonite	Due diligence
1997	JCI Ltd	Wits Gold	Competent Person's Report
1997	Opaline Gold	Greenstone Gold	Competent Person's Report
1997	Penumbra	Coal	Due diligence
1997	Randgold & Exploration Co Ltd	Greenstone Gold	Competent Person's Report
1997	Rondebuit Colliery	Coal	Due diligence
1996	African Mining Corporation*	Alluvial Gold	Project valuation
1996	Australian Platinum Mines NL	Platinum	Due diligence
1996	Benoni Gold Holdings Ltd	Wits Gold	Competent Person's Report
1996	Consolidated Metallurgical Industries	Ferrochrome	Competent Person's Report and valuation
1996	Durban Roodepoort Deep Ltd	Wits Gold	Competent Person's Report
1996	Harmony Gold Mining Co Ltd	Wits Gold	Competent Person's Report
1996	JCI Ltd	Wits Gold	Valuation
1996	Rand Leases Properties Ltd	Wits Gold	Competent Person's Report and valuation
1996	Randgold & Exploration Co Ltd	Wits Gold	Due diligence
1995	African Mines Limited*	Greenstone Gold	Project valuation
1995	Barney-Seidle Arbitration	Granite	Project valuation arbitration
1995	Mopet Oil*	Oil and Gas	Market analysis facilitator
1995	Randgold & Exploration Co Ltd	Wits Gold	Competent Person's Report and valuation
1995	Randgold Durban Deep	Wits Gold	Competent Person's Report and valuation
1995	Randgold Harmony Uniset Merger	Wits Gold	Competent Person's Report and valuation
1994	Aurora Exploration	Varied - Industrials	Competent Person's Report and valuation
1994	Consolidated Mining Corp	Wits Gold	Due diligence and valuation
1994	CRA (Australia)	Iron Ore	Due diligence
1994	Durban Roodepoort Deep Ltd	Wits Gold	Competent Person's Report and valuation
1994	Ghana Gold Mines*	Greenstone Gold	Due diligence and valuation
1994	Gold Fields of SA Ltd	Wits Gold	Competent Person's Report and valuation
1994	Hemic Chrome	Ferro-Chrome	Valuation and Strategic Analysis
1994	Inca	Magnesium	Due diligence and valuation
1994	Mitsubishi	Ferrochrome	Due diligence and valuation

YEAR	CLIENT	COMMODITY	DOCUMENTATION
1994	Namco*	Diamonds	Competent Person's Report and valuation
1994	Randgold & Exploration Co Ltd	Wits Gold	Due diligence
1993	Namibia Oil & Gas licence applications	Oil & Gas	Working with Paul Blair licence applications
1993	Atomic Energy Commission	Uranium	Strategic Analysis
1993	Eskom	Base metals	Strategic Analysis
1993	JCI	Wits Gold	Financial Planning Analysis (Rehabilitation)
1993	Lonrho	Platinum	Financial Planning Analysis (Rehabilitation)
1993	Rand Mines Properties	Varied	Mineral rights evaluation
1992	Barbrook Gold Mines	Greenstone Gold	Ore resource modelling and mine valuation
1992	Rand Merchant Bank	Copper	Ore resource modelling and project valuation
1992	Rembrandt	Platinum	Mine valuation (Northam Platinum)
1992	West Rand Cons	Wits Gold	Ore resource modelling and mine valuation
1991	Rand Merchant Bank	Wits Gold	Ore reserve evaluation (Westonaria Gold Mine)
1991	Rembrandt (Gold Fields of SA)	Varied	Due diligence, valuation and strategic analysis
1991	Standard Merchant Bank	Greenstone Gold	Due diligence and valuation (Eersteling Gold Mine)
1990	Sequence Oil and Gas	Oil & Gas	Due Diligence Report
1990	Atomic Energy Corporation	Nuclear Fuels	Strategic analysis
1990	Consolidated Mining Corp	Wits Gold	Due diligence and valuation
1990	Eskom	Copper/Zinc	Strategic Market Analysis (Toll Smelter potential)
1990	Freddies Minerals	Feldspar - Industrials	Due diligence
1990	Industrial Machinery Supplies	Coal	Strategic analysis and valuation (Bricketing plant)
1990	Knights Gold Mine	Wits Gold	Competent Person's Report
1990	Rand Merchant Bank	Diamonds	Due diligence and valuation (Alluvial Mine)
1990	Corex	Oil & Gas	Evaluation of prospectivity
1990	Rand Merchant Bank	Lead/Zinc	Due diligence and valuation (Miranda Mine)
1990	Rand Mines	Varied	Corporate Strategic Analysis
1990	Rhogold	Wits Gold	Ore resource modelling
1990	Rice Rinaldi	Coal	Due diligence and valuation
1990	Sub Nigel Gold Mine	Wits Gold	Due diligence and valuation
1990	Zaaiplaats Tin Mine	Tin	Due diligence and valuation
1989	Avontuur Diamond Mines	Diamonds	Due diligence and valuation
1989	Granite Consolidated Mining	Granite	Due diligence and valuation
1989	Osprey Gold Mine	Greenstone Gold	Due diligence and valuation
1989	Rand Leases Gold Mine	Wits Gold	Ore resource modelling
1989	Rand Merchant Bank*	Varied	Mineral portfolio analysis (Swanson Rights)
1989	Rhovan	Vanadium	Competent Person's Report and valuation
1989	Vanamin Severin Mining	Vanadium	Due diligence and valuation
1989	Zimco	Andalusite	Competent Person's Report and valuation
1988	Mullet Slate	State	Due diligence and valuation
1988	Rand Merchant Bank	Wits Gold	Risk assessment analysis (Peritus Exploration)
1988	Wit Nigel Gold Mine	Wits Gold	Ore resource modelling

Fair and Reasonable Opinions:

YEAR	CLIENT	SECURITIES EXCHANGE JURISDICTION	TRANSACTION TYPE	IMPLIED VALUE (US\$m)	DESCRIPTION
2010	Sylvania	ASX	Issuing new ordinary shares	34	Independent Professional Expert Report
2009	Chrometco	JSE	Acquisition of interest	8.3	Independent Professional Expert Report
2009	Metorex	JSE	Disposal of 6.3% interest	5.7	Independent Professional Expert Report
2009	Braemore Resources	JSE	Acquisition of interest	36.3	Independent Professional Expert Report
2007	Diamondcore/BRC	JSE	Acquisition	50	Independent F&R for Diamondcore
2006	LionOre International	TSX	Acquisition notification documentation.	650	Independent Technical and Valuation Fatal Flaws Report and F&R opinion for the Board of LionOre. Not published as an F&R.
2005	Diamond Core	JSE	Category I Merger	10.0	Independent CPR on the mineral assets of Samadi Resources SA (Pty) Ltd and Diamond Core Resources Limited.
2005	LionOre International	TSX	Acquisition notification documentation.	110.0	Tati Nickel Review of Mineral Resources.
2005	Aquarius	JSE	26% BEE	150.0	Independent Techno-Economic Valuation and Fair and Reasonable Opinion on the PIC, IDC, DBSA 26% Empowerment Transaction. Documents waived for the secondary listing.

2004	Barplats	JSE	Offer to Barplats Minorities	60.0	Offer by Platinum Consortium to take out Implats. The SRP insisted our report be prepared in full. In the end Investec wrote the Fair and Reasonable but was fully reliant upon the Venmyn work as demonstrated in the circular.
2004	Zimplats	ASX	Collapse of the Makwiro Structure for shares to Implats.	38.0	Fair Value calculation in a corporate restructure.
2003	Amplats	JSE	Acquisition price calculation for Unki Platinum.	Confidential	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document not used as the transaction became immaterial for reporting purposes.
2003	Aquarius Platinum (South Africa) (Pty) Ltd	ASX	Opinion on the value of a Refinery Agreement.	10.0	Fair & Reasonable Opinions for Aquarius Platinum for the Impala Refinery Commitments.
2002	Consolidated African Mines Limited.	JSE	CAM acquired 40% of the Letseng diamond mine for CAM shares.	10.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full.
2002	Zimplats	ASX	Implats acquired a controlling interest in Zimplats by acquiring Aurion Gold shares.	50.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full.
2002	Aquarius	ASX	Aquarius acquires 65% in ZCE Platinum Limited.	50.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full.
2000	DiamondWorks	TSX	Lyndhurst a South African Company takes control of Canadian junior Diamondworks.	20.0	Preparation of an Independent Techno-Economic Valuation Report and Fair and Reasonable Opinion. Document used in full and special representation required in Toronto to explain the transaction and the assets.
1999	New Mining Corporation	JSE	Listing and acquisition documentation.	50.0	Complicated transaction and full Independent Techno-Economic Valuation prepared with Fair and Reasonable Opinion included in our report. This satisfied the JSE and the SRP.
1996	West Witwatersrand Gold Holdings Limited	JSE	Section 440k Offer	20.0	Independent Competent Persons Report on the Offer by Durban Deep to West Wits under Section 440k. Document included in circulars to both shareholders. Our Fair and Reasonable Opinion was specifically requested by the SRP.

5. I have visited all the project sites on the 31st July 2009, 3rd August 2009, 4th August 2009, 18th August 2009, 11th November 2010 and 15th November 2010 and a full inspection was made of the operational areas, plants and infrastructure;
6. I have read the definition of an "Expert" as set out in the Regulatory Guide 111 of the Australian Securities and Investment Commission and certify that by reason of my qualifications, experience and affiliation with a professional association (as defined in Regulatory Guide 111.97), I fulfil the requirements to be an "Expert" for the purposes of the Expert Opinion Report;
7. I have had no prior involvement with the properties that are the subject of the Expert Opinion Report;
8. I have read the SAMREC and SAMVAL Codes of reporting and Regulatory Guides 111 and 112 of the Australian Securities and Investments Commission, and the Expert Opinion Report has been prepared in compliance with those reporting codes and those regulatory guides;
9. I am responsible for the main document of the Expert Opinion Report as well as attached Technical Statements as a Fellow of the Australasian Institute of Mining and Metallurgy;
10. At the date hereof, to the best of my knowledge, information and belief, the Expert Opinion Report contains all scientific and technical information that is required to be disclosed to make the Expert Opinion Report not misleading;
11. I am independent of the Sylvania Resources Limited and all their subsidiaries and consultants; and
12. I consent to the filing of the Expert Opinion Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Expert Opinion Report.

Dated the 1st day of December 2010 at Johannesburg, South Africa.



A.N.CLAY

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I, Mpai Motloung, do hereby certify that:-

1. I am a Mineral Project Analyst of Venmyn Rand (Pty) Ltd

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2. I graduated with a B.Sc.Hons (Geology) degree from the University of Pretoria in 2006;

3. I am a member/fellow of the following professional associations:-

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member	Geological Society of South Africa	2006
Associate	South African Institute of Mining and Metallurgy	2008

4. I have practiced my profession from 2005 to currently, my relevant experience for the purpose of this Expert Opinion Report is:-

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION
2010	Gentor Resources Inc.	Copper	NI 43-101 Technical Reports on their gold projects in the Semail Ophiolite Belt, Sultanate of Oman.
2010	West Wits Limited	Gold and Uranium	JORC compliant short-form Techno-Economic Statement on their Rand Lease Property, Witwatersrand Basin.
2010	Miranda Coal Pty (Ltd)	Coal	SAMREC compliant short-form Technical Resource and Valuation Statements for 6 exploration properties.
2010	Loncor Resources Inc.	Gold	NI 43-101 Technical Reports on their gold projects in the DRC.
2009	Sylvania Resources Limited	Chromite and PGE's	Valuation of the company's mineral assets by means of short-form SAMREC code Compliant Techno-Economic Statements.
2009	Sephaku Holdings Ltd,	Tin and limestone	Canadian National Instrument NI 43-101 compliant short form Competent Person's Report for their greenfields projects in South Africa.
2009	George Forest	Cement	Geology and resources for their CILU Cement Project, DRC, Competent Person's Report.
2009	World Wide Coal Ltd.	Coal	Data verification for a mineral resource statement for a due diligence on their projects in the Witbank coal field.
2009	Gatumba Mining Company Ltd.	Tin/Tantalum	National Instrument NI 43-101 compliant Preliminary Assessment on the Gatumba South Project in Rwanda.
2009	Bongani Minerals	Tungsten	Preliminary Assessment on their Riviera Tungsten deposit in the Western Cape Province.
2009	Zambezi Gas	Coal	Resource modelling and estimation for the Entuba coal project, Zimbabwe.
2008	Minero Zinc (Pty) Ltd	Zinc/lead	Techno-economic valuation of their Pering Zinc deposit in the Western Cape.
2008	Marula Mines Ltd	Iron ore	Techno-economic valuation and Environmental Statement of the Opon Mansi Iron Ore Project.
2008	Firestone Energy Ltd	Coal	Technical Statement for the farms Vetteegte and Olieboomfontein.

5. I have visited several project sites on the 11th November 2010 and a full inspection was made of the operational areas,
6. I have read the definition of an "Expert" as set out in the Regulatory Guide 111 of the Australian Securities and Investment Commission and certify that by reason of my qualifications, experience and affiliation with a professional association (as defined in Regulatory Guide 111.97), I fulfil the requirements to be an "Expert" for the purposes of the Expert Opinion Report;
7. I have had no prior involvement with the properties that are the subject of the Expert Opinion Report;
8. I have read the SAMREC and SAMVAL Codes of reporting and Regulatory Guides 111 and 112 of the Australian Securities and Investments Commission, and the Expert Opinion Report has been prepared in compliance with those reporting codes and those regulatory guides;
9. I am responsible for the Short Form Techno-Economic Statements of the Expert Opinion Report;
10. At the date hereof, to the best of my knowledge, information and belief, the Expert Opinion Report contains all scientific and technical information that is required to be disclosed to make the Expert Opinion Report not misleading;
11. I am independent of the Sylvania Resources Limited and all their subsidiaries and consultants; and
12. I consent to the filing of the Expert Opinion Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Expert Opinion Report.

Dated the 1st day of December 2010 at Johannesburg, South Africa.



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CERTIFICATE OF AUTHOR

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- I am a Mineral Project Analyst of Venmyn Rand (Pty) Ltd

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- I graduated with a B.Sc.Hons (Geology) degree from the University of Johannesburg in 2008;
- I am a member/fellow of the following professional associations:-

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member	Geological Society of South Africa	2006
Member	Geostatistical Association of South Africa	2008

- I have practiced my profession from 2008 to currently, my relevant experience for the purpose of this Expert Opinion Report is:-

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION/INVOLVEMENT
2010	SSC Mandarin Group	Gold	High Level Techno-Economic Fatal Flaws Due Diligence.
	Tanzanian Royalty	Gold	Drilling, Sampling, QA/QC and Laboratory Audit for later CPR.
	Namakwa Diamonds	Diamonds	Technical resource Statement update.
	White Water Resources	Gold	Short Form Competent Persons Report for JSE and Valuation of East Rand assets.
	UltraTech Cement	Coal	Xstrata Ermelo Asset Disposal Due Diligence and Valuation.
	Consol Glass Pty Ltd	Silica	Resource confirmation in Surfer™ of Groenfontein deposit and High Level Due Diligence (Fatal Flaws analysis)
	Target Holdings	Coal	Resource confirmation in Surfer™ of Schoongezicht project.
	Namakwa Diamonds	Diamonds	Competent Persons Report and Valuation of the DRC mineral assets.
	Nyota Minerals Limited	Gold	Audit of QA/QC procedures for drilling and sampling as well as preparation laboratory audit
	GEM Diamonds Limited	Diamonds	Revision of sampling campaign and reformulation of database for resource modelling.
2009	Nyota Minerals Limited	Nickel	Mineral Experts Report on the Muremera Nickel Project in Burundi.
	Gem Diamonds	Diamonds	Mineral Resource Review of the Letšeng and Ellendale operations.
	Nyota Minerals Limited	Gold	Preliminary Scoping Study on the Tulu Kapl Gold Project in Ethiopia.
	Namakwa Diamonds	Diamonds	Mineral Resource update subsequent to Namakwa's acquisition of Gem Diamonds' DRC assets.
	Nyota Minerals Limited	Gold	Instigation and training of Internationally compliant QA/QC procedures for drilling and sampling.
	Sephaku Holdings Ltd,	Tin and limestone	Canadian National Instrument NI 43-101 compliant short form Competent Person's Report for their greenfields projects in South Africa.
	Gatumba Mining Company Ltd.	Tin/Tantalum	National Instrument NI 43-101 compliant Preliminary Assessment on the Gatumba South Project in Rwanda.
	Dwyka Resources Limited	Gold	High level review and Technical Statement.
	MSA Geoservices	Iron Oxide, copper, gold	Data verification for a mineral resource statement for a due diligence on their projects in Zambia.
IBI International LIBAM Home Office	Iron	Independent Prospectivity Review.	
Mr. Rob Croll	Gold	Preliminary Due Diligence and Prospectivity Review on Klipwal.	
Bongani Minerals (Pty) Ltd	Tungsten	Review of Riviera Tungsten deposit.	

2008	Minero Mining Company	Zinc-Lead	Competent Persons Report and Valuation of the Pering Zinc-Lead Mine, in South Africa.
	West End Diamond Mine	Diamonds	Minerals Resource Report of all Diamonds Mineral Assets.
	Universal Coal plc	Coal	Valuation of the Ellof Coal Project in South Africa.
2008	Tegan International	Coal	Prospectivity Review of Various Coal Properties in the Vryheid region of South Africa.
	Worldwide Coal Carolina (Pty) Limited	Coal	Update of Techno-economic valuation of Worldwide Coal Carolina's coal assets.

5. I have visited none of the project sites;
6. I have read the definition of an "Expert" as set out in the Regulatory Guide 111 of the Australian Securities and Investment Commission and certify that by reason of my qualifications, experience and affiliation with a professional association (as defined in Regulatory Guide 111.97), I fulfil the requirements to be an "Expert" for the purposes of the Expert Opinion Report;
7. I have had no prior involvement with the properties that are the subject of the Expert Opinion Report;
8. I have read the SAMREC and SAMVAL Codes of reporting and Regulatory Guides 111 and 112 of the Australian Securities and Investments Commission, and the Expert Opinion Report has been prepared in compliance with those reporting codes and those regulatory guides;
9. I am responsible for the Short Form Metallurgical Statements of the Expert Opinion Report;
10. At the date hereof, to the best of my knowledge, information and belief, the Expert Opinion Report contains all scientific and technical information that is required to be disclosed to make the Expert Opinion Report not misleading;
11. I am independent of the Sylvania Resources Limited and all their subsidiaries and consultants; and
12. I consent to the filing of the Expert Opinion Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Expert Opinion Report.

Dated the 1st day of December 2010 at Johannesburg, South Africa.



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CERTIFICATE OF AUTHOR

I, Khalid Patel, do hereby certify that:-

- I am an Environmental Scientist of MSA Geoservices (Pty) Ltd

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- I graduated with a B.Sc.(Hons) in Geography and Environmental Sciences degree from the University of Witwatersrand in 2005;

- I am a member/fellow of the following professional associations:-

CLASS	PROFESSIONAL SOCIETY	YEAR OF REGISTRATION
Member	Association for Impact Assessment, SA	2006

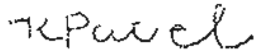
- I have practiced my profession from 2006 to currently, my relevant experience for the purpose of this Expert Opinion Report is:-

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION
2006	Van Mag	Vanadium	New order Mining Right Conversion
2006	BHP Billiton	Copper	Compilation of EMP in Zambia
2007	West Wits	Gold	Environmental Due Dilligence on Lancaster Mine
2007	Veremo Minerals	Titanium	Compilation of Prospecting Right and EMP
2008	City of Johannesburg	N/A	Legal Compliance Register
2008	Van Mag	Vanadium	Mining Right Scoping/ EIA Report
2009	Cargo Carriers	N/A	Basic Assessment for Above Ground Fuel Storage
2009	Exxaro KZN Sands	Heavy Minerals	EMPR Amendment of Hillendale and Fairbreeze Mines
2009	Exxaro KZN Sands	Heavy Minerals	Legal Gap Analysis of Hillendale and Fairbreeze Mines
2009	Exxaro KZN Sands	Heavy Minerals	Wetland Rehabilitation and Compensation Plan
2009	Sishen Iron Ore	Iron	EMPR Performance Assessment
2009	Xstrata	Chrome	EIA and EMPR Amendment for Tailings Dam Construction

- I have visited all the project sites on the 31st July 2009, 3rd August 2009, 4th August 2009 and 18th August 2009 and a full inspection was made of the operational areas, plants and infrastructure;
- I have read the definition of an "Expert" as set out in the Regulatory Guide 111 of the Australian Securities and Investment Commission and certify that by reason of my qualifications, experience and affiliation with a professional association (as defined in Regulatory Guide 111.97), I fulfil the requirements to be an "Expert" for the purposes of the Expert Opinion Report;
- I have had no prior involvement with the properties that are the subject of the Expert Opinion Report;
- I have read the SAMREC and SAMVAL Codes of reporting and Regulatory Guides 111 and 112 of the Australian Securities and Investments Commission, and the Expert Opinion Report has been prepared in compliance with those reporting codes and those regulatory guides;
- I am responsible for the Environmental Due Dilligence and sign off of the Expert Opinion Report;
- At the date hereof, to the best of my knowledge, information and belief, the Expert Opinion Report contains all scientific and technical information that is required to be disclosed to make the Expert Opinion Report not misleading;

11. I am independent of the Sylvania Resources Limited and all their subsidiaries and consultants; and
12. I consent to the filing of the Expert Opinion Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Expert Opinion Report.

Dated the 1st day of December 2010 at Johannesburg, South Africa.



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 173 Rivonia Road
 Sandton, 2146
 South Africa
2. I graduated with a B.Sc. (Maths) degree from the University of Pretoria in 2009;
3. I have practiced my profession from 2010 to currently, my relevant experience for the purpose of this Expert Opinion Report is:-

YEAR	CLIENT	COMMODITY	PROJECT DESCRIPTION
2010	African Copper	Copper	Feasibility Study
2010	Miranda Mineral Holdings	Coal	Independent Project Valuations
2010	White Water Resources	Gold	Independent Project Valuations
2010	Chromelco Limited	Chromite	Independent Project Valuations
2010	Sekoko	Coal	Independent Project Valuations
2010	West Wils	Gold/Uranium	Statistical Analysis
2010	Central African Gold	Gold	Statistical Analysis
2010	Worldwide Mineral Strategists	Gold	Statistical Analysis

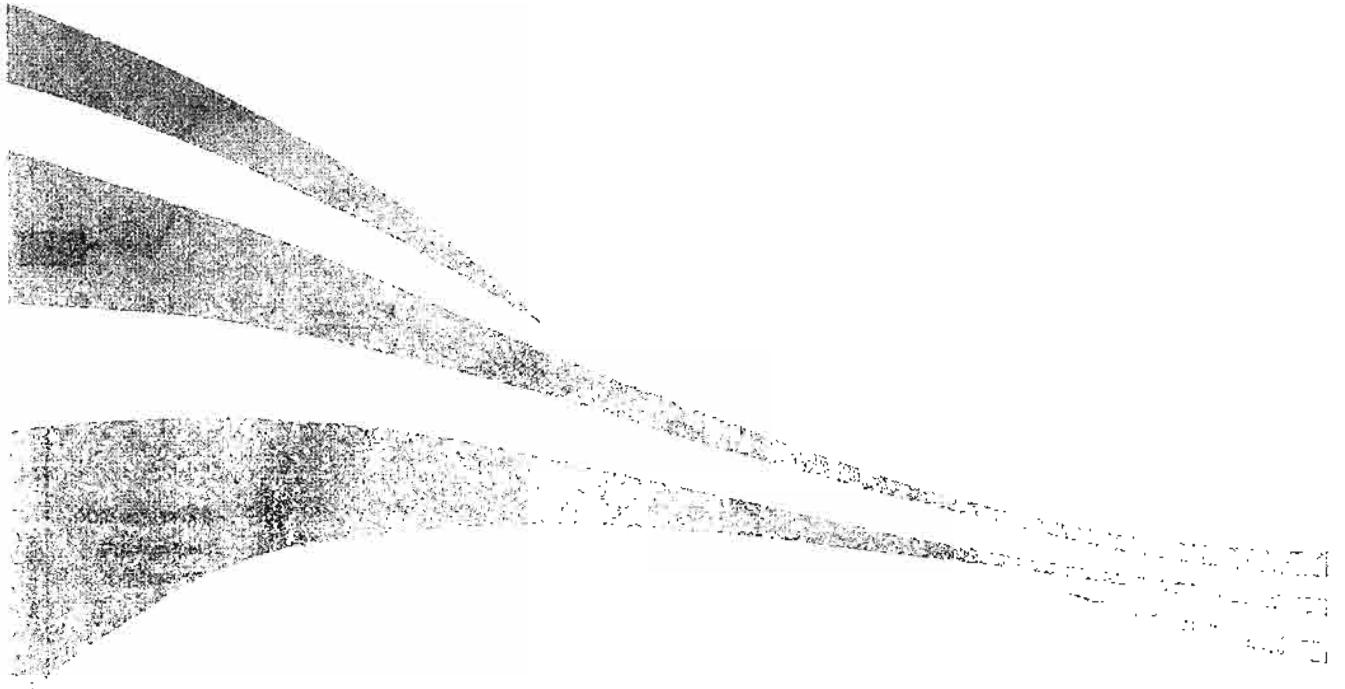
4. I have visited several project sites on the 11th November 2010 and a full inspection was made of the operational areas,
5. I have read the definition of an "Expert" as set out in the Regulatory Guide 111 of the Australian Securities and Investment Commission and certify that by reason of my qualifications, experience and affiliation with a professional association (as defined in Regulatory Guide 111.97), I fulfil the requirements to be an "Expert" for the purposes of the Expert Opinion Report;
6. I have had no prior involvement with the properties that are the subject of the Expert Opinion Report;
7. I have read the SAMREC and SAMVAL Codes of reporting and Regulatory Guides 111 and 112 of the Australian Securities and Investments Commission, and the Expert Opinion Report has been prepared in compliance with those reporting codes and those regulatory guides;
8. I am responsible for the Short Form Techno-Economic Statements of the Expert Opinion Report;
9. At the date hereof, to the best of my knowledge, information and belief, the Expert Opinion Report contains all scientific and technical information that is required to be disclosed to make the Expert Opinion Report not misleading;
10. I am independent of the Sylvania Resources Limited and all their subsidiaries and consultants; and
11. I consent to the filing of the Expert Opinion Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Expert Opinion Report.

Dated the 1st day of December 2010 at Johannesburg, South Africa.



J.A. MYBURGH
B.Sc. (Maths)
MINERAL PROJECT ANALYST

MILLSSELL COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE MILSELL COMPLEX as at 2nd December 2010

Prepared in the format of a short form SAMREC
compliant Technical Statement.

- IN THIS DOCUMENT:**
- Key Features
 - Introduction
 - Geological Setting
 - History
 - Mineral Resources and Mineral Reserves
 - Mineral Processing Plant
 - Control and Record Keeping
 - Plant Operation
 - Material Agreements
 - Environmental Considerations
 - Historic Production
 - Sources of Information

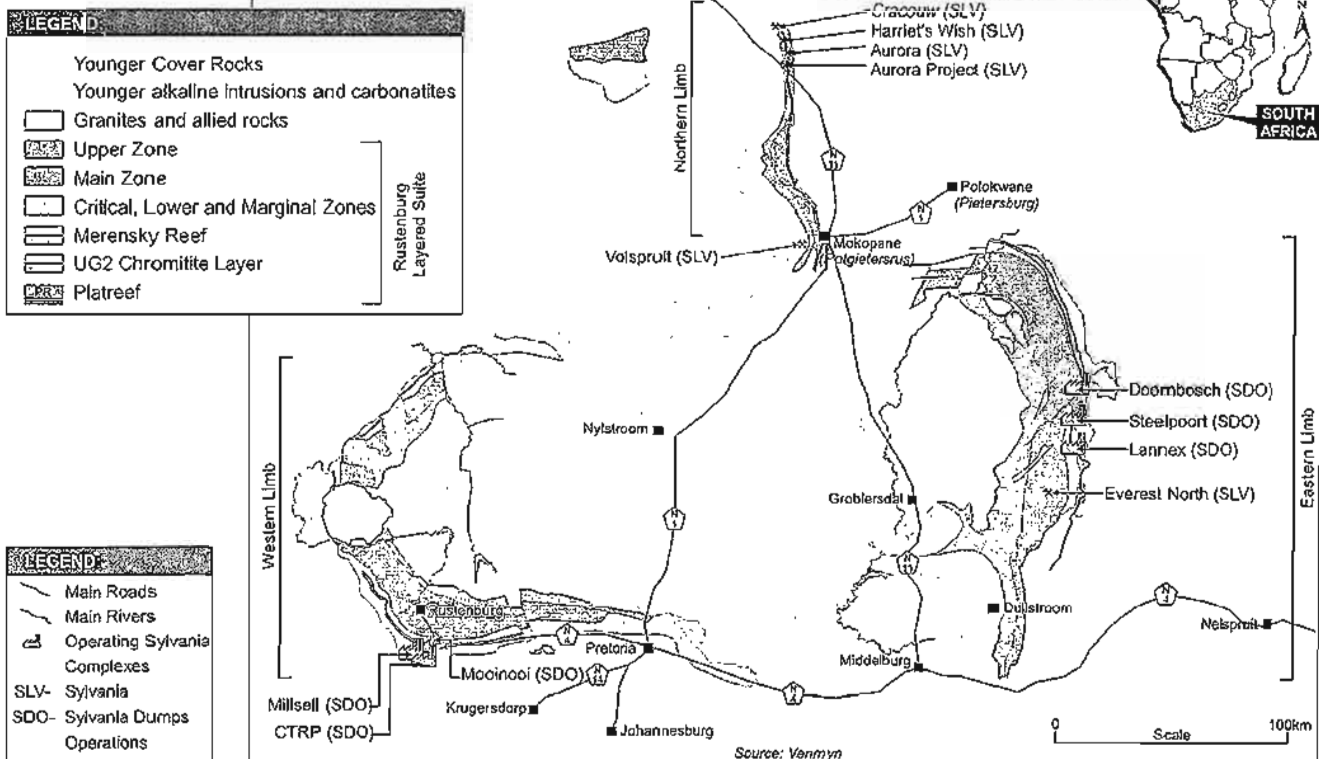


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat, MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director, Venmyn.
Key Technical Personnel:	Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Iaan Myburgh, B.Sc. (Maths).
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Person's Report for AIM.
Sources of Information:	Information was supplied to Venmyn by Sylvania, including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal Inspection:	A site visit to the Millsell Complex facility was undertaken on the 11 th November 2010 by the project team representatives.
Location:	The facility is located 10km southeast of the town of Rustenburg, in the North West Province, South Africa on the roadside to the major national N4 route (see Figure 1).
Access and Infrastructure:	Access to the site is via a 3km tarred road connected directly to the major national N4 route to the south. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current arisings from chromite washing plants has been incorporated into a business combination with Samancor Chrome. A controlling interest in Samancor Chrome is held by International Mineral Resources (IMR). IMR is active in the mining of chromite and the production and marketing of ferroalloys.
Process Plant Characteristics:	Prill Split: Pt = 59.0%; Pd = 24.0%; Rh = 16.5%; and Au = 0.5%. Fully operational since 2007.

FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



INTRODUCTION:

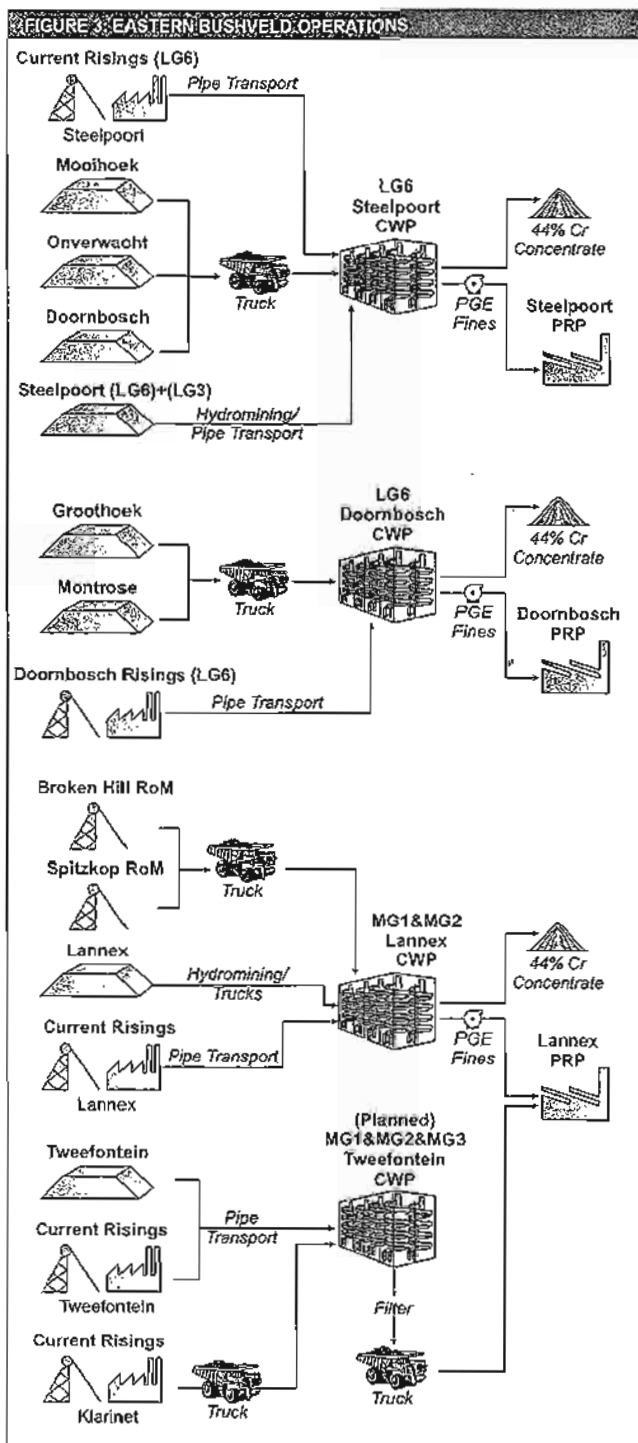
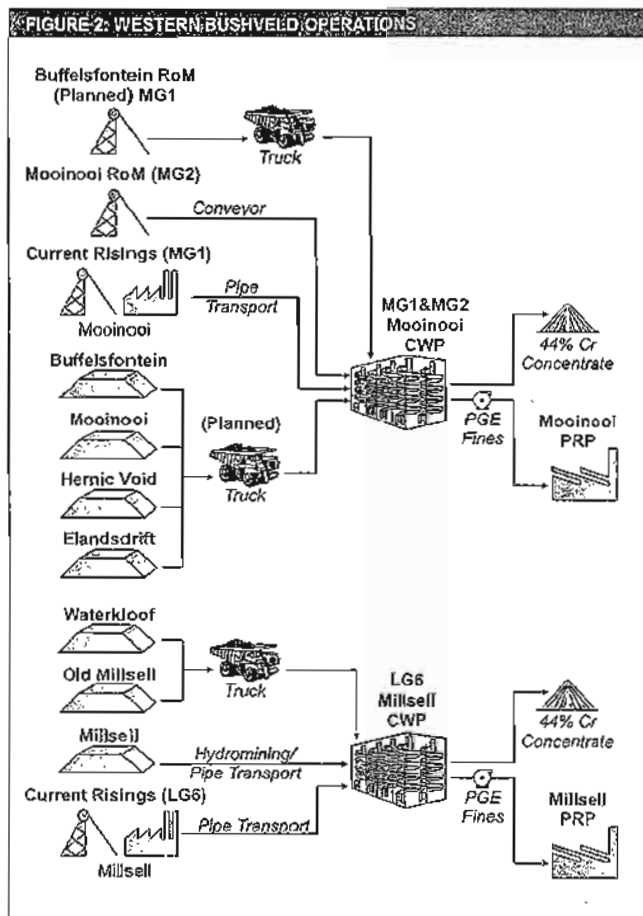
The Millsell Complex recovers two separate concentrates from the historical tailings. Firstly, chromite concentrate with a 44% Cr₂O₃ content and secondly, a PGE concentrate. The feed sources for the Millsell Complex are the original Old Millsell tailings dam which is almost depleted, the New Millsell tailings dam, as well as the current arisings from the Samancor Chrome Millsell Plant. In addition to these feed sources, the historical Samancor Chrome Waterkloof dump also contributes source material for re-treatment to the Millsell Complex. A portion of the Old Millsell tailings dam that has already been re-treated has been deposited and renamed the New Millsell tailings dam. This new dam will be re-treated as from the 2011 financial year, and provides a further feed source as recoveries from the first re-treatment process economically justify a second throughput.

The Millsell Complex only receives LG6 material which is of primary strategic importance to Samancor and ensures the importance of Millsell. The feed to the Millsell Complex is satisfied by several different mechanisms. These include:-

- a pipe feeding a waste stream containing tailings from the Samancor Chrome Millsell Plant which, in the absence of the Millsell Complex, would have been discarded directly to the current tailings storage facility (TSF). Instead, the Millsell Complex re-treats and recovers a portion of the chromite and PGE's from the waste stream and returns the tailings material to one of the existing Samancor Chrome tailings sites; and
- a road haulage scheme whereby back-loaded trucks carry mined dump material from the historic Waterkloof and Old Millsell tailings dumps. This material is also fed into the feed bins along with the scraper material.

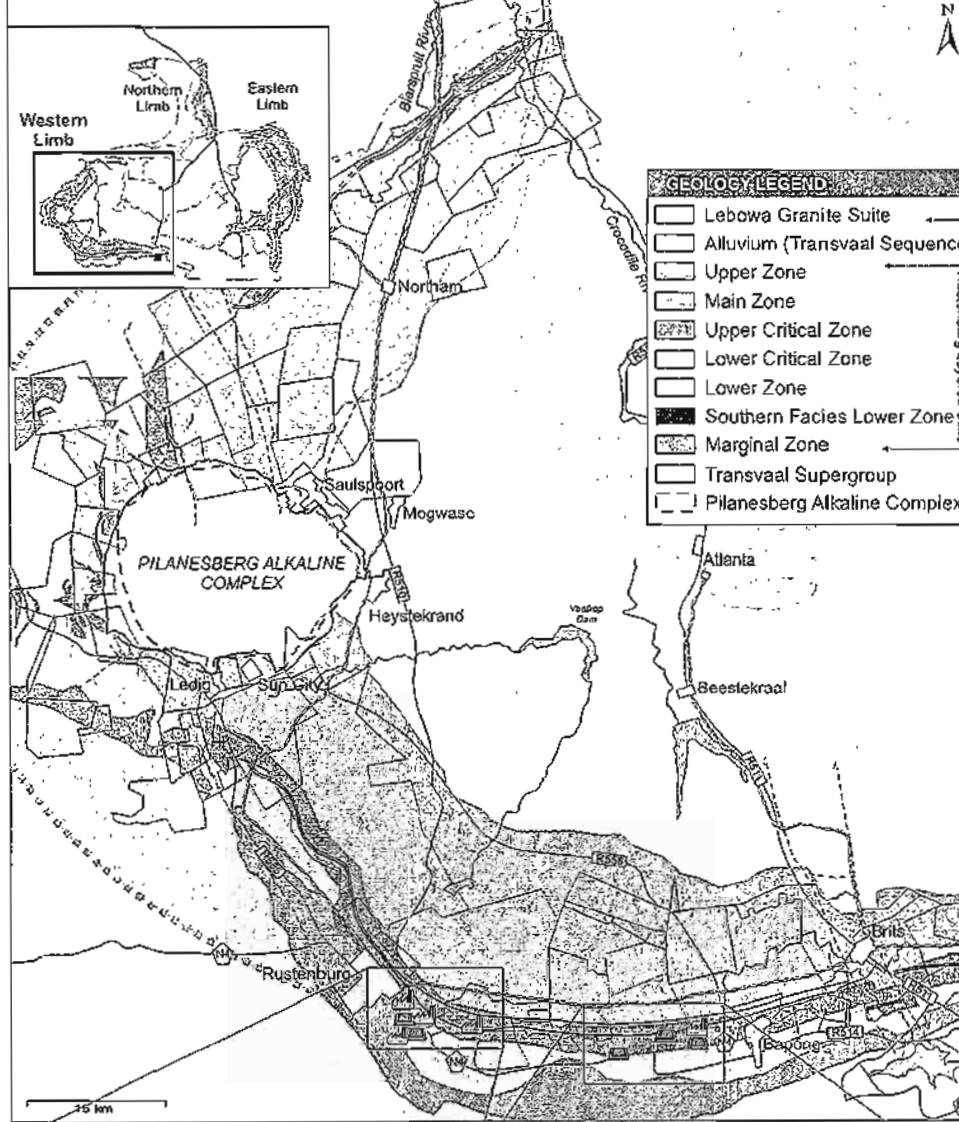
The operation is atypical of a mineral resources sector project in that, by its very nature, the project relies on the historical and current production from a mineral asset which is under the jurisdiction of another entity, namely Samancor Chrome. As such, it essentially does not own the mineral resource that it treats. The value in the project is underpinned by the agreements with Samancor Chrome to process all historical dumps and future arisings.

The basic flowsheet for Millsell is shown schematically in Figure 2.

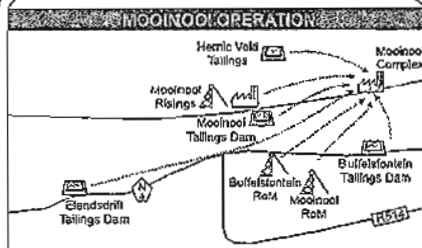
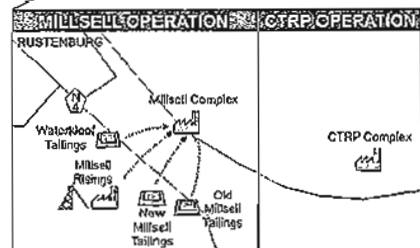


GEOLOGICAL SETTING

FIGURE 1: REGIONAL GEOLOGY OF THE WESTERN LIMB OF THE BIC SHOWING SYLVANIA'S OPERATIONS



GEOLOGY LEGEND	
[Symbol]	Lebowa Granite Suite
[Symbol]	Alluvium (Transvaal Sequence)
[Symbol]	Upper Zone
[Symbol]	Main Zone
[Symbol]	Upper Critical Zone
[Symbol]	Lower Critical Zone
[Symbol]	Lower Zone
[Symbol]	Southern Facies Lower Zone
[Symbol]	Marginal Zone
[Symbol]	Transvaal Supergroup
[Symbol]	Pilanesberg Alkaline Complex



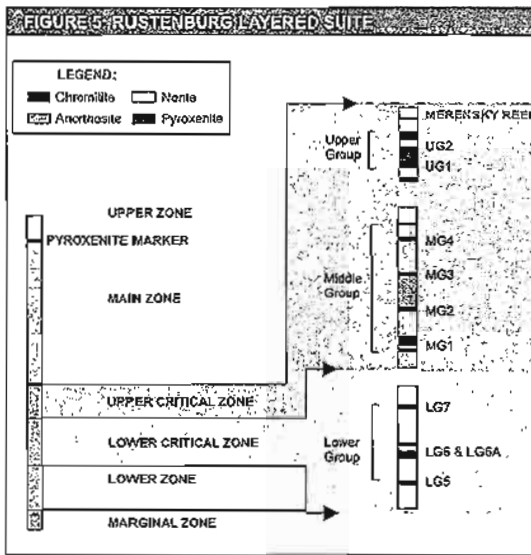
LEGEND	
[Symbol]	Road
[Symbol]	Railway
[Symbol]	River
[Symbol]	Town
[Symbol]	Farm
[Symbol]	Boundaries
[Symbol]	Faults
[Symbol]	Plants
[Symbol]	Tailings Dams
[Symbol]	UG2 Reef
[Symbol]	Merensky Reef
[Symbol]	Chromite Seam
[Symbol]	Platinum Reef
[Symbol]	Limit

The BIC is a layered igneous intrusion located in South Africa spanning over 66,000km². The BIC contains some of the richest ore deposits in the world, including substantial resources of PGE's, including platinum, palladium, gold, osmium, iridium, rhodium, and ruthenium, together with chromium, titanium and vanadium. The BIC holds more than 80% of the world's resources of these minerals. The BIC is divided into an eastern, western and northern lobe formed around 2bn years ago. The fact that the mineral horizons outcrop almost entirely around the complex makes its accessibility unique. It is believed that multiple magma injections, coupled with differential crystallisation resulted in the layered nature of the lithology. The simplified stratigraphy and nomenclature for the chromite seams of economic interest is shown in Figure 5.

Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed. These chromite seams form part of the BIC.

The PGE content of the chromite seam has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. It is the Sylvania CWP/PRP development that has revolutionised this thinking.

GEOLOGICAL SETTING (cont...)



HISTORY

Construction of the Millsell Complex commenced in early 2006 and the CWP was successfully commissioned and commenced operations by May 2006 on a feed of current arisings alone. By the end of July 2006, the Millsell Complex was re-treating historical dumps as well. The PRP section was commissioned early in the next financial year, July 2006 to June 2007. The Millsell Complex represents the first facility constructed by Sylvania to honour the Samancor Service and Supply Agreement. Its design was based upon the successful CTRP which pioneered the technology and concept.

MINERAL RESOURCES AND MINERAL RESERVES

The Millsell Complex is a standalone processing plant, supplied with tailings from the Samancor Chrome Waterkloof, New Millsell and Old Millsell chrome tailings dumps as well as current arisings from the Samancor Chrome's Millsell Plant. Consequently, the Millsell Complex does not own Mineral Resources or Mineral Reserves. The feedstock for processing is not a compliant Resource, nor is a classification required for Sylvania's purposes. However, the feedstock available to the complex is shown in Table 1:-

TABLE 1: FEED SOURCE ESTIMATES FOR SYLVANIA'S MILLSSELL COMPLEX AS AT 29th NOVEMBER 2010

PROCESSING PLANT SERVICED	OPERATIONS	TONNAGE (t)	GRADE (4PGEg/t)	CURRENT RISINGS (t/m)	CONTAINED PGE's (oz)
Millsell Plant	Waterkloof Tailings Dam	279,729	1.1	-	9,893
	Millsell Risings	-	1.0	8,000	-
	Old Millsell Tailings Dams	194,557	2.0	-	12,510
	New Millsell Tailings Dams*	1,121,520	2.0	-	72,117
TOTAL/AVERAGE FOR DUMPS		1,595,806	1.8	8,000	94,520

* Grade estimated from retreatment recoveries and modelled in the cashflow

MINERAL PROCESSING PLANT

Location

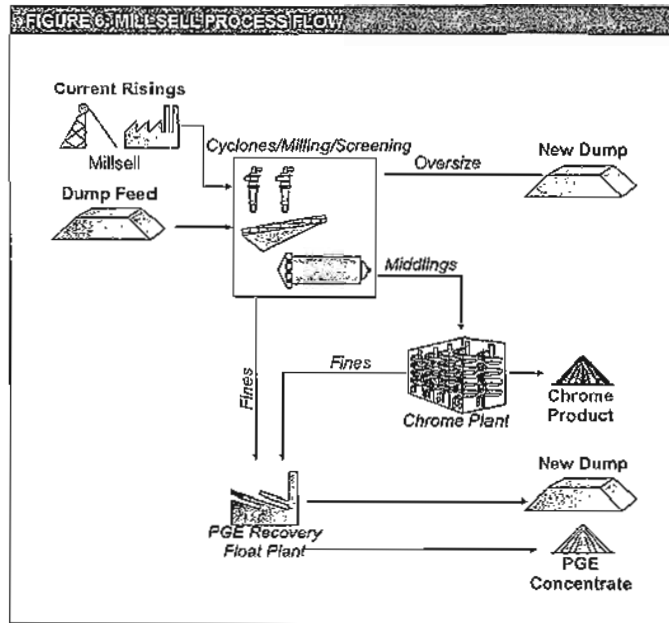
The Millsell Complex is located 10km southeast of the town of Rustenburg, in the North West Province, South Africa on the roadside to the major national N4 route. Access to the site is via a 3km tarred road connected directly to the major national N4 route to the south.

Process Flow Description

The Millsell Complex can be described by the two functions it fulfils:-

- a chrome tailings re-treatment plant; and
- a chrome tailings PGE flotation plant.

The process flow is shown in Figure 6.



Although these two circuits are linked by site and operation, they are considered by Sylvania as two separate processes. The reasoning behind this distinction is due to the roles the plants fulfil. The CWP satisfies the Samancor Chrome tailings, whilst the PRP provides a separate product and revenue stream for Sylvania in the form of PGE concentrate for its own account. Having said this, the two processes are integral to each other.

After screening, the CWP plant produces two tailings streams in addition to the 44% Cr₂O₃ chromite concentrate, namely, a PGE enriched fines and a low PGE coarse tailings stream. The fines are sent to the PGE recovery plant circuit while the coarse streams go directly to the appropriate tailings dams. Test work and experience from the CTRP plant indicated that PGE's are concentrated in the finer fractions at values that can be recovered to a saleable concentrate by conventional flotation methods.

The CWP step of the flow sheet employs conventional technology and equipment such as pumps, cyclones, spiral concentrators, settling cones, hydrosizers and teter-bed concentrators. The fine and coarse tailings are split by a combination of cyclone and hydrosizer units. The coarse fraction is pumped directly to tails whilst the fine PGE rich fraction will be thickened before being pumped to the PRP circuit.

The PRP step incorporates a surge tank which is fed from a thickener into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF which serves as feed stock for future production as existing recoveries vary from 40-45%, leaving a sufficient amount in the new tailings to warrant re-treatment at a later stage. Water is recovered for re-use before final deposition of tails on the TSF.

INDEPENDENT METALLURGICAL STATEMENT FOR THE MILLSSELL COMPLEX as at 2nd December 2010



The mass balance is shown below: -

MINED DUMPS	
Tonnes	270,000
Chromite (t)	83,077
Chromite (%)	31
PGE (g/t)	1.84

SPIRALS	
Tonnes	270,000
Chromite (t)	83,077
Chromite (%)	31
PGE (g/t)	1.84
PGE (oz's)	16,005

INPUTS		TONNES	PGEs
Mass Pull of Cr ₂ O ₃ Conc	20.1%		2.8%
Spiral Tails mass	79.9%		97.2%

	% TOTAL DUMP FEED	MASS SPLIT	% TOTAL DUMP PGEs	MASS SPLIT
Flotation PGE Fines	35.5%	45.7%	91.6%	93.6%
Coarse Tails	43.4%	54.3%	6.2%	6.4%

	% TOTAL DUMP FEED	MASS SPLIT	% TOTAL DUMP PGEs	MASS SPLIT
PGE's Conc	0.4%	1.2%	41.3%	45.4%
Float Tails	35.0%	98.8%	49.7%	54.6%

CYCLONE/THICKENER	
Mass (%)	79.9%
Tonnes	215,607
Chromite (t)	29,077
PGE (g/t)	2.25
PGE (oz's)	15,564

FLOTATION - PGE FINES	
Mass (%)	45.7%
Tonnes	93,189
Chromite (t)	11,973
PGE (g/t)	4.86
PGE (oz's)	14,570

PGE CONCENTRATE	
PGE Mass (%)	1.2%
Tonnes	1,181
Chromite (t)	147
PGE (g/t)	177.11
PGE (oz's)	6,613

CHROMITE CONCENTRATE	
Mass (%)	20.1%
Chromite (t)	54,000
PGE (g/t)	0.30
PGE (oz's)	522

COARSE TAILS	
Mass (%)	54.3%
Tonnes	122,419
Chromite (t)	17,104
PGE (g/t)	0.25
PGE (oz's)	595

FLOAT TAILS	
Mass (%)	98.8%
Tonnes	92,028
Chromite (t)	11,826
PGE (g/t)	2.59
PGE (oz's)	7,959

FRILL SPLIT (%)		OUNCES	
Pt	50.0	Pd	2,902
Pd	24.0	Rh	1,587
Rh	16.5	Au	1,081
Au	0.5	Ru	33
Ru	0.0		0

TOTAL TAILS	
Tonnes	214,416
Chromite (t)	28,930
Chromite (%)	13
PGE (g/t)	1.30
PGE (oz's)	8,953

CURRENT RISINGS	
Tonnes	90,000
Chromite (t)	27,894
Chromite (%)	0
PGE (g/t)	1.00

SPIRALS	
Tonnes	90,000
Chromite (t)	27,894
Chromite (%)	0
PGE (g/t)	1.00
PGE (oz's)	2,894

INPUTS		TONNES	PGEs
Mass Pull of Cr ₂ O ₃ Conc	20.1%		2.8%
Spiral Tails mass	79.9%		97.2%

	% TOTAL CIA FEED	MASS SPLIT	% TOTAL CIA PGEs	MASS SPLIT
Flotation PGE Fines	36.9%	45.7%	91.6%	93.6%
Coarse Tails	43.4%	54.3%	6.2%	6.4%

	% TOTAL CIA FEED	MASS SPLIT	% TOTAL CIA PGEs	MASS SPLIT
PGE's Conc	0.4%	1.2%	41.3%	45.4%
Float Tails	36.0%	98.8%	49.7%	54.6%

CYCLONE/THICKENER	
Mass (%)	79.9%
Tonnes	71,859
Chromite (t)	0
PGE (g/t)	1.22
PGE (oz's)	2,814

FLOTATION - PGE FINES	
Mass (%)	46.7%
Tonnes	32,811
Chromite (t)	0
PGE (g/t)	2.60
PGE (oz's)	2,624

PGE CONCENTRATE	
PGE Mass (%)	1.2%
Tonnes	387
Chromite (t)	0
PGE (g/t)	96.05
PGE (oz's)	1,195

CHROMITE CONCENTRATE	
Mass (%)	20.1%
Chromite (t)	0
PGE (g/t)	0.14
PGE (oz's)	80

COARSE TAILS	
Mass (%)	54.3%
Tonnes	39,058
Chromite (t)	0
PGE (g/t)	0.14
PGE (oz's)	180

FLOAT TAILS	
Mass (%)	98.8%
Tonnes	32,424
Chromite (t)	0
PGE (g/t)	1.38
PGE (oz's)	1,439

FRILL SPLIT (%)		OUNCES	
Pt	50.0	Pd	705
Pd	24.0	Rh	237
Rh	16.5	Au	187
Au	0.5	Ru	5
Ru	0.0		0

TOTAL TAILS	
Tonnes	71,482
Chromite (t)	0
Chromite (%)	0
PGE (g/t)	0.70
PGE (oz's)	1,518

TOTAL PLANT OPERATION	
Tonnes	360,000
Chromite (t)	83,077
Chromite (%)	23
PGE (g/t)	1.63

SPIRALS	
Tonnes	360,000
Chromite (t)	83,077
Chromite (%)	23
PGE (g/t)	1.63
PGE (oz's)	18,500

INPUTS		TONNES	PGEs
Mass Pull of Cr ₂ O ₃ Conc	15.0%		2.3%
Spiral Tails mass	85.0%		97.7%

	% TOTAL PLANT FEED	MASS SPLIT	% TOTAL PLANT PGEs	MASS SPLIT
Flotation PGE Fines	35.0%	41.2%	91.6%	93.6%
Coarse Tails	50.0%	58.8%	6.2%	6.4%

	% TOTAL PLANT FEED	MASS SPLIT	% TOTAL PLANT PGEs	MASS SPLIT
PGE's Conc	0.4%	1.2%	41.3%	45.4%
Float Tails	34.6%	98.8%	49.7%	54.6%

CYCLONE/THICKENER	
Mass (%)	85.0%
Tonnes	308,000
Chromite (t)	25,077
PGE (g/t)	1.87
PGE (oz's)	18,378

FLOTATION - PGE FINES	
Mass (%)	41.2%
Tonnes	128,000
Chromite (t)	11,973
PGE (g/t)	4.25
PGE (oz's)	17,203

PGE CONCENTRATE	
PGE Mass (%)	1.2%
Tonnes	1,548
Chromite (t)	147
PGE (g/t)	155.88
PGE (oz's)	7,808

CHROMITE CONCENTRATE	
Mass (%)	15.0%
Chromite (t)	54,000
PGE (g/t)	0.30
PGE (oz's)	522

COARSE TAILS	
Mass (%)	58.8%
Tonnes	180,000
Chromite (t)	17,194
PGE (g/t)	0.20
PGE (oz's)	1,175

FLOAT TAILS	
Mass (%)	98.8%
Tonnes	124,452
Chromite (t)	11,328
PGE (g/t)	2.35
PGE (oz's)	9,308

FRILL SPLIT (%)		OUNCES	
Pt	50.0	Pd	4,507
Pd	24.0	Rh	1,874
Rh	16.5	Au	1,288
Au	0.5	Ru	39
Ru	0.0		0

TOTAL TAILS	
Tonnes	304,457
Chromite (t)	25,077
Chromite (%)	10
PGE (g/t)	1.05
PGE (oz's)	10,570

The mass balance is an estimation representing the process flow.



CONTROL AND RECORD KEEPING

Metal accounting at the plants is undertaken at various stages during processing of the current arisings and historical Samancor Chrome dump material. Depending on the type of sample taken and point within the process stream, these samples range from daily to monthly assays.

Modern instrumentation has been installed with various levels of sophistication so that the controlling and monitoring is performed by means of a direct supervisory control facility. These facilities are located in the main control room of the complex. Commands are given by human intervention through an operator interface i.e. personnel computer, linked to the central processing units.

PLANT OPERATION

The complex is operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. There are four crews who work a rotation of four days on and four days off.

MATERIAL AGREEMENTS

Samancor Service and Supply Agreement

On 31st March 2006, Sylvania signed the Services and Supply Agreement (Agreement) with Samancor Chrome to retreat historical chrome tailings, current arisings at certain defined tailings dams and ROM from current mining activities. The Agreement was subsequently amended to also include ROM fines generated from certain defined mining activities. In the Addendums to the Agreement, other aspects were also addressed such as the duration of Agreement, which was extended to endure until the latest of:-

- the application of the services to all the base materials contained in the tailings dams, current arisings and ROM;
- five years have passed as from the effective date; and
- such time as the Agreement is terminated in accordance with its terms.

Other key aspects include:-

- Sylvania has agreed to build CWP's to process both historical chrome tailings and current arisings to recover a chromite product for delivery to Samancor Chrome;
- after the chromite washing phase, Sylvania has the right to treat resultant final tails to recover PGE's and sell it for its own account;
- Sylvania has undertaken to Samancor Chrome that it will ensure that its operation entities will be compliant with the terms of the BBBEE Act No 53 of 2002, this requirement has been waived by Samancor;
- it is also contracted that the provisions of services such as water for the CWP shall be for the Samancor Chrome account; and
- provision for services for the PRP, will either be supplied by Samancor Chrome at an agreed price by both parties, or alternatively supplied directly by the local service provider.

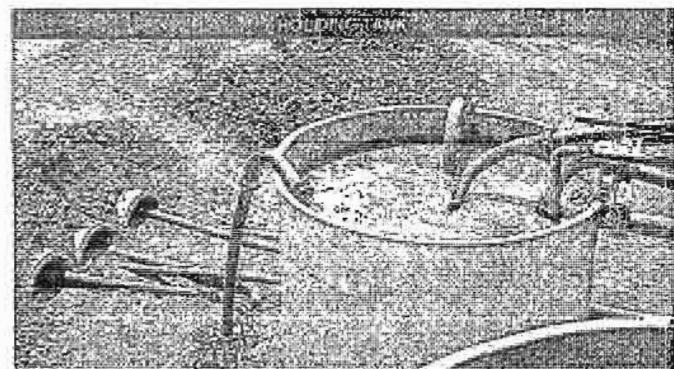
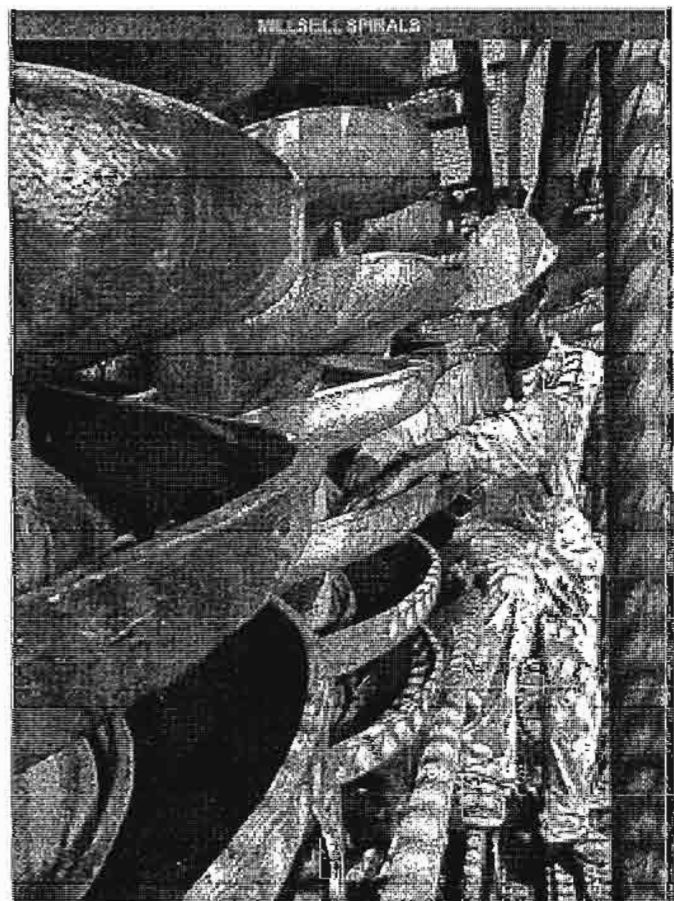
It has been estimated by the management of Sylvania SA that it should take just under 5 years to complete the first pass treatment of the historical chrome dumps covered by the agreement, but the treatment of current risings and second pass re-treatment are anticipated to continue for LOM. The Samancor Agreement does not contain any change of control provisions. However, should there be a change of control in Samancor Chrome, Sylvania has obtained additional rights with regards to the PGE's in Samancor Chrome's tailings. As a consequence, Sylvania's rights to the PGE's are secure.

A subsequent agreement to those already signed by Sylvania and

Samancor Chrome provides for the additional service of primary chrome washing treatment of 300,000tpa direct ROM ore from three more Samancor Chrome mines. Additional feed is already derived from Mooi-nooi and Buffelsfontein mines for the Mooi-nooi Complex. Spitzkop and Broken Hill mines in the eastern BIC will report to the nearest Sylvania complexes. As a consequence of recent shareholder events, and as per the announcement on the 29th September 2010, a third addendum was signed to the Agreement.

Off-Take Agreements

Sylvania has entered into several contracts for the sale of PGE flotation concentrates with Anglo Platinum and Impala Platinum and off-take marketing agreements do exist between Sylvania and the larger PGE producers. The vision for the Sylvania initiative is that a DC furnace may, in future, be used as a PGE smelter to treat a lower grade PGE concentrate from Sylvania's Northern Limb Platereef Resources with which Sylvania can sell a further beneficiated product in years to come.



INDEPENDENT METALLURGICAL STATEMENT FOR THE MILLSSELL COMPLEX as at 2nd December 2010



ENVIRONMENTAL CONSIDERATIONS

The Millsell Complex is the subject of a single environmental authorisation process, as per the Mineral and Petroleum Resources Development Act (MPRDA; Act 28 of 2002)

The existing EMPR for each operation is held by the mineral rights holder, Samancor. Sylvania compiled and submitted all the EMPR amendments required, on Samancor's behalf, to construct and operate the various SDOs. Sylvania has informed Venmyn that all amendments to relevant EMPRs have been submitted to, and approved by the regulatory bodies with the exception of the Doombosch Operation, which has been submitted. Samancor, being a private company, is not obliged to present Venmyn or its associates with the supporting documentation that would normally constitute an independent due diligence on the environmental considerations.

Venmyn and its associates have relied upon information provided by Sylvania relating to the environmental consideration of the SDOs. These have not been verified by Venmyn, nor are Venmyn qualified to do so.

The responsible party, regarding contraventions and non-compliance for the complex is dependent on an agreement between both Samancor and Sylvania.

The financial provision determined for rehabilitation and set aside by Sylvania for Millsell is currently valued at approximately ZAR2,173,000.

HISTORIC PRODUCTION

The Millsell Complex has been operating at steady state since the 2007 financial year apart from stopages. Millsell was designed to process 37,000tpm of combined dump material and current arisings.

Due to the modular construction strategy and the experience gained from the construction and operation of the CTRP, construction, ramp up and commissioning was completed during the first year of operation.

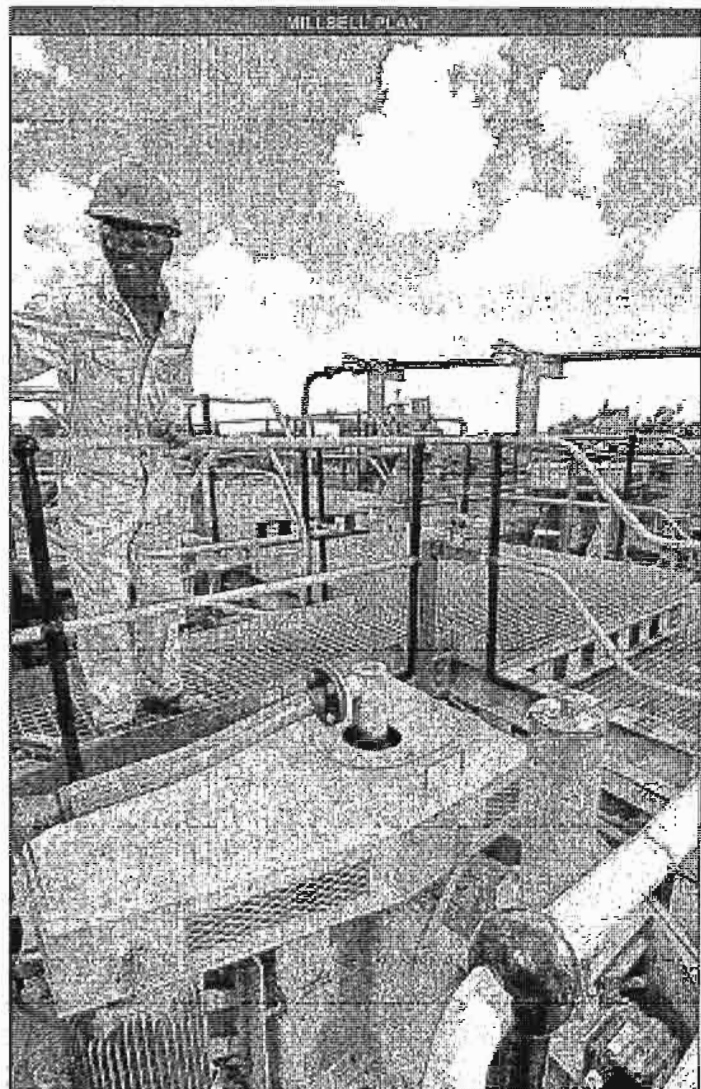
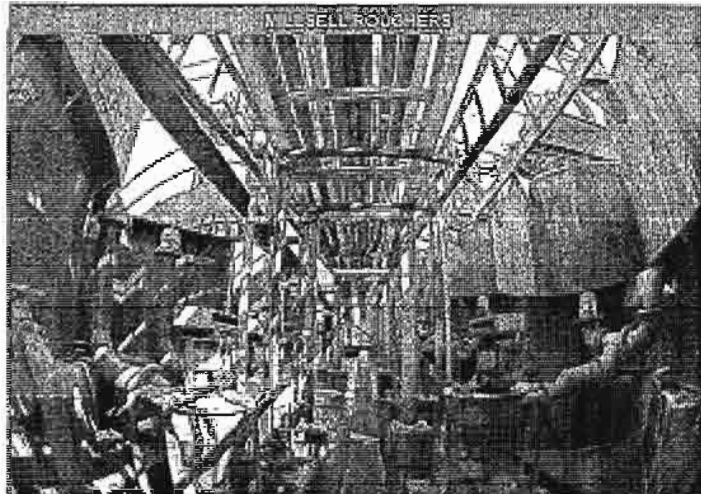
Future chromite concentrate production is likely to be significantly less once all historical dumps and current arisings have been depleted. The reason for this is that only the historical dumps and current arisings have a high enough chromite content to allow for successful re-treatment, consequently, material which has already made one pass through the CWP will yield lower chromite tonnages in future. However, the PGE material is considered to still be viably re-treatable despite the fact that it has already made one pass of the PRP circuit but it will have a lower head grade.

SOURCES OF INFORMATION

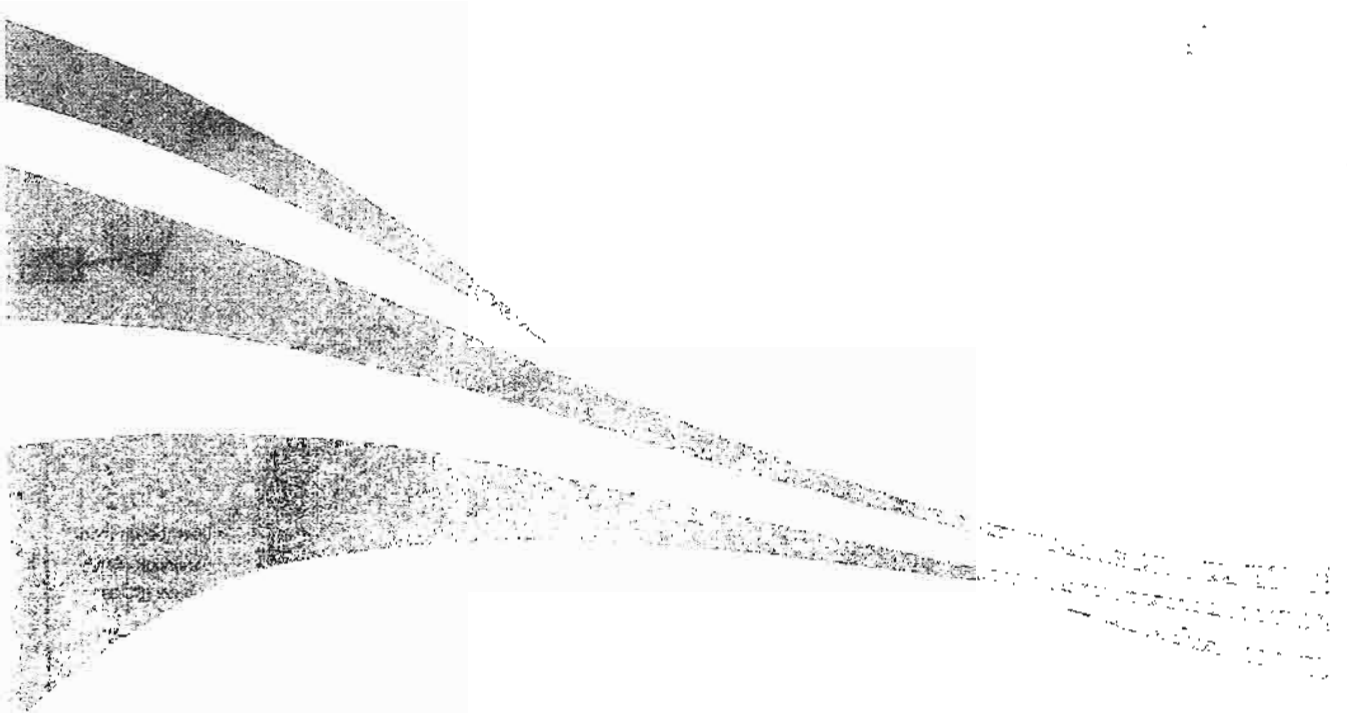
Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2010;
- historic production data of the Millsell complex (July 2007 to October 2010);
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 5th November 2010, relevant knowledge was obtained on the complex.



LANNEX COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE LANNEX COMPLEX

as at 2nd December 2010

Prepared in the format of a short form SAMREC compliant Technical Statement

IN THIS DOCUMENT

- Key Features
- Introduction
- Geological Setting
- History
- Mineral Resources and Mineral Reserves
- Mineral Processing Plant
- Control and Record Keeping

- Plant Operation
- Material Agreements
- Environmental Considerations
- Historic Production
- Sources of information

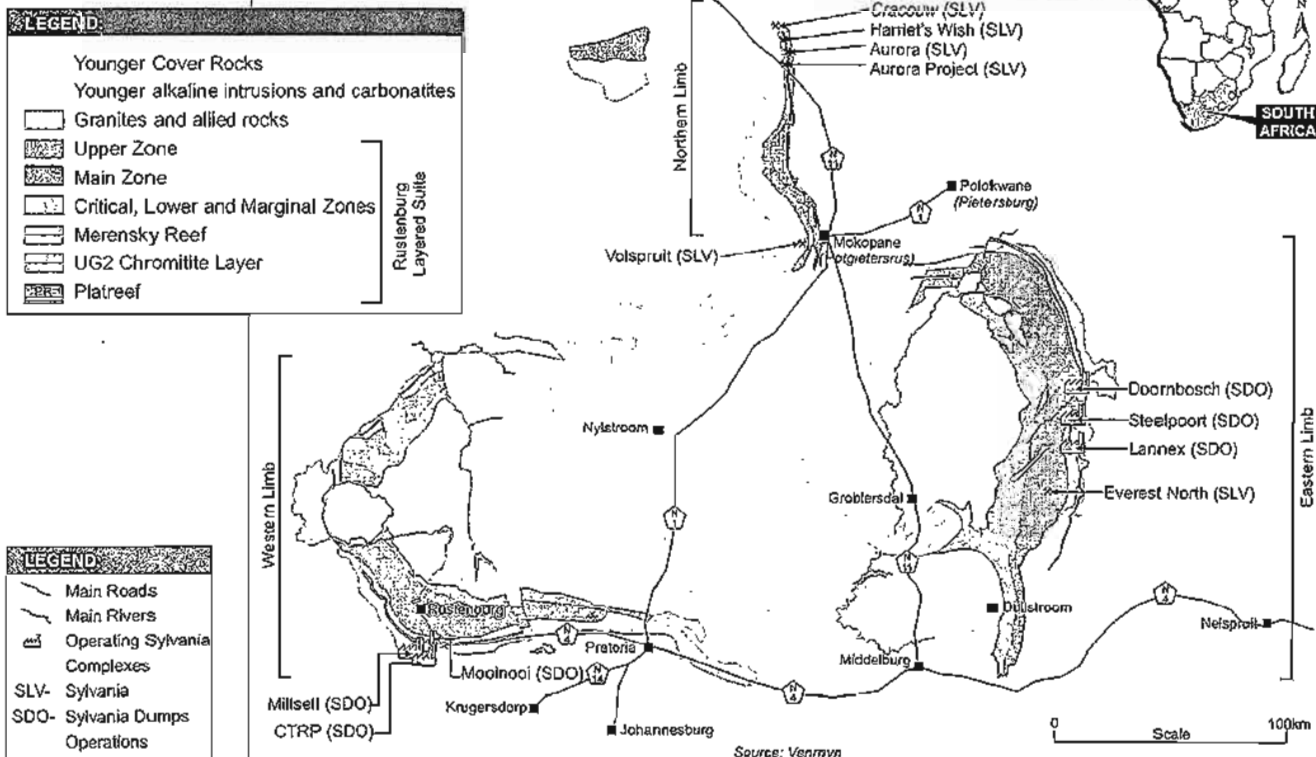


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director, Venmyn.
Key Technical Personnel:	Mr. Richard Taylor, B.Sc. Hons (Geol.), MGSSA. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Iaan Myburgh, B.Sc. (Maths).
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Persons Report for AIM.
Sources of information:	Information was supplied to Venmyn by Sylvania, including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal Inspection:	A site visit to the Lannex Complex facility was undertaken on the 5 th November 2010 by the project team representatives.
Location:	The facility is located 7km southwest of the town of Steelpoort, in the Mpumalanga province, South Africa on the roadside to the major national R555 route (see Figure 1).
Infrastructure and Accessibility:	Access to the site is via a tarred road connected directly to the major national R555 route to the north. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current risings from chromite washing plants has been incorporated into a business combination with Samancor Chrome. A controlling interest in Samancor Chrome is held by International Mineral Resources (IMR). IMR is active in the mining of chromite and the production and marketing of ferroalloys.
Process Plant Characteristics:	Prill Split: Pt = 58.0%; Pd = 25.5%; Rh = 16.5%; and Au = 0.0%. Operational since 2009, full ramp-up by March 2011.

FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



INTRODUCTION

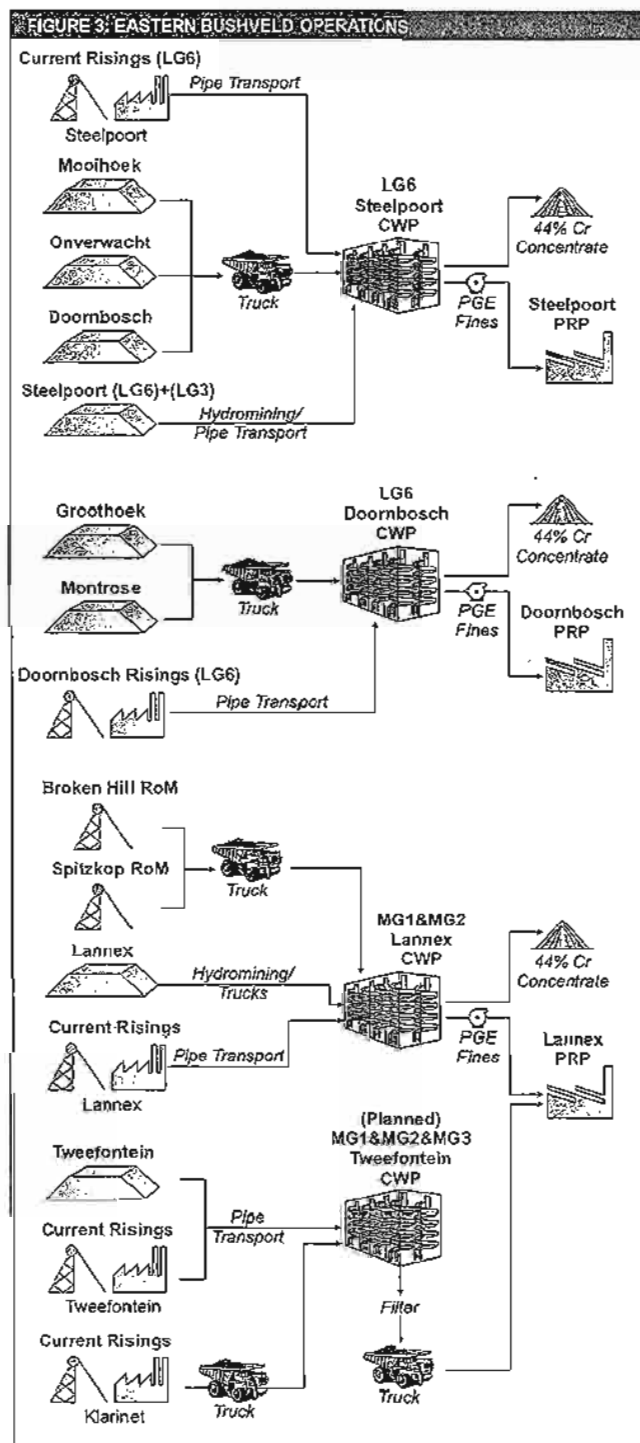
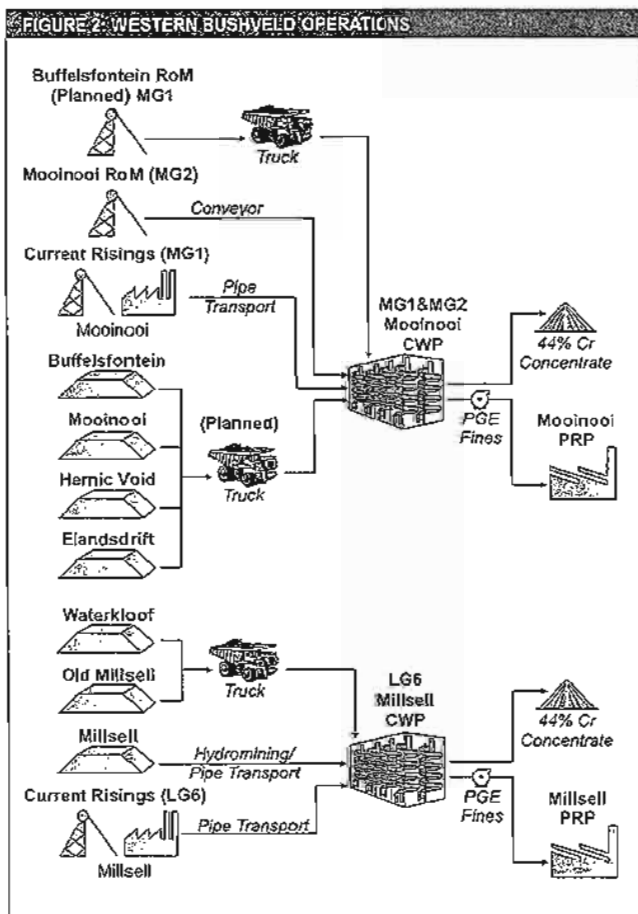
The Lannex Complex recovers two separate concentrates from the historical tailings. Firstly, chromite concentrate with a 44% Cr₂O₃ content, and secondly, a PGE concentrate. The feed sources for the Lannex Complex are the Lannex tailings dams, as well as the current risings from the Samancor Chrome Lannex chrome plant. In addition to these feed sources, the Spitzkop and Broken Hill Mines will also contribute primary mined chromite ore for treatment to the Lannex Complex as part of a subsequent 300,000tpa contract made between Samancor Chrome and Sylvania. This subsequent feed has not yet begun.

The feed to the Lannex complex is satisfied by several different mechanisms. These include:-

- a pipe feeding a waste stream containing tailings from the Samancor Chrome Lannex chrome mine process plant which, in the absence of the Lannex Complex, would have been discarded directly to the current TSF. Instead, the Lannex Complex retreats and recovers a portion of the chromite and PGE's from the waste stream and returns the tailings material to one of the existing Samancor Chrome tailings sites; and
- a hydromining and pipe system, operating adjacent to the Lannex Complex feeds material directly into the plant, after which, screening and processing is initiated.

The operation is atypical of a mineral resources sector project in that, by its very nature, the project relies on the historical and current production from a mineral asset which is under the jurisdiction of another entity, namely Samancor Chrome. As such, it essentially does not own the mineral resource that it treats. The value in the project is underpinned by the agreements with Samancor Chrome to process all historical dumps and future risings.

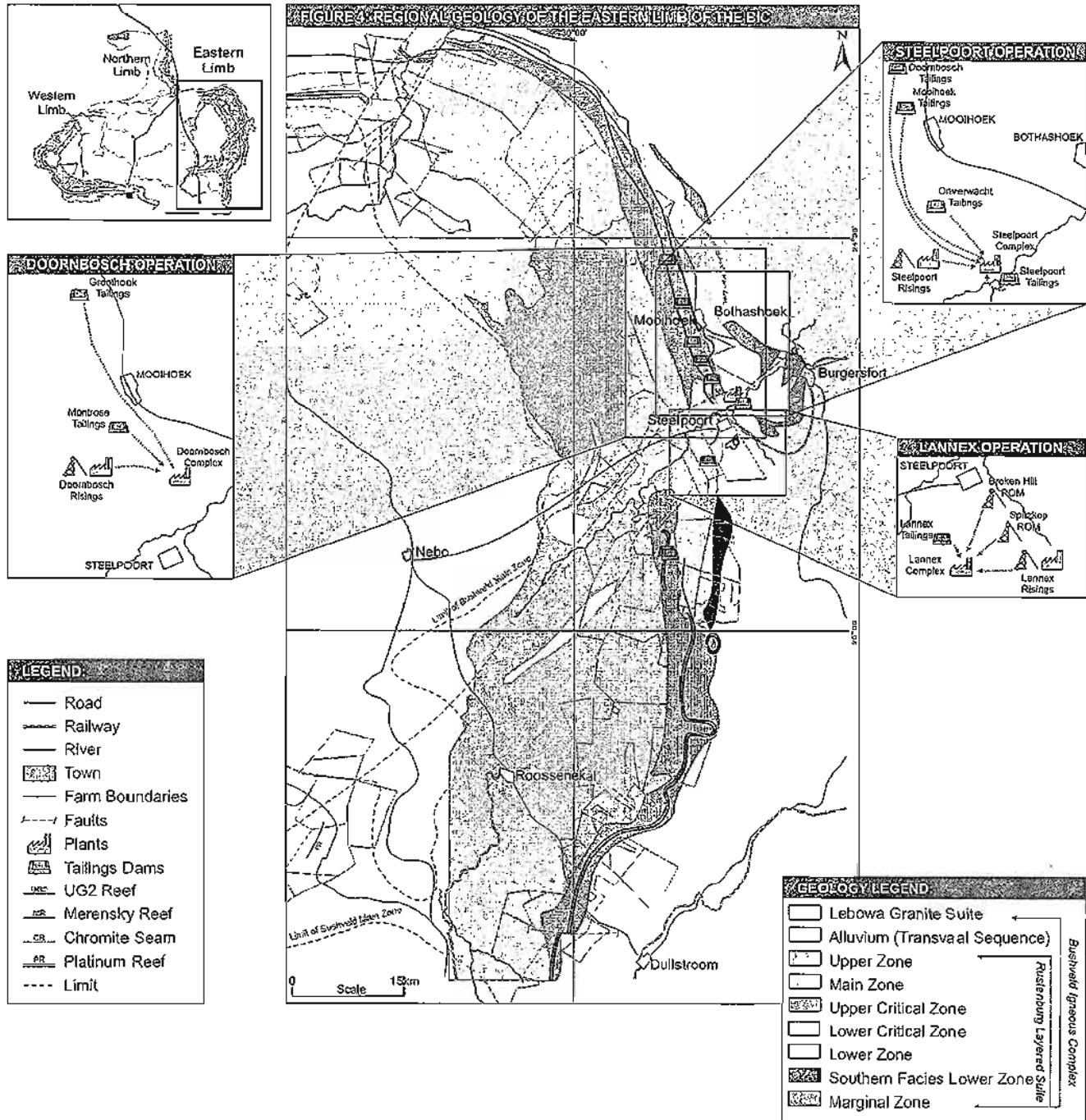
The basic flow sheet for Lannex is shown schematically in Figure 3.



INDEPENDENT METALLURGICAL STATEMENT FOR THE LANNEX COMPLEX as at 2nd December 2010



GEOLOGICAL SETTING



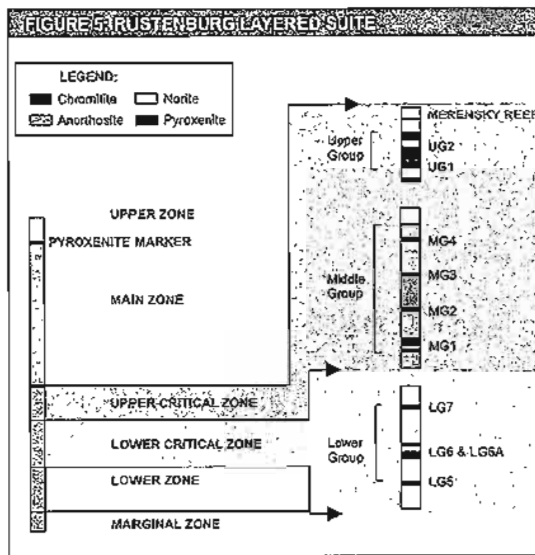
The BIC is a layered igneous intrusion located in South Africa spanning over 66,000km². The BIC contains some of the richest ore deposits in the world, including substantial resources of PGE's, including platinum, palladium, gold, osmium, iridium, rhodium, and ruthenium, together with chromium, titanium and vanadium. The BIC holds more than 80% of the world's resources of these minerals. The BIC is divided into an eastern, western and northern lobe formed around 2bn years ago. The fact that the mineral horizons outcrop almost entirely around the complex makes its accessibility unique. It is believed that multiple magma injections, coupled with differential crystallisation resulted in the layered nature of the lithology.

The simplified stratigraphy and nomenclature for the chromite seams of economic interest is shown in Figure 6.

Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed. These chromite seams form part of the BIC.

The PGE content of the chromite seams has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. It is the Sylvania CWP/PRP development that has revolutionised this thinking.

GEOLOGICAL SETTING (cont...)



HISTORY

Construction of the Lannex complex commenced in 2009 and the CWP was commissioned by March 2009 with ramp-up and steady state production achieved by end of June 2009. The PRP section was commissioned and completed ramp up by September 2009. The Lannex Complex represents the third facility constructed by Sylvania to honour the Samancor Service and Supply Agreement. Its design, as well as the previously built Millsell and Steelpoort complexes, were based upon the successful CTRP which pioneered the technology and concept.

However, ramp-up to full production was interrupted by the statutory delays in obtaining the water licence required to construct the new tailings dam. As a result, a decision was taken to reduce production at Lannex until such time as the new tailings dam was completed. The water licence has since been obtained. The design of the tailings dam has been approved and construction has commenced. Ramp-up to full production should be completed by March 2011.

MINERAL RESOURCES AND MINERAL RESERVES

The Lannex Complex is a standalone processing plant, supplied with tailings from the Lannex Mine. Consequently, the Lannex Complex does not own Mineral Resources or Mineral Reserves. The feedstock for processing is not a compliant Resource, nor is a classification required for Sylvania's purposes. However, the feedstock available to the complex is shown in Table 1:-

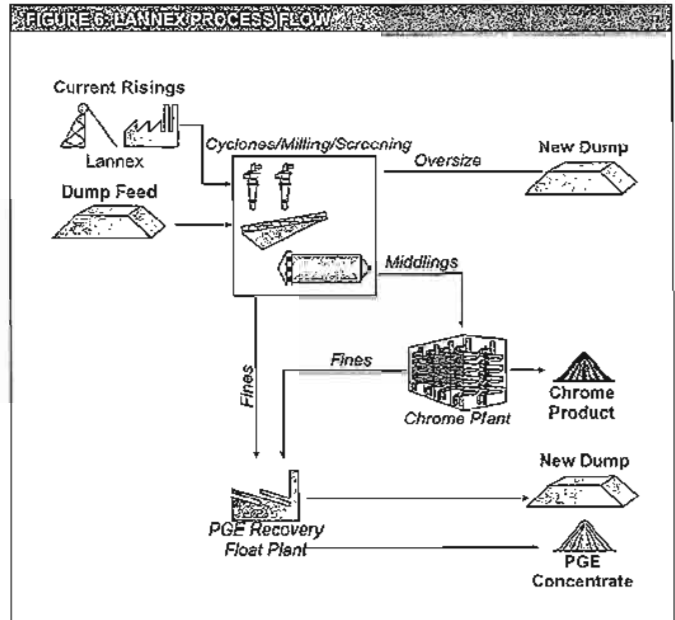
TABLE 1: FEED SOURCE ESTIMATES FOR SYLVANIA'S LANNEX COMPLEX AS AT 29th NOVEMBER 2010

PROCESSING PLANT SERVICED	OPERATIONS	TONNAGE (t)	GRADE (4PGEg/t)	CURRENT RISINGS (t/m)	CONTAINED PGE's (oz)
Lannex Complex	Lannex Risings	-	3.5	6,000	-
	Lannex Tailings Dam	1,179,915	3.0		113,807
	Broken Hill ROM*		1.4		
	Spitzkop ROM*		1.4		
TOTAL/AVERAGE FOR DUMPS		1,179,915	3.0	6,000	113,807

* Forms part of an additional 300,000tpa Samancor Chrome agreement.

Location

The Lannex Complex is located adjacent to the historical Samancor Chrome Lannex Chrome Mine and historical tailings dumps in the Mpumalanga Province, South Africa, 7km southwest of the town of Steelpoort along the R555 national highway.



Process Flow Description

The Lannex Complex can be described by the two functions it fulfils:-
 • a chrome tailing's re-treatment plant; and
 • a chrome tailing's PGE flotation plant.

Although these two circuits are linked by site and operation, they are considered by Sylvania as two separate processes. The reasoning behind this distinction is due to the roles the plants fulfil. The CWP satisfies the Samancor Chrome tailings, whilst the PRP provides a separate product and revenue stream for Sylvania in the form of PGE concentrate for its own account. Having said this, the two processes are integral to each other.

After screening, the CWP plant produces two tailings streams in addition to the 44% Cr₂O₃ chromite concentrate, namely, a PGE enriched fines and a low PGE coarse tailings stream. The fines are sent to the PGE recovery plant circuit while the coarse streams go directly to the appropriate tailings dams. Test work and experience from the CTRP plant indicated that PGE's are concentrated in the finer fractions at values that can be recovered to a saleable concentrate by conventional flotation methods.

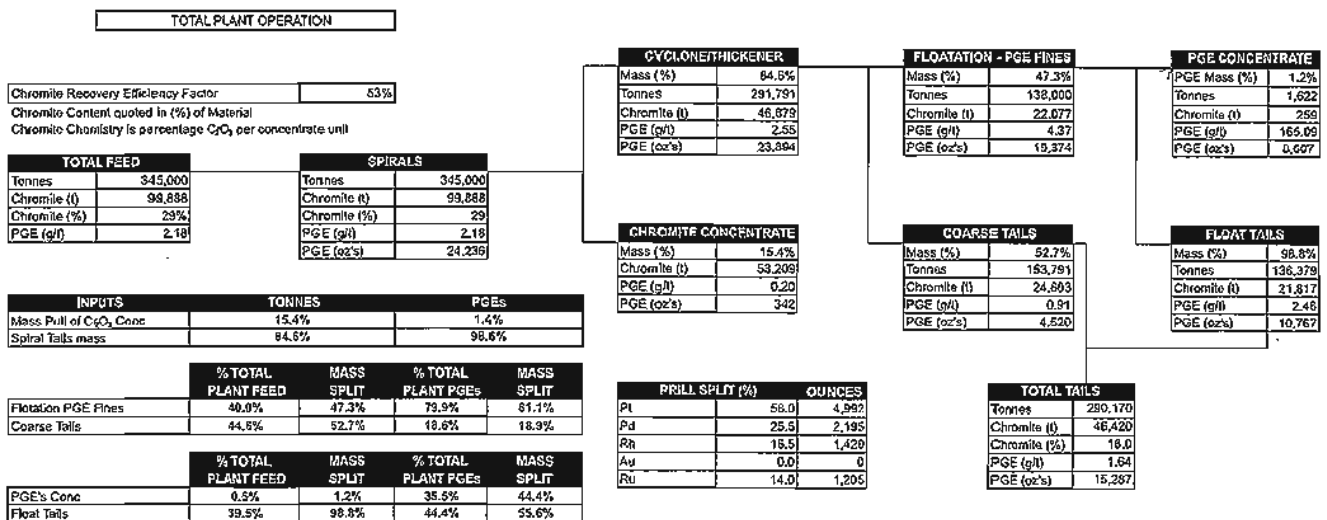
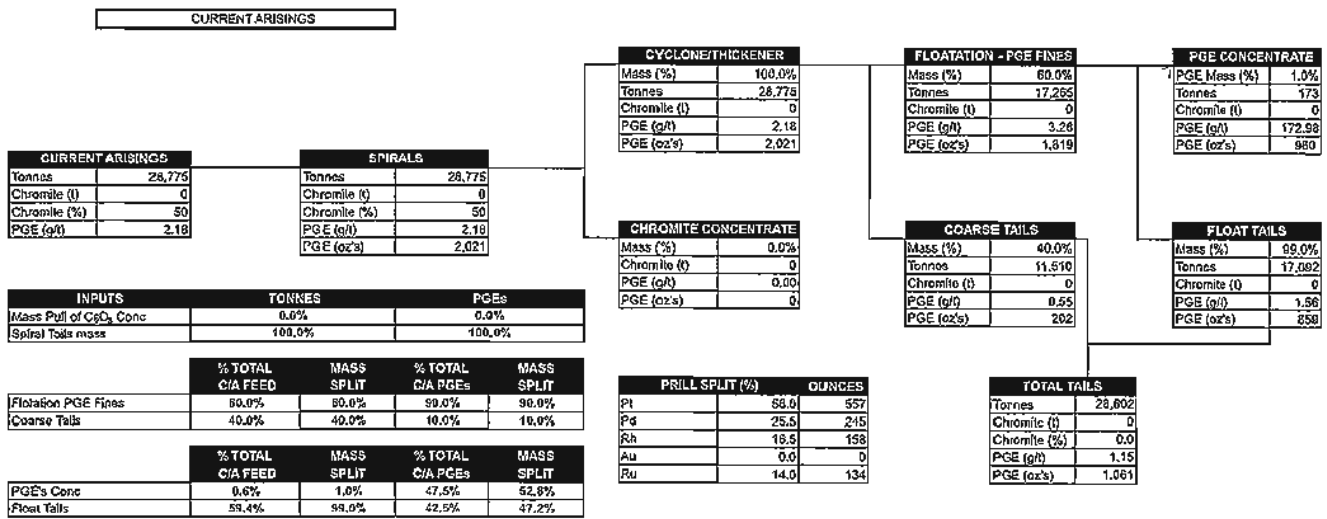
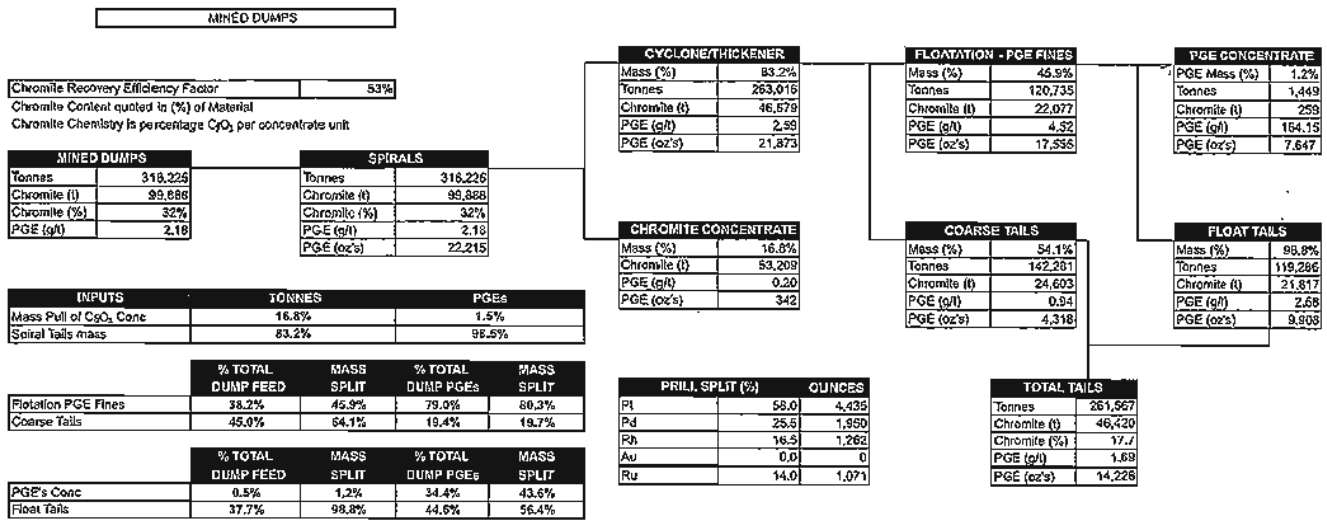
The CWP step of the flow sheet employs conventional technology and equipment such as pumps, cyclones, spiral concentrators, settling cones and hydrosizers. The fine and coarse tailings are split by a combination of cyclone and hydrosizer units. The coarse fraction is pumped directly to tails whilst the fine PGE rich fraction is thickened before being pumped to the PRP circuit.

The PRP step incorporates a surge tank which is fed from a thickener into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF which serves as feed stock for future production as existing recoveries vary from 40-45%, leaving a sufficient amount in the new tailings to warrant re-treatment at a later stage. Water is recovered for re-use before final deposition of tails on the TSF.

INDEPENDENT METALLURGICAL STATEMENT FOR THE LANNEX COMPLEX as at 2nd December 2010



The mass balance is shown below:-



The mass balance is an estimation representing the process flow.



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D917M_Sylvania 2010 Redomcilia Met Statement_Lannex.cdr

PAGE 5



CONTROL AND RECORD KEEPING

Metals accounting at the plants is undertaken at various stages during processing of the current risings and historical Samancor Chrome dump material. Depending on the type of sample taken and point within the process stream, these samples range from daily to monthly assays.

Modern instrumentation has been installed with various levels of sophistication so that the controlling and monitoring is performed by means of a direct supervisory control facility. These facilities are located in the main control room of the complex. Commands are given by human intervention through an operator interface i.e. personnel computer, linked to the central processing units.

PLANT OPERATION

The complex is operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. There are four crews who work a rotation of four days on and four days off.

MATERIAL AGREEMENTS Samancor Service and Supply Agreement

On 31st March 2006, Sylvania signed the Services and Supply Agreement (Agreement) with Samancor Chrome to retreat historical chrome tailings, current arisings at certain defined tailings dams and ROM from current mining activities. The Agreement was subsequently amended to also include ROM fines generated from certain defined mining activities. In the Addendums to the Agreement, other aspects were also addressed such as the duration of Agreement, which was extended to endure until the latest of:-

- the application of the services to all the base materials contained in the tailings dams, current arisings and ROM;
- five years have passed as from the effective date; and
- such time as the Agreement is terminated in accordance with its terms.

Other key aspects include:-

- Sylvania has agreed to build CWP's to process both historical chrome tailings and current arisings to recover a chromite product for delivery to Samancor Chrome;
- after the chromite washing phase, Sylvania has the right to treat resultant final tails to recover PGEs and sell it for its own account;
- Sylvania has undertaken to Samancor Chrome that it will ensure that its operation entities will be compliant with the terms of the BBBEE Act No 53 of 2002, this requirement has been waived by Samancor;
- it is also contracted that the provisions of services such as water for the CWP shall be for the Samancor Chrome account; and
- provision for services for the PRP, will either be supplied by Samancor Chrome at an agreed price by both parties, or alternatively supplied directly by the local service provider.

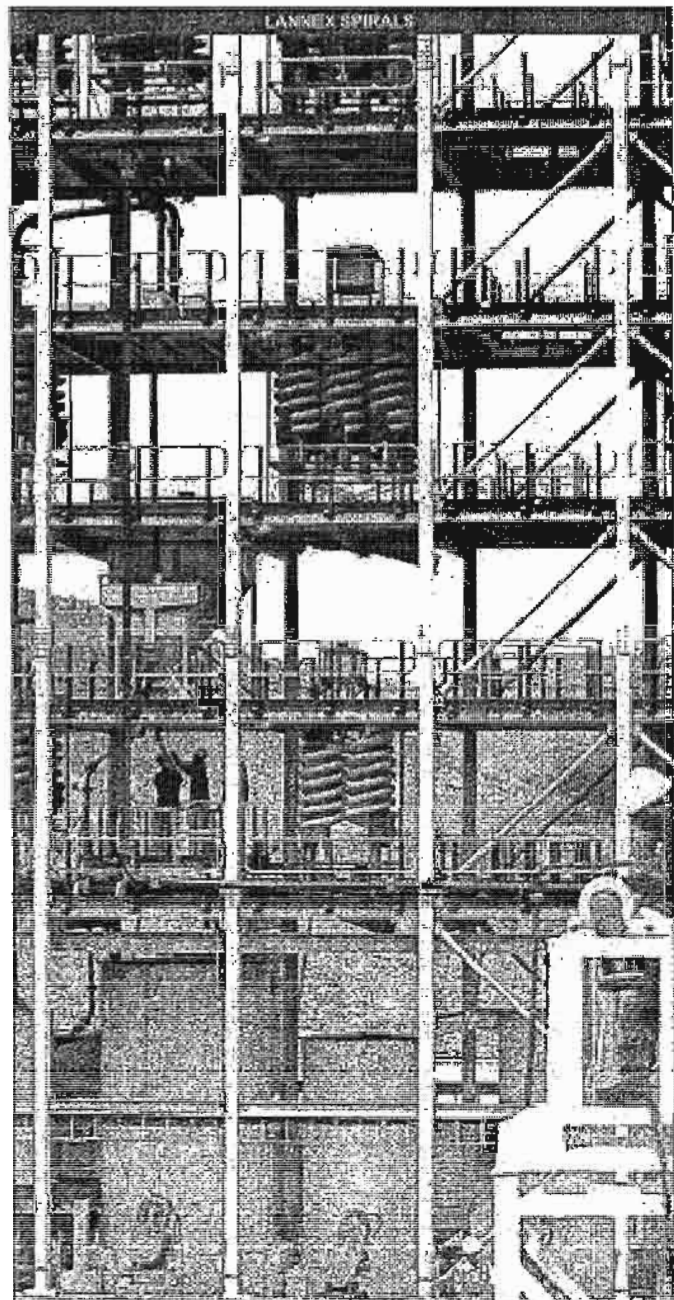
It has been estimated by the management of Sylvania SA that it should take just under 5 years to complete the first pass treatment of the historical chrome dumps covered by the agreement, but the treatment of current risings and second pass re-treatment are anticipated to continue for LOM. The Samancor Agreement does not contain any change of control provisions. However, should there be a change of control in Samancor Chrome, Sylvania has obtained additional rights with regards to the PGE's in Samancor Chrome's tailings. As a consequence, Sylvania's rights to the PGE's are secure.

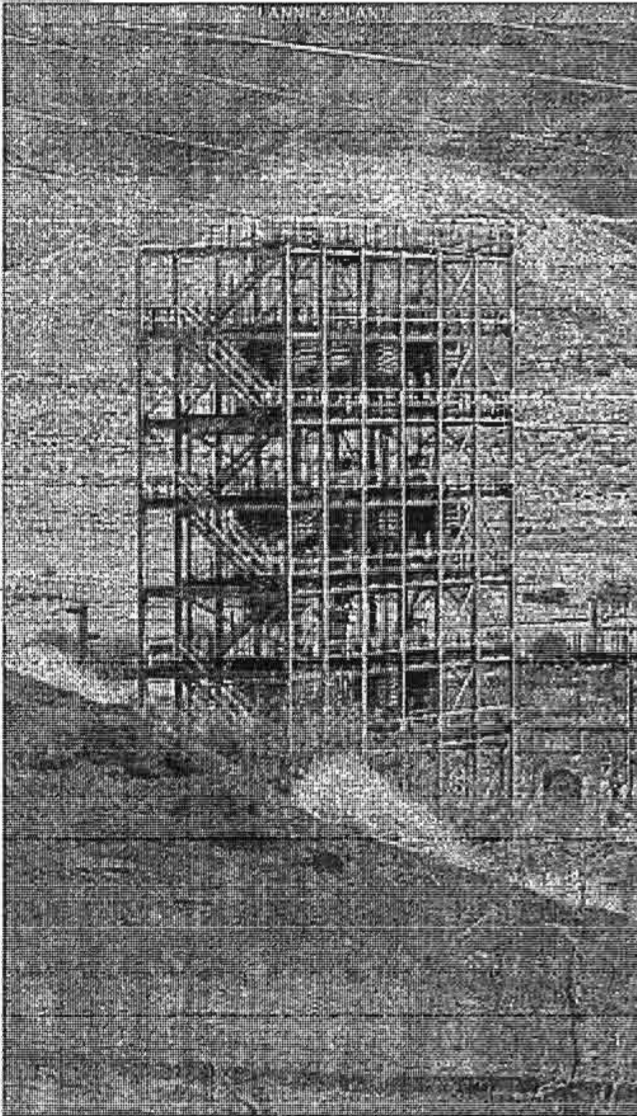
A subsequent agreement to those already signed by Sylvania and Samancor Chrome provides for the additional service of primary chrome

washing treatment of 300,000tpa direct ROM ore from three more Samancor Chrome mines. Additional feed is already derived from Moolinooi and Buffelsfontein mines for the Moolinooi Complex. Spitzkop and Broken Hill mines in the eastern BIC will report to the nearest Sylvania complexes. As a consequence of recent shareholder events, and as per the announcement on the 29th September 2010, a third addendum was signed to the Agreement.

Off-Take Agreements

Sylvania has entered into several contracts for the sale of PGE flotation concentrates with Anglo Platinum and Impala Platinum and off-take marketing agreements do exist between Sylvania and the larger PGE producers. The vision for the Sylvania initiative is that a DC furnace may, in future, be used as a PGE smelter to treat a lower grade PGE concentrate from Sylvania's Northern Limb Platreef Resources with which Sylvania can sell a further beneficiated product in years to come.





The financial provision determined for rehabilitation and set aside by Sylvania for Lannex is currently valued at approximately ZAR4,505,000.

HISTORIC PRODUCTION

Whilst historical production figures for the Lannex Complex are available, these are not fully representative of the future production plan and are not presented here.

Due to the modular construction strategy and the experience gained from the construction and operation of previous near identical complexes, construction, ramp up and commissioning was completed during the first year of operation (2009). The CWP is already fully operational as is the PRP but operating at reduced capacity.

Future chromite concentrate production is likely to be significantly less once all historical dumps and current risings have been depleted. The reason for this is that only the historical dumps and current risings have a high enough chromite content to allow for successful re-treatment, consequently, material which has already made one pass through the CWP will yield lower chromite tonnages in future. However, the PGE material is considered to still be viably re-treatable despite the fact that it has already made one pass of the PRP circuit and will have a lower head grade.

SOURCES OF INFORMATION

Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2010;
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 3rd August 2009, relevant knowledge was obtained on the complex.

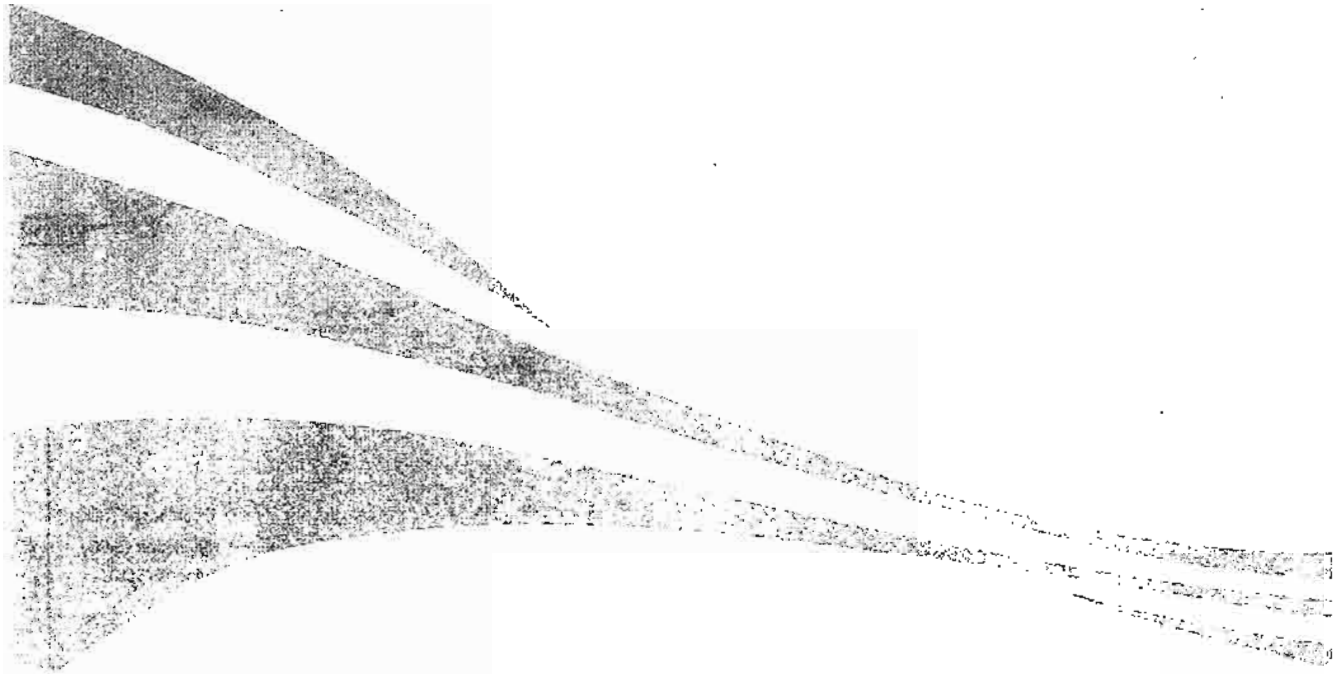
ENVIRONMENTAL CONSIDERATIONS The Lannex Complex is the subject of four environmental authorisation processes, as per the Mineral and Petroleum Resources Development Act (MPRDA; Act 28 of 2002)

The existing EMPR for each operation is held by the mineral rights holder, Samancor. Sylvania compiled and submitted all the EMPR amendments required, on Samancor's behalf, to construct and operate the various SDOs. Sylvania has informed Venmyn that all amendments to relevant EMPRs have been submitted to, and approved by the regulatory bodies with the exception of the Doombosch Operation, which has been submitted. Samancor, being a private company, is not obliged to present Venmyn or its associates with the supporting documentation that would normally constitute an independent due diligence on the environmental considerations.

Venmyn and its associates have relied upon information provided by Sylvania relating to the environmental consideration of the SDOs. These have not been verified by Venmyn, nor are Venmyn qualified to do so.

The responsible party, regarding contraventions and non-compliance for the complex is dependent on an agreement between both Samancor and Sylvania.

STEELPOORT COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE STEELPOORT COMPLEX

as at 2nd December 2010

Prepared in the format of a short form SAMREC compliant Technical Statement

- IN THIS DOCUMENT:**
- Key Features
 - Introduction
 - Geological Setting
 - History
 - Mineral Resources and Mineral Reserves
 - Mineral Processing Plant
 - Control and Record Keeping

- Plant Operation
- Material Agreements
- Environmental Considerations
- Historic Production
- Sources of Information



In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol.), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director, Venmyn.
Key Technical Personnel:	Mr. Richard Taylor, B.Sc. Hons (Geol.), MGSSA. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpaai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Iaan Myburgh, B.Sc. (Maths).
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Persons Report for AIM.
Sources of information:	Information was supplied to Venmyn by Sylvania, including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal Inspection:	A site visit to the Steelport Complex facility was undertaken on the 5 th November 2010 by the project team representatives.
Location:	The facility is located 5km north of the town of Steelport, on the Mpumalanga/Limpopo province border in South Africa, several kilometres from the major national R555 route (see Figure 1).
Infrastructure and Accessibility:	Access to the site is via a tarred road connected directly to the major national R555 route to the southeast. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current risings from chromite washing plants has been incorporated into a business combination with Samancor Chrome. A controlling interest in Samancor Chrome is held by International Mineral Resources (IMR). IMR is active in the mining of chromite and the production and marketing of ferroalloys.
Process Plant Characteristics:	Prill Split: Pt = 53.0%; Pd = 32.0%; Rh = 15.0%; and Au = 0.0%. Fully operational since 2007.

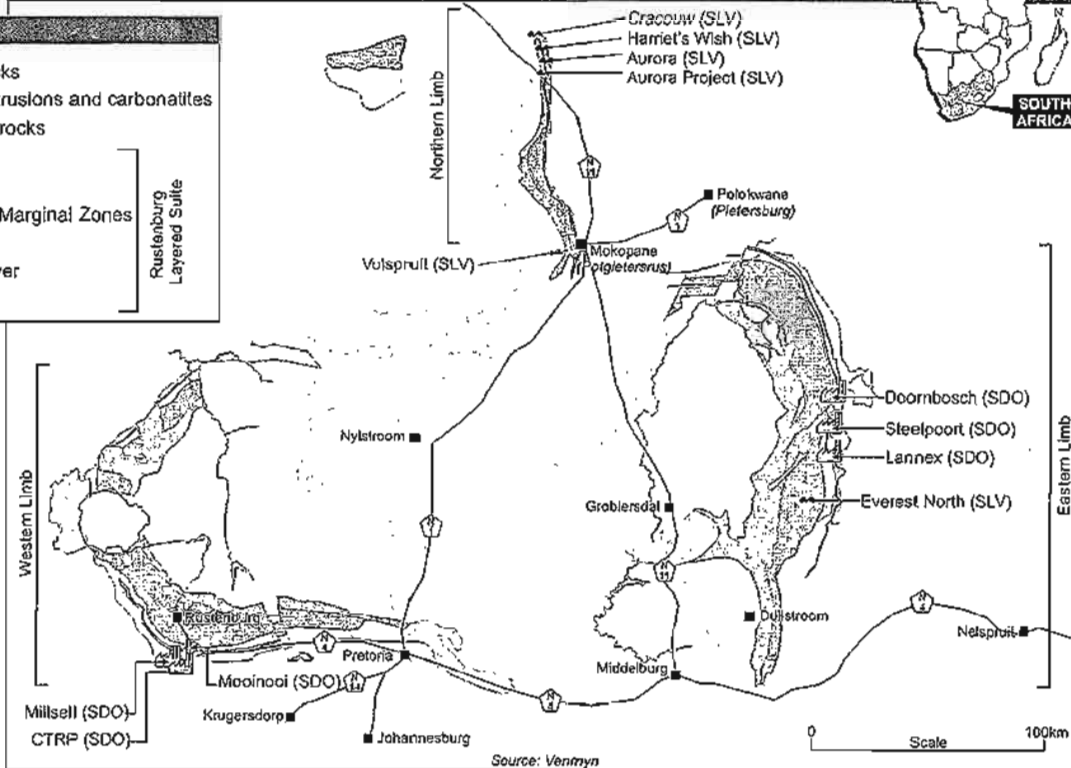


FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX

LEGEND

- Younger Cover Rocks
- Younger alkaline intrusions and carbonatites
- Granites and allied rocks
- Upper Zone
- Main Zone
- Critical, Lower and Marginal Zones
- Merensky Reef
- UG2 Chromitite Layer
- Platreef

Rustenburg Layered Suite



LEGEND

- Main Roads
- Main Rivers
- Operating Sylvania Complexes
- SLV - Sylvania
- SDO - Sylvania Dumps Operations

Source: Venmyn

Scale 100km

INTRODUCTION

The Steelport Complex recovers two separate concentrates from the historical tailings. Firstly, chromite concentrate with a 44% Cr₂O₃ content and secondly, a PGE concentrate. The feed sources for the Steelport Complex are the Old Steelport and Old Doornbosch tailings dams, as well as the current risings from the Samancor Chrome Steelport Plant. In addition to these feed sources, the historical Samancor Chrome Onverwacht and Mooihoek tailings dumps also contribute source material for re-treatment to the Steelport Complex. The portion of the Old Steelport tailings dam that has almost been completely re-treated has been deposited and renamed the New Steelport tailings dam. This new dam will be re-treated in future and provides a further feed source as recoveries from the first re-treatment process economically justify a second throughput.

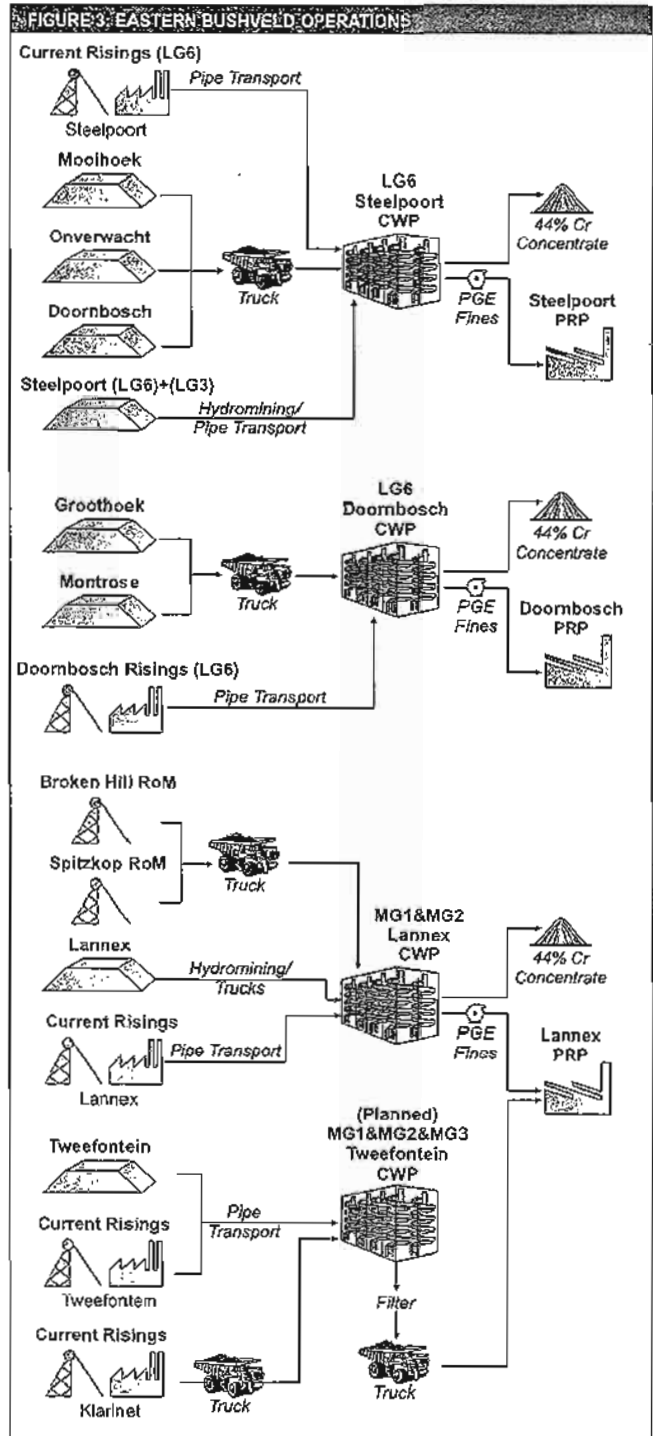
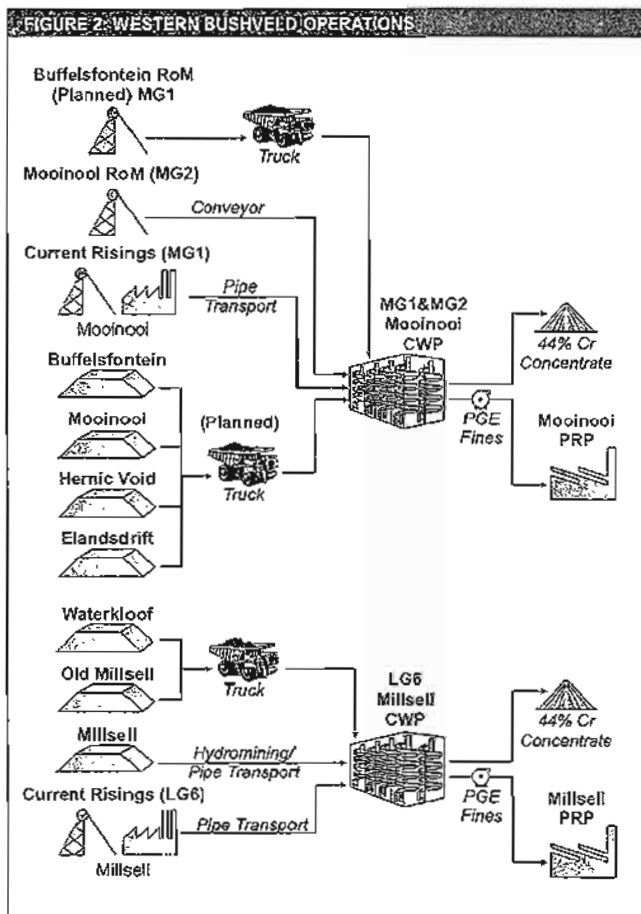
The feed to the Steelport Complex is satisfied by several different mechanisms. These include:-

- a pipe feeding a waste stream containing tailings from the Samancor Chrome Steelport Plant which, in the absence of the Steelport Complex, would have been discarded directly to the current tailings storage facility (TSF). Instead, the Steelport Complex retreats and recovers a portion of the chromite and PGE's from the waste stream and returns the tailings material to one of the existing Samancor Chrome tailings sites;
- a hydromining and pipe system, operating adjacent to the Steelport Complex feeds material directly into plant, after which, screening and processing is initiated; and
- a road haulage scheme whereby back-loaded trucks carry mined dump material from the historic Onverwacht and Mooihoek tailings

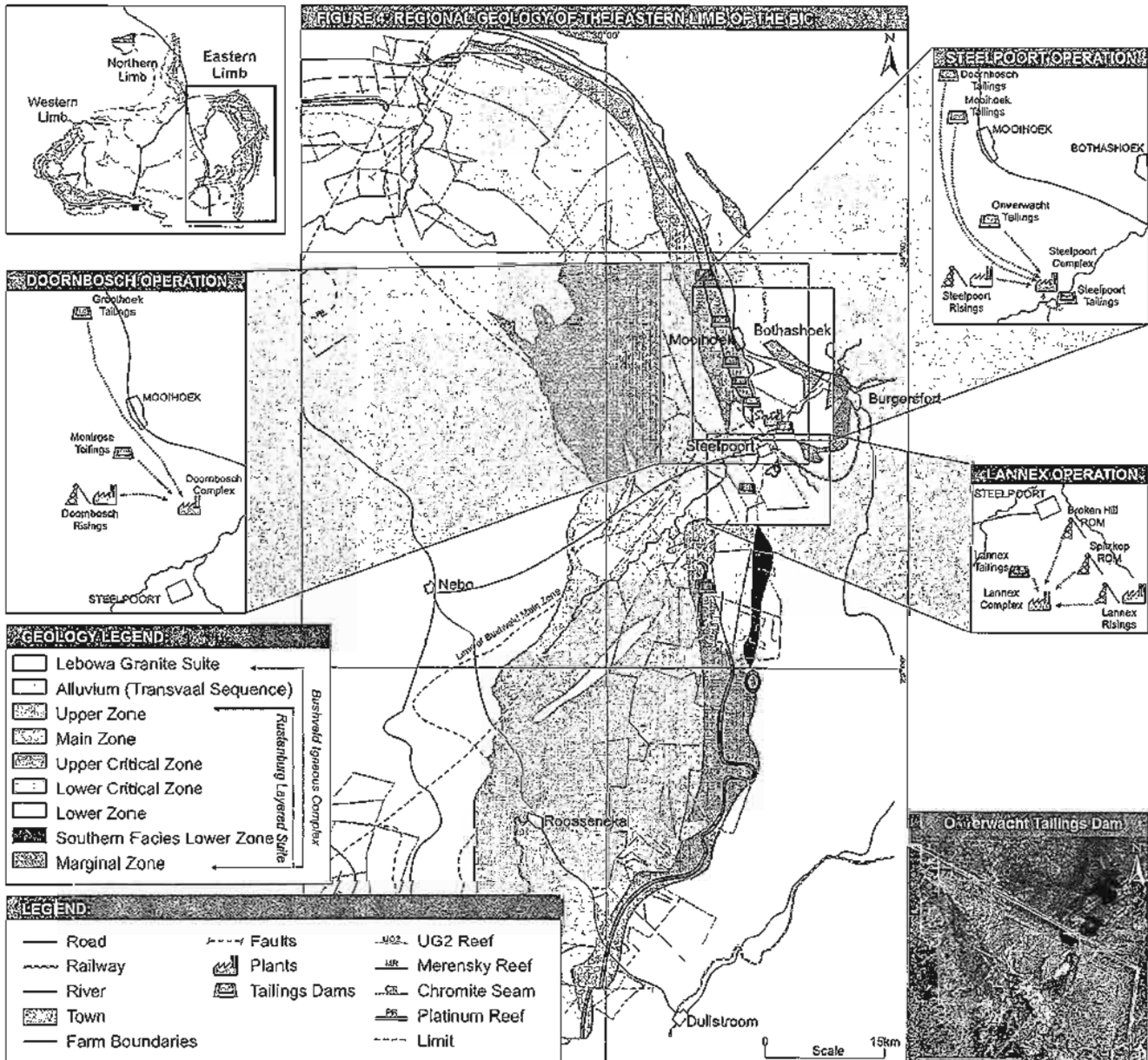
dumps. This material is also fed into the feed bins along with the scraper material.

The operation is atypical of a mineral resources sector project in that, by its very nature, the project relies on the historical and current production from a mineral asset which is under the jurisdiction of another entity, namely Samancor Chrome. As such, it essentially does not own the mineral resource that it treats. The value in the project is underpinned by the agreements with Samancor Chrome to process all historical dumps and future risings.

The basic flow sheet for Steelport is shown schematically in Figure 3.



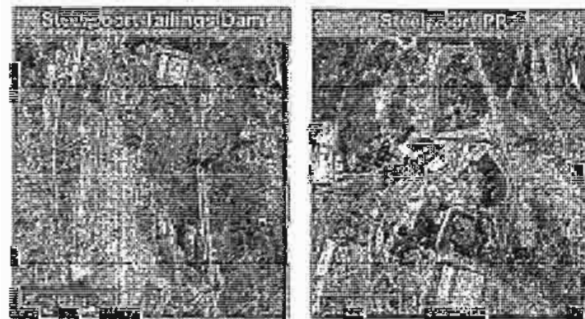
GEOLOGICAL SETTING



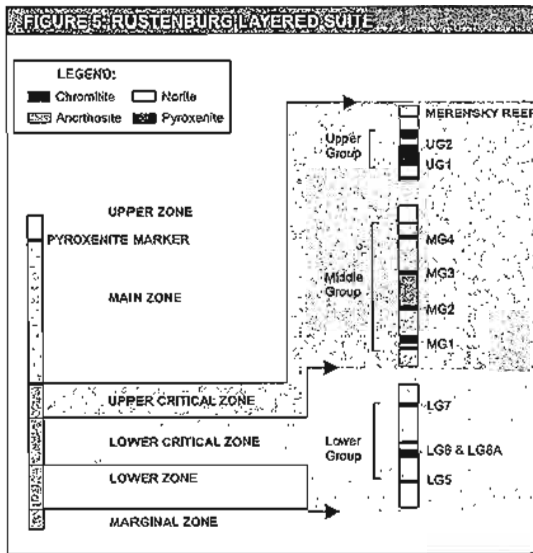
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Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed. These chromite seams form part of the BIC.

The PGE content of the chromite reefs has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. It is the Sylvania CWP/PRP development that has revolutionised this thinking.



GEOLOGICAL SETTING (cont...)



HISTORY

Construction of the Steelpoort Complex commenced in early 2007 and the CWP was successfully commissioned and commenced operations by April 2007. Ramp up for the CWP was completed by the end of the financial year June 2007. The PRP section was constructed by May that same year, with commissioning and ramp up completed in the first quarter of the next financial year, July 2007. The Steelpoort Complex represents the second facility constructed by Sylvania to honour the Samancor Chrome Agreement. Its design, as well as the previously built Millsell Complex, were based upon the successful CTRP which pioneered the technology and concept.

MINERAL RESOURCES AND MINERAL RESERVES

The Steelpoort Complex is a standalone processing plant, supplied with tailings from the Samancor Chrome Onwerwacht, Mooihoek, New Steelpoort and Old Steelpoort chrome tailings dumps as well as current risings from Samancor Chrome's Steelpoort Plant. Consequently, the Steelpoort Complex does not own Mineral Resources or Mineral Reserves. The feedstock for processing is not a compliant Resource, nor is a classification required for Sylvania's purposes. However, the feedstock available to the complex is shown in Table 1:-

PROCESSING PLANT SERVICED	OPERATIONS	TONNAGE (t)	GRADE (4PGEg/t)	CURRENT RISINGS (t/m)	CONTAINED PGE's (oz)
Steelpoort Complex	Steelpoort Risings	-	3.5	4,500	-
	New Steelpoort Tailings Dam	388,026	2.0	-	25,082
	Old Doornbosch Tailings Dam	41,814	9.1	-	12,146
	Onwerwacht Tailings Dam	12,215	9.4	-	3,682
	Mooihoek Tailings Dam	7,776	5.0	-	1,250
TOTAL/AVERAGE FOR DUMPS		459,531	2.9	4,500	42,170

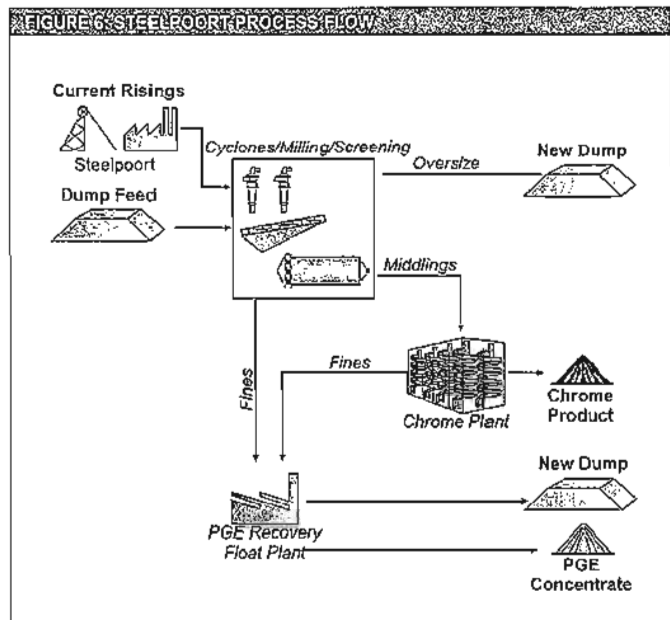
MINERAL PROCESSING PLANT

Location

The Steelpoort Complex facility is located 5km north of the town of Steelpoort, on the Mpumalanga/Limpopo province border in South Africa, several kilometres from the major national R555 route. Access to the site is via a tarred road connected directly to the major national R555 route to the southeast.

Process Flow Description

The Steelpoort Complex can be described by the two functions it fulfils:-



-a chrome tailings PGE flotation plant.

The process flow is shown in Figure 6:

Although these two circuits are linked by site and operation, they are considered by Sylvania as two separate plants. The reasoning behind this distinction is due to the roles the plants fulfil. The CWP satisfies the Samancor Chrome tailings, whilst the PRP provides a separate product and revenue stream for Sylvania in the form of PGE concentrate for its own account. Having said this, the two processes are integral to each other.

After screening, the CWP plant produces two tailings streams in addition to the 44% Cr₂O₃ chromite concentrate, namely, a PGE enriched fines and a low PGE coarse tailings stream. The fines are sent to the PGE recovery plant circuit while the coarse streams go directly to the appropriate tailings dams. Test work and experience from the CTRP plant indicated that PGE's are concentrated in the finer fractions at values that can be recovered to a saleable concentrate by conventional flotation methods.

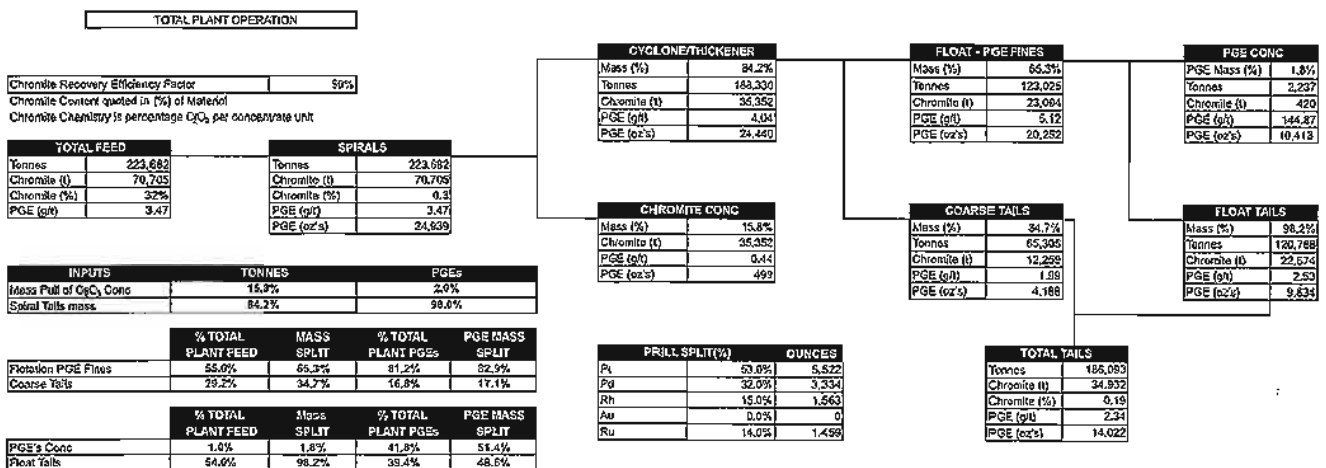
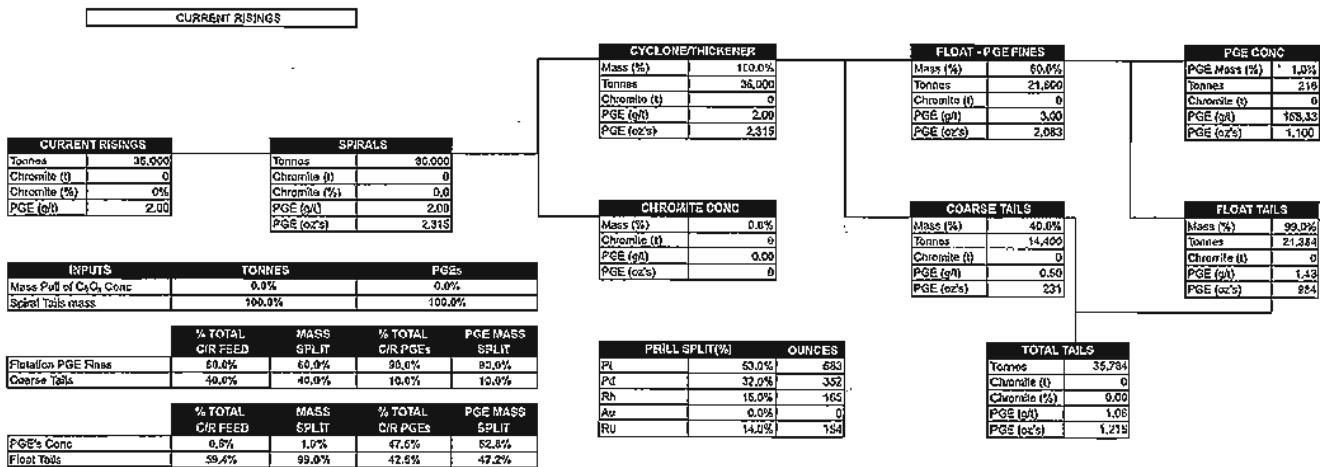
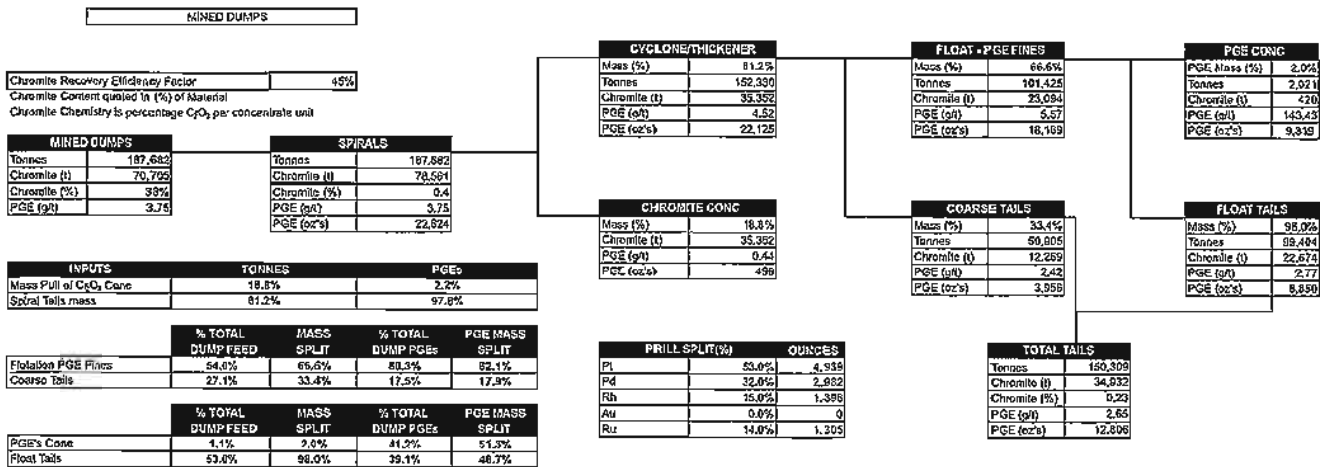
The CWP step of the flow sheet employs conventional technology and equipment such as pumps, cyclones, spiral concentrators, settling cones and hydrosizers. The fine and coarse tailings are split by a combination of cyclone and hydrosizer units. The coarse fraction is pumped directly to tails whilst the fine PGE rich fraction is thickened before being pumped to the PRP circuit.

The PRP step incorporates a surge tank which is fed from a thickener into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF which serves as feed stock for future production as existing recoveries vary from 45-50%, leaving a sufficient amount in the new tailings to warrant re-treatment at a later stage. Water is recovered for re-use before final deposition of tails on the TSF. The PGE concentrate grade represented in the mass balance is often greater than the dispatch grade, as silicon is often added to reduce the Cr grade.

INDEPENDENT METALLURGICAL STATEMENT FOR THE STEELPOORT COMPLEX as at 2nd December 2010



The mass balance is shown below: -



The mass balance is an estimation representing the process flow.

CONTROL AND RECORD KEEPING

Metal accounting at the plants is undertaken at various stages during processing of the current risings and historical Samancor Chrome dump material. Depending on the type of sample taken and point within the process stream, these samples range from daily to monthly assays.

Modern instrumentation has been installed with various levels of sophistication so that the controlling and monitoring is performed by means of a direct supervisory control facility. These facilities are located in the main control room of the complex. Commands are given by human intervention through an operator interface i.e. personnel computer, linked to the central processing units.

PLANT OPERATION

The complex is operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. There are four crews who work a rotation of four days on and four days off. Initially the biggest down time was associated with Samancor Chrome stopping for maintenance which meant the CWP couldn't re-treat tails. This has since been resolved.

MATERIAL AGREEMENTS

Samancor Service and Supply Agreement

On 31st March 2006, Sylvania signed the Services and Supply Agreement (Agreement) with Samancor Chrome to retreat historical chrome tailings, current arisings at certain defined tailings dams and ROM from current mining activities. The Agreement was subsequently amended to also include ROM fines generated from certain defined mining activities. In the Addendums to the Agreement, other aspects were also addressed such as the duration of Agreement, which was extended to endure until the latest of:-

- the application of the services to all the base materials contained in the tailings dams, current arisings and ROM;
- five years have passed as from the effective date; and
- such time as the Agreement is terminated in accordance with its terms.

Other key aspects include:-

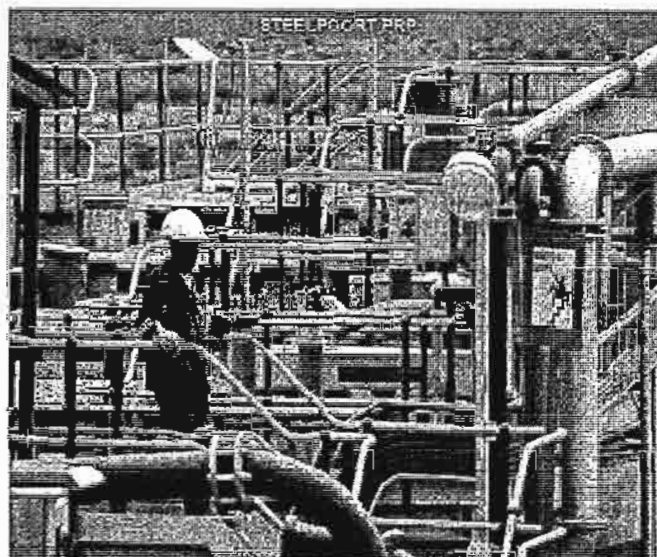
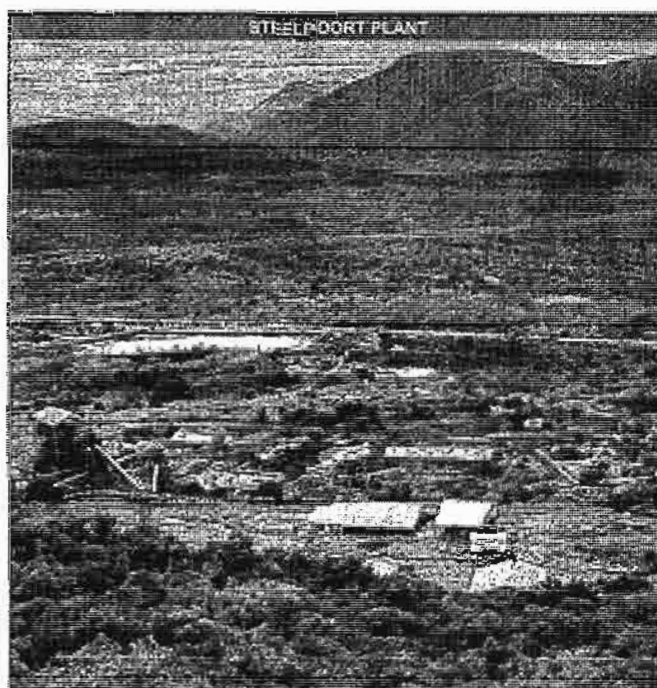
- Sylvania has agreed to build CWPs to process both historical chrome tailings and current arisings to recover a chromite product for delivery to Samancor Chrome;
- after the chromite washing phase, Sylvania has the right to treat resultant final tails to recover PGEs and sell it for its own account;
- Sylvania has undertaken to Samancor Chrome that it will ensure that its operation entities will be compliant with the terms of the BBBEE Act No 53 of 2002, this requirement has been waived by Samancor;
- it is also contracted that the provisions of services such as water for the CWP shall be for the Samancor Chrome account; and
- provision for services for the PRP, will either be supplied by Samancor Chrome at an agreed price by both parties, or alternatively supplied directly by the local service provider.

It has been estimated by the management of Sylvania SA that it should take just under 5 years to complete the first pass treatment of the historical chrome dumps covered by the agreement, but the treatment of current risings and second pass re-treatment are anticipated to continue for LOM. The Samancor Agreement does not contain any change of control provisions. However, should there be a change of control in Samancor Chrome, Sylvania has obtained additional rights with regards to the PGE's in Samancor Chrome's tailings. As a consequence, Sylvania's rights to the PGE's are secure.

A subsequent agreement to those already signed by Sylvania and Samancor Chrome provides for the additional service of primary chrome washing treatment of 300,000tpa direct ROM ore from three more Samancor Chrome mines. Additional feed is already derived from Moolinooi and Buffelsfontein mines for the Moolinooi Complex. Spitzkop and Broken Hill mines in the eastern BIC will report to the nearest Sylvania complexes. As a consequence of recent shareholder events, and as per the announcement on the 29th September 2010, a third addendum was signed to the Agreement.

Off-Take Agreements

Sylvania has entered into several contracts for the sale of PGE flotation concentrates with Anglo Platinum and Impala Platinum and off-take marketing agreements do exist between Sylvania and the larger PGE producers. The vision for the Sylvania Initiative is that a DC furnace may, in future, be used as a PGE smelter to treat a lower grade PGE concentrate from Sylvania's Northern Limb Platreef Resources with which Sylvania can sell a further beneficiated product in years to come.





HISTORIC PRODUCTION

The Steelport Complex has been operating at steady state since the 2007 financial year apart from stoppages. Steelport was designed to process 37,000tpm of combined dump material and current risings.

Due to the modular construction strategy and the experience gained from the construction and operation of previous near identical complexes, construction, ramp up and commissioning was planned to be completed within the first year of operation which in this case was year 2007, which included both 2007 and 2008 financial years. The CWP is already fully operational as is the PRP.

Future chromite concentrate production is likely to be significantly less once all historical dumps and current risings have been depleted. The reason for this is that only the historical dumps and current risings have a high enough chromite content to allow for successful re-treatment, consequently, material which has already made one pass through the CWP will yield lower chromite tonnages in future. However, the PGE material is considered to still be viably re-treatable despite the fact that it has already made one pass of the PRP circuit but it will have a lower head grade.

SOURCES OF INFORMATION

Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2010;
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 5th November 2010, relevant knowledge was obtained on the complex.

ENVIRONMENTAL CONSIDERATIONS

The Steelport Complex is the subject of two authorisation processes, as per the Mineral and Petroleum Resources Development Act (MPRDA; Act 28 of 2002)

The existing EMPR for each operation is held by the mineral rights holder, Samancor. Sylvania compiled and submitted all the EMPR amendments required, on Samancor's behalf, to construct and operate the various SDOs. Sylvania has informed Venmyn that all amendments to relevant EMPRs have been submitted to, and approved by the regulatory bodies with the exception of the Doombosch Operation, which has been submitted. Samancor, being a private company, is not obliged to present Venmyn or its associates with the supporting documentation that would normally constitute an independent due diligence on the environmental considerations.

Venmyn and its associates have relied upon information provided by Sylvania relating to the environmental consideration of the SDOs. These have not been verified by Venmyn, nor are Venmyn qualified to do so.

The responsible party, regarding contraventions and non-compliance for the complex is dependent on an agreement between both Samancor and Sylvania.

The financial provision determined for rehabilitation and set aside by Sylvania for Steelport is currently valued at approximately ZAR228,000.

MOOINOOI COMPLEX

MOOINOOI COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE MOOINOOL COMPLEX as at 2nd December 2010

Prepared in the format of a short form SAMREC
compliant Technical Statement.

- IN THIS DOCUMENT**
- Key Features
 - Introduction
 - Geological Setting
 - History
 - Mineral Resources and Mineral Reserves
 - Mineral Processing Plant
 - Control and Record Keeping

- Plant Operation
- Material Agreements
- Environmental Considerations
- Historic Production
- Sources of Information

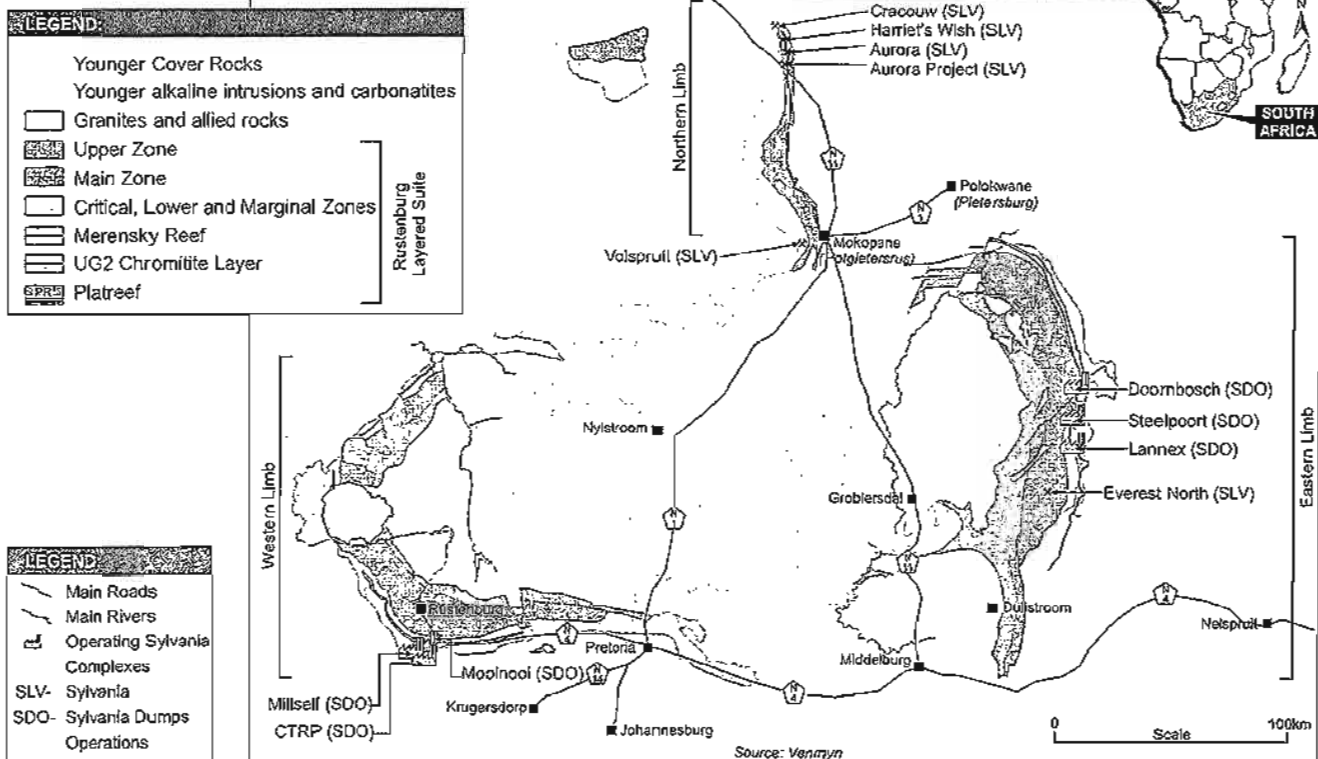


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol.), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOO, AAPG, CIMMP, Managing Director, Venmyn.
Key Technical Personnel:	Mr. Richard Taylor, B.Sc. Hons (Geol.), MGSSA. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpaï Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Iaan Myburgh, B.Sc. (Maths).
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Person's Report for AIM.
Sources of information:	Information was supplied to Venmyn by Sylvania including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal inspection:	A site visit to the Mooinool Complex facility was undertaken on the 5 th November 2010 by the project team representatives.
Location:	The facility is located 30km east of the town of Rustenburg, in the North West Province, South Africa (see Figure 1).
Infrastructure and Accessibility:	Access to the site is via a 3km tarred road connected directly to the major national N4 route to the south. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current risings from chromite washing plants has been incorporated into a business combination with Samancor Chrome. A controlling interest in Samancor Chrome is held by International Mineral Resources (IMR). IMR is active in the mining of chromite and the production and marketing of ferroalloys.
Process Plant Characteristics:	Prill Split: Pt = 61.0%; Pd = 26.5%; Rh = 12.0%; and Au = 0.5%. Full operational since December 2009.

FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



INTRODUCTION

The Moonooi Complex recovers two separate concentrates from the Samancor Chrome historical dumps, current risings and ROM. Firstly, chromite concentrate with a 44% Cr₂O₃ concentrate, and secondly a PGE concentrate. The original agreement with Samancor was for the retreatment of MG1 and MG2 current plant risings and historical dump material. Subsequent arrangements have since split this feed with the MG1 ROM reporting to Samancor as before but the MG2 ROM will report to a new crushing plant to produce lumpy. Operation is now full ROM and expansion plans are being evaluated for possible further expansions later. The phased approach to the Moonooi Complex is described as:-

- Phase 1: Moonooi Mine ROM (MG1 and MG2) reports to Samancor plant with the resultant current risings and previous dump material reporting to Sylvania's Moonooi Complex;
- Phase 2: a ROM plant was constructed by Samancor to produce lumpy and fines for the Sylvania Moonooi Complex. The MG1 ROM reported to Samancor as before with the resultant current risings reporting to the Moonooi Complex, but the MG2 ROM reported to the newly constructed ROM plant to crush and produce fines for the Moonooi Complex and a lumpy product for Samancor;
- Phase 3: in the current phase, a DMS, being constructed by Samancor, will remove waste lumpy from the MG2 ROM and separate the ore which will be fed into an expanded crushing and screening plant, built by Sylvania and fed into the Moonooi Complex. This MG2 ROM will displace all historical dump material and is planned to be fully commissioned by March 2011; and
- Phase 4: the next planned phase will encompass the Sylvania plant being expanded to accommodate the dump material. Capacity calculations are being undertaken. A second mill will be installed and commissioned by December 2010. (Figure 7)

The Buffelsfontein Mine MG2 will also be fed to the Samancor Moonooi new ROM plant so that more feed to the Sylvania Moonooi Complex will be generated. Sylvania is encouraging the movement to fresh ore as recoveries of the PGEs are higher. This process represents the scoping brief of the expansion engineering program in the eastern chrome mines and in particular for Tweefontein.

The operation is atypical of a mineral resources sector project in that, by its very nature, the project relies on the historical and current production from a mineral asset which is under the jurisdiction of another entity, namely Samancor Chrome. As such, it essentially does not own the mineral resource that it treats. The value in the project is underpinned by the agreements with Samancor Chrome to process all historical dumps and future risings. The basic flow sheet is shown schematically in Figure 2.

FIGURE 2: WESTERN BUSHVELD OPERATIONS

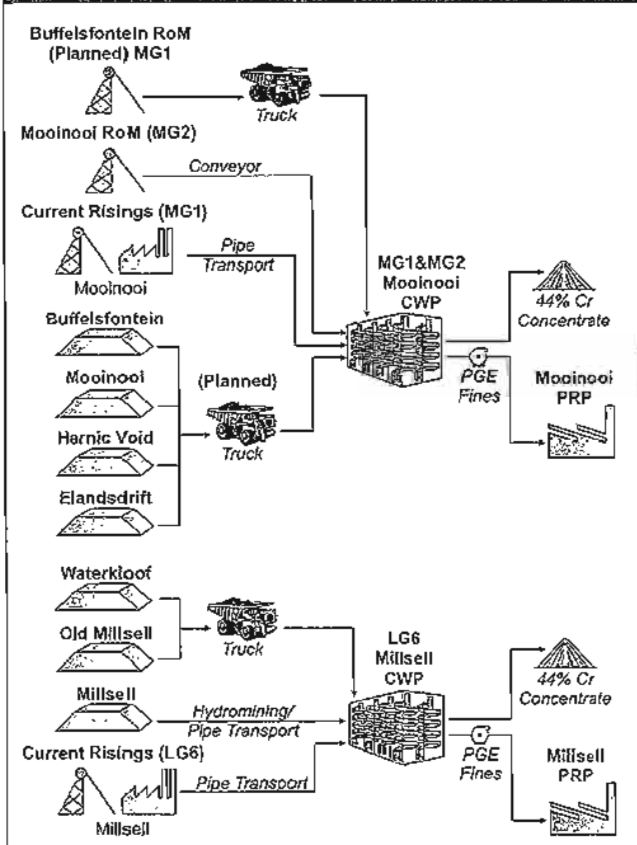
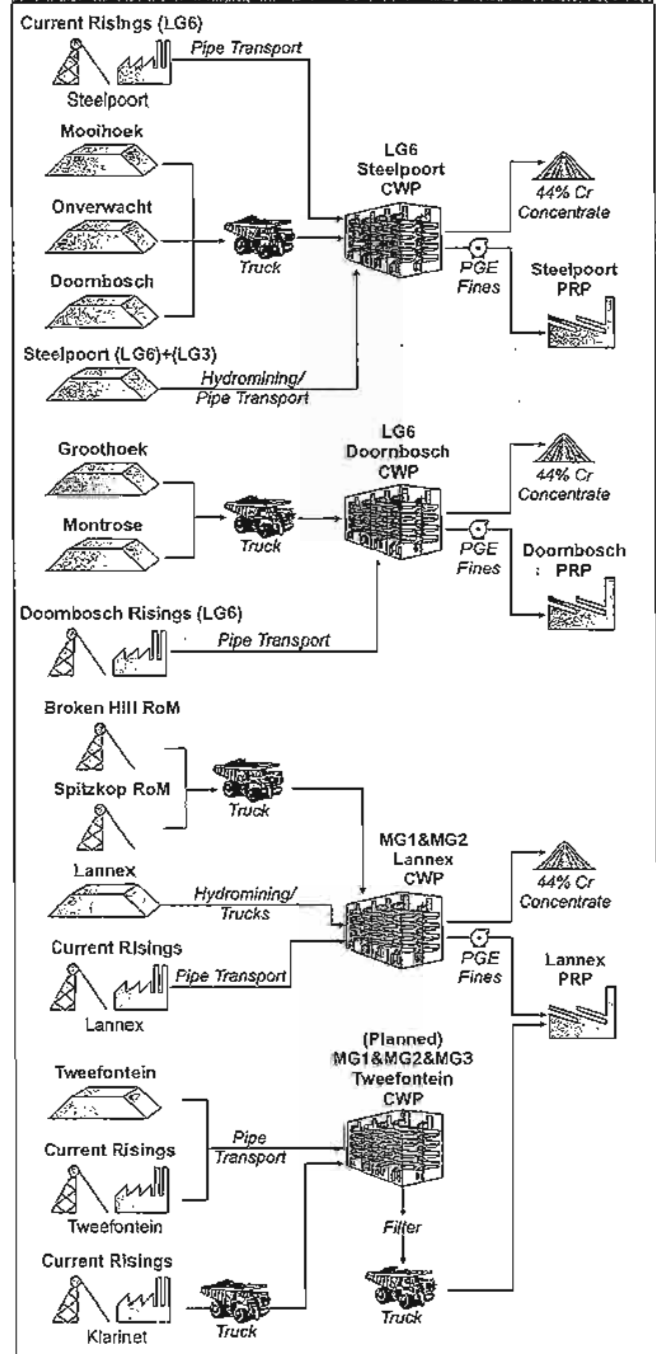
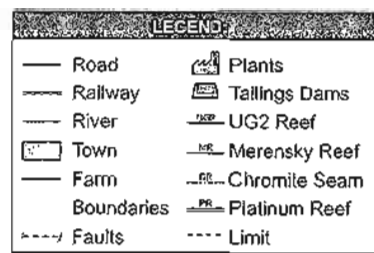
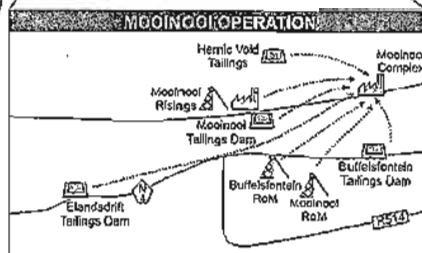
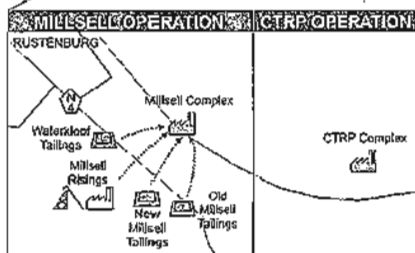
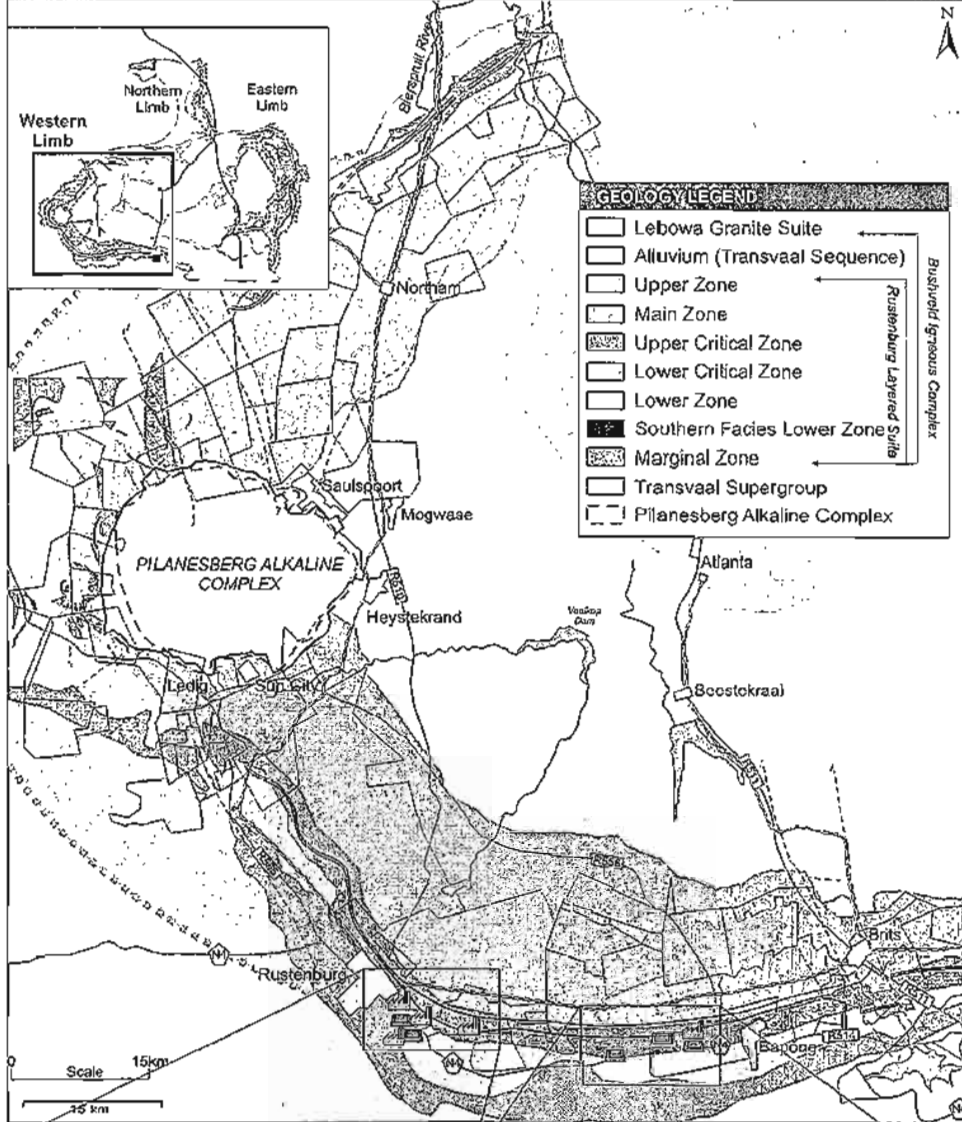


FIGURE 3: EASTERN BUSHVELD OPERATIONS



GEOLOGICAL SETTING

FIGURE 1 REGIONAL GEOLOGY OF THE WESTERN LIMB OF THE BIC SHOWING SYLVANIA'S OPERATIONS

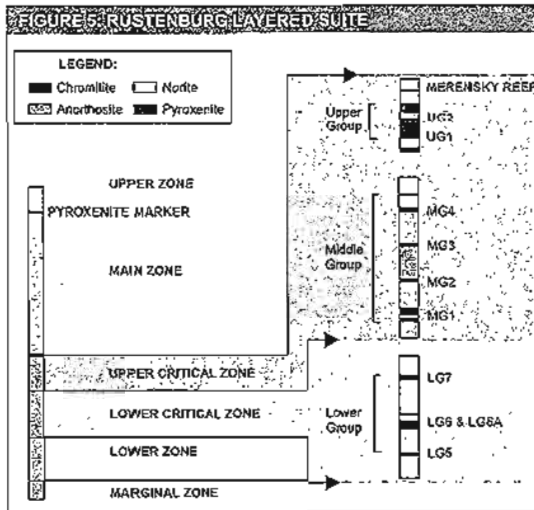


The BIC is a layered igneous intrusion located in South Africa spanning over 66,000km². The BIC contains some of the richest ore deposits in the world, including substantial resources of PGE's, including platinum, palladium, gold, osmium, iridium, rhenium, together with chromium, titanium and vanadium. The BIC holds more than 80% of the world's resources of these minerals. The BIC is divided into an eastern, western and northern lobe formed around 2bn years ago. The fact that the mineral horizons outcrop almost entirely around the complex makes its accessibility unique. It is believed that multiple magma injections, coupled with differential crystallisation resulted in the layered nature of the lithology. The simplified stratigraphy and nomenclature for the chromite seams of economic interest is shown in Figure 5.

Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed. These chromite seams form part of the BIC.

The PGE content of the chromite seam has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. It is the Sylvania CWP/PRP development that has revolutionised this thinking.

GEOLOGICAL SETTING (cont...)



HISTORY

Construction of the Sylvania Moonooi Complex commenced in January 2009, began commissioning in May 2009 and was fully operational before end 2009. The Moonooi Complex represents the 4th facility constructed by Sylvania to honour the Samancor Chrome Agreement. Its design, as well as the previously built Millseel, Steelpoort and Lannex Complexes, were based upon the successful CTRP which pioneered the technology and concept.

MINERAL RESOURCES AND MINERAL RESERVES

TABLE 1: FEED SOURCE ESTIMATES FOR SYLVANIA'S MOONOOI COMPLEX AS AT 29th NOVEMBER 2010

PROCESSING PLANT SERVICED	OPERATIONS	TONNAGE (t)	GRADE (4PGEg/t)	CURRENT RISINGS (t/m)	CONTAINED PGE's (oz)
Moonooi Complex	Moonooi Risings	-	1.3	7,000	-
	Moonooi Tailings Dam	1,422,752	1.3		59,924
	Buffelsfontein Tailings Dam	184,135	1.1		6,512
	Elandsdrift Tailings Dams	351,406	2.0		22,506
TOTAL/AVERAGE FOR DUMPS		1,958,293	1.4	7,000	89,032

The Moonooi Complex is a standalone processing plant, supplied with tailings from the Moonooi Mine and the Moonooi, Elandsdrift and Buffelsfontein historical tailings dams only. Consequently, the Moonooi Complex does not own Mineral Resources or Mineral Reserves. The feedstock for processing is not a compliant Resource, nor is a classification required for Sylvania's purposes. However, the feedstock available to the complex is shown in Table 1:-

MINERAL PROCESSING PLANT

Location

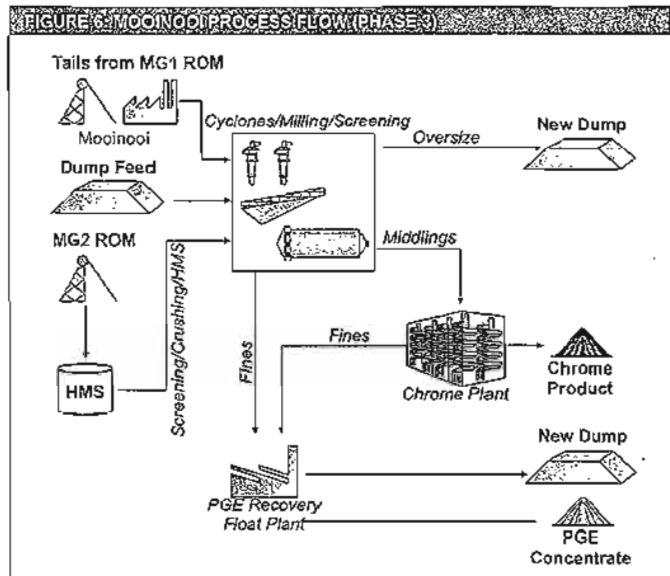
The Moonooi Complex is located adjacent to the historical Samancor Chrome Moonooi Chrome Mine and historical tailings dumps in the Limpopo Province, South Africa, 30km east of the town of Rustenburg along the N4 national highway. It is 3km to the east of the historical Buffelsfontein Mine tailings dump which is currently being mined and trucked to the Moonooi Complex as feed for the facility. Approximately 4km to the west of the operation is the Elandsdrift historical tailings for which Sylvania also has the right to re-process.

PROCESS FLOW DESCRIPTION

The Moonooi Complex can be described by the two functions it fulfils:-

- a chrome tailings re-treatment plant; and
- a chrome tailings PGE flotation plant.

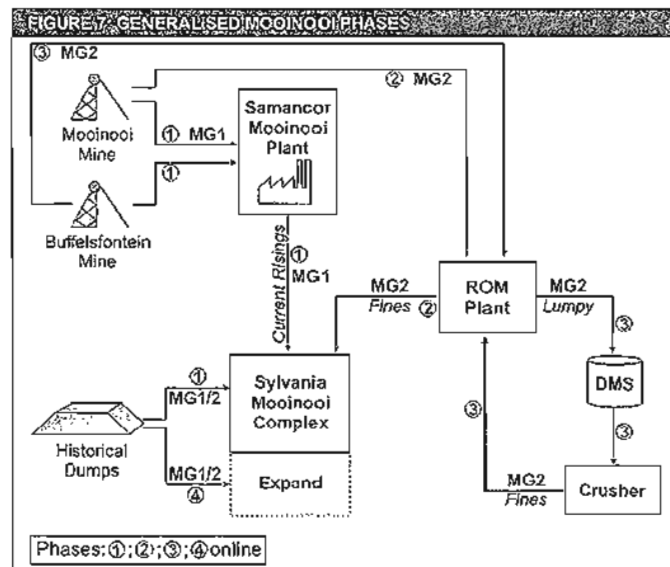
The process flow is shown in Figure 6. Although these two circuits are linked



by site and operation, they are considered by Sylvania as two separate processes. The reasoning behind this distinction is due to the roles the plants fulfil. The CWP satisfies the Samancor Chrome Agreement, whilst the PRP provides a separate product and revenue stream for Sylvania in the form of PGE concentrate for its own account. Having said this, the two processes are integral to each other.

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The CWP step of the flow sheet employs conventional technology and equipment such as pumps, cyclones, spiral concentrators, settling cones and hydrosizers. The fine and coarse tailings are split by a combination of cyclone and hydrosizer units. The coarse fraction is pumped directly to tails whilst the fine PGE rich fraction is thickened before being pumped to the PRP circuit.



INDEPENDENT METALLURGICAL STATEMENT FOR THE MOONOOI COMPLEX as at 2nd December 2010



The mass balance is shown below: -

ROM AND MINED DUMPS					
Chromite Recovery Efficiency Factor	61%				
Chromite Content quoted in (%) of Material					
Chromite Chemistry is percentage Cr ₂ O ₃ per concentrate unit					
ROM AND MINED DUMPS		SPIRALS			
Tonnes	349,000	Tonnes	848,000		
Chromite (t)	275,422	Chromite (t)	275,422		
PGE (g/t)	2.10	Chromite (%)	75		
Cr ₂ O ₃ (%)	34.8%	PGE (g/t)	2.10		
PGE (oz's)	23,464	PGE (oz's)	23,464		
INPUTS		TONNES		PGEs	
Mass Pull of Cr ₂ O ₃ Conc	48.6%				7.6%
Spiral Tails mass	51.4%				92.4%
		% TOTAL DUMP FEED		% TOTAL DUMP PGEs	
Flotation PGE Fines	36.5%	70.9%	70.4%	76.1%	
Coarse Tails	15.0%	29.1%	22.1%	23.9%	
		% TOTAL DUMP FEED		% TOTAL DUMP PGEs	
PGE's Conc	0.5%	1.4%	34.8%	49.4%	
Float Tails	36.0%	98.6%	35.6%	50.6%	

CYCLONE/THICKENER	
Mass (%)	51.4%
Tonnes	178,979
Chromite (t)	106,398
PGE (g/t)	3.77
PGE (oz's)	21,888

FLOTATION - PGE FINES	
Mass (%)	70.9%
Tonnes	126,751
Chromite (t)	77,782
PGE (g/t)	4.25
PGE (oz's)	16,512

PGE CONCENTRATE	
PGE Mass (%)	1.4%
Tonnes	1,840
Chromite (t)	1,010
PGE (g/t)	163.74
PGE (oz's)	8,155

CHROMITE CONCENTRATE	
Mass (%)	48.6%
Chromite (t)	168,024
PGE (g/t)	0.33
PGE (oz's)	1,793

COARSE TAILS	
Mass (%)	29.1%
Tonnes	58,226
Chromite (t)	46,118
PGE (g/t)	2.76
PGE (oz's)	5,174

FLOAT TAILS	
Mass (%)	98.6%
Tonnes	119,202
Chromite (t)	76,752
PGE (g/t)	2.18
PGE (oz's)	8,357

PRILL SPLIT (%)		OUNCES	
Pt	61.0	4,974	
Pd	26.5	2,181	
Rh	12.0	979	
Au	0.5	41	
Ru	0.0	0	

TOTAL TAILS	
Tonnes	177,427
Chromite (t)	122,870
PGE (g/t)	2.37
PGE (oz's)	13,531

CURRENT RISINGS

CURRENT RISINGS					
Chromite Recovery Efficiency Factor	49%				
Chromite Content quoted in (%) of Material					
Chromite Chemistry is percentage Cr ₂ O ₃ per concentrate unit					
CURRENT RISINGS		SPIRALS			
Tonnes	72,000	Tonnes	72,000		
Chromite (t)	34,278	Chromite (t)	34,278		
PGE (g/t)	1.10	Chromite (%)	48		
Cr ₂ O ₃ (%)	20.5%	PGE (g/t)	1.10		
PGE (oz's)	2,546	PGE (oz's)	2,546		
INPUTS		TONNES		PGEs	
Mass Pull of Cr ₂ O ₃ Conc	23.3%				7.9%
Spiral Tails mass	76.7%				92.4%
		% TOTAL DUMP FEED		% TOTAL DUMP PGEs	
Flotation PGE Fines	36.5%	47.5%	70.4%	76.1%	
Coarse Tails	49.2%	52.5%	22.1%	23.9%	
		% TOTAL DUMP FEED		% TOTAL DUMP PGEs	
PGE's Conc	0.5%	1.4%	41.2%	58.7%	
Float Tails	36.0%	98.6%	29.1%	41.3%	

CYCLONE/THICKENER	
Mass (%)	76.7%
Tonnes	55,204
Chromite (t)	17,482
PGE (g/t)	1.33
PGE (oz's)	2,353

FLOTATION - PGE FINES	
Mass (%)	47.5%
Tonnes	26,249
Chromite (t)	6,313
PGE (g/t)	2.12
PGE (oz's)	1,792

PGE CONCENTRATE	
PGE Mass (%)	1.4%
Tonnes	360
Chromite (t)	114
PGE (g/t)	90.87
PGE (oz's)	1,052

CHROMITE CONCENTRATE	
Mass (%)	23.3%
Chromite (t)	16,796
PGE (g/t)	0.36
PGE (oz's)	193

COARSE TAILS	
Mass (%)	52.5%
Tonnes	28,955
Chromite (t)	9,169
PGE (g/t)	0.60
PGE (oz's)	562

FLOAT TAILS	
Mass (%)	98.6%
Tonnes	26,889
Chromite (t)	8,199
PGE (g/t)	0.88
PGE (oz's)	740

PRILL SPLIT (%)		OUNCES	
Pt	61.0	642	
Pd	26.5	270	
Rh	12.0	126	
Au	0.5	5	
Ru	0.0	0	

TOTAL TAILS	
Tonnes	54,844
Chromite (t)	17,368
PGE (g/t)	0.74
PGE (oz's)	1,302

TOTAL PLANT OPERATION

TOTAL PLANT FEED					
Chromite Recovery Efficiency Factor	60%				
Chromite Content quoted in (%) of Material					
Chromite Chemistry is percentage Cr ₂ O ₃ per concentrate unit					
TOTAL PLANT FEED		SPIRALS			
Tonnes	420,000	Tonnes	420,000		
Chromite (t)	309,700	Chromite (t)	309,700		
PGE (g/t)	1.93	Chromite (%)	74		
Cr ₂ O ₃ (%)	32.4%	PGE (g/t)	1.93		
PGE (oz's)	26,011	PGE (oz's)	26,011		
INPUTS		TONNES		PGEs	
Mass Pull of Cr ₂ O ₃ Conc	44.2%				7.6%
Spiral Tails mass	55.8%				92.4%
		% TOTAL PLANT FEED		% TOTAL PLANT PGEs	
Flotation PGE Fines	35.0%	62.8%	70.4%	76.1%	
Coarse Tails	26.8%	37.2%	22.1%	23.9%	
		% TOTAL PLANT FEED		% TOTAL PLANT PGEs	
PGE's Conc	0.5%	1.3%	35.4%	50.3%	
Float Tails	34.5%	98.7%	35.0%	49.7%	

CYCLONE/THICKENER	
Mass (%)	55.8%
Tonnes	234,180
Chromite (t)	123,880
PGE (g/t)	3.18
PGE (oz's)	24,039

FLOTATION - PGE FINES	
Mass (%)	62.8%
Tonnes	147,000
Chromite (t)	77,782
PGE (g/t)	3.87
PGE (oz's)	18,303

PGE CONCENTRATE	
PGE Mass (%)	1.2%
Tonnes	1,208
Chromite (t)	1,010
PGE (g/t)	150.00
PGE (oz's)	9,206

CHROMITE CONCENTRATE	
Mass (%)	44.2%
Chromite (t)	165,820
PGE (g/t)	0.33
PGE (oz's)	1,972

COARSE TAILS	
Mass (%)	37.2%
Tonnes	87,180
Chromite (t)	46,118
PGE (g/t)	2.05
PGE (oz's)	5,736

FLOAT TAILS	
Mass (%)	98.7%
Tonnes	145,091
Chromite (t)	78,752
PGE (g/t)	1.55
PGE (oz's)	5,097

PRILL SPLIT (%)		OUNCES	
Pt	61.0	5,616	
Pd	26.5	2,440	
Rh	12.0	1,105	
Au	0.5	46	
Ru	0.0	0	

TOTAL TAILS	
Tonnes	292,271
Chromite (t)	122,870
PGE (g/t)	1.89
PGE (oz's)	5,736

The mass balance is an estimation representing the process flow.



The diagrams and the information herein may not be edited or transmitted in any form or by any means without prior written permission.



The PRP step incorporates a surge tank which is fed from a thickener into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF which serves as feed stock for future production as existing recoveries vary from 40-45%, leaving a sufficient amount in the new tailings to warrant re-treatment at a later stage. Water is recovered for re-use before final deposition of tails on the TSF. An additional ROM HMS facility is being commissioned to treat direct MG2 ROM.

CONTROL AND RECORD KEEPING

Metal accounting at the plants is undertaken at various stages during processing of the current risings and historical Samancor Chrome dump material. Depending on the type of sample taken and point within the process stream, these samples range from daily to monthly assays.

Modern instrumentation has been installed with various levels of sophistication so that the controlling and monitoring is performed by means of a direct supervisory control facility. These facilities are located in the main control room of the complex. Commands are given by human intervention through an operator interface i.e. personnel computer, linked to the central processing units.

PLANT OPERATION

The complex is operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. There are four crews who work a rotation of four days on and four days off.

MATERIAL AGREEMENTS

Samancor Service and Supply Agreement

On 31st March 2006, Sylvania signed the Services and Supply Agreement (Agreement) with Samancor Chrome to retreat historical chrome tailings, current arisings at certain defined tailings dams and ROM from current mining activities. The Agreement was subsequently amended to also include ROM fines generated from certain defined mining activities. In the Addendums to the Agreement, other aspects were also addressed such as the duration of Agreement, which was extended to endure until the latest of:-

- the application of the services to all the base materials contained in the tailings dams, current arisings and ROM;
- five years have passed as from the effective date; and
- such time as the Agreement is terminated in accordance with its terms.

Other key aspects include:-

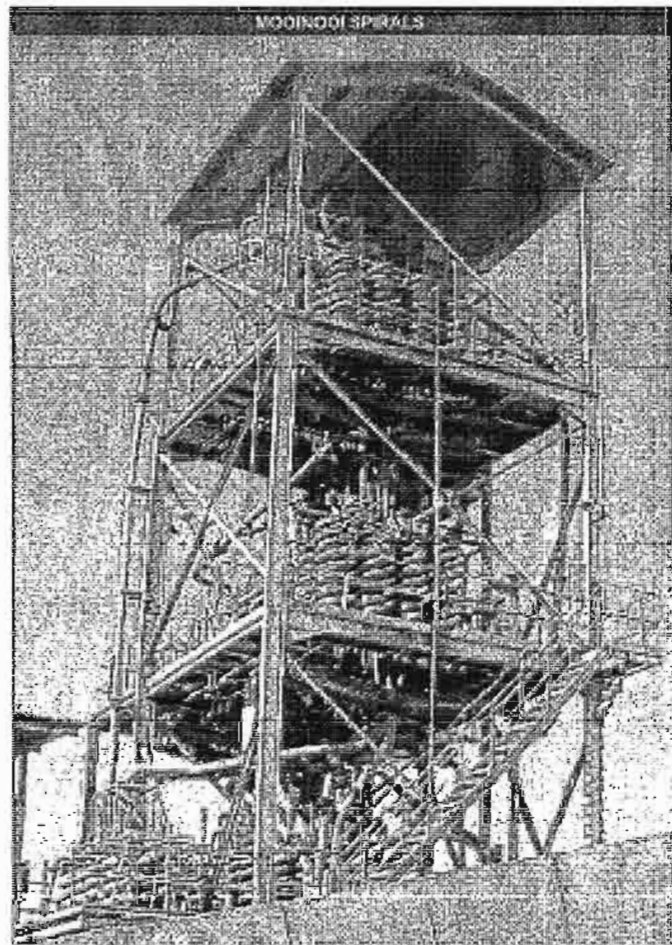
- Sylvania has agreed to build CWP's to process both historical chrome tailings and current arisings to recover a chromite product for delivery to Samancor Chrome;
- after the chromite washing phase, Sylvania has the right to treat resultant final tails to recover PGEs and sell it for its own account;
- Sylvania has undertaken to Samancor Chrome that it will ensure that its operation entities will be compliant with the terms of the BBBEE Act No 53 of 2002, this requirement has been waived by Samancor;
- it is also contracted that the provisions of services such as water for the CWP shall be for the Samancor Chrome account; and
- provision for services for the PRP, will either be supplied by Samancor Chrome at an agreed price by both parties, or alternatively supplied directly by the local service provider.

It has been estimated by the management of Sylvania SA that it should take just under 5 years to complete the first pass treatment of the historical chrome dumps covered by the agreement, but the treatment of current risings and second pass re-treatment are anticipated to continue for LOM. The Samancor Agreement does not contain any change of control provisions. However, should there be a change of control in Samancor Chrome, Sylvania has obtained additional rights with regards to the PGE's in Samancor Chrome's tailings. As a consequence, Sylvania's rights to the PGE's are secure.

A subsequent agreement to those already signed by Sylvania and Samancor Chrome provides for the additional service of primary chrome washing treatment of 300,000tpa direct ROM ore from three more Samancor Chrome mines. Additional feed is already derived from Moonooi and Buffelsfontein mines for the Moonooi Complex. Spitzkop and Broken Hill mines in the eastern BIC will report to the nearest Sylvania complexes. As a consequence of recent shareholder events, and as per the announcement on the 29th September 2010, a third addendum was signed to the Agreement.

Off-Take Agreements

Sylvania has entered into several contracts for the sale of PGE flotation concentrates with Anglo Platinum and Impala Platinum and off-take marketing agreements do exist between Sylvania and the larger PGE producers. The vision for the Sylvania initiative is that a DC furnace may, in future, be used as a PGE smelter to treat a lower grade PGE concentrate from Sylvania's Northern Limb Platreef Resources with which Sylvania can sell a further beneficiated product in years to come.



ENVIRONMENTAL CONSIDERATIONS

The Moonooi Complex is the subject of a single authorisation processes, as per the Mineral and Petroleum Resources Development Act (MPRDA; Act 28 of 2002)

The existing EMPR for each operation is held by the mineral rights holder, Samancor. Sylvania compiled and submitted all the EMPR amendments required, on Samancor's behalf, to construct and operate the various SDOs. Sylvania has informed Venmyn that all amendments to relevant EMPRs have been submitted to, and approved by the regulatory bodies with the exception of the Doornbosch Operation, which has been submitted, Samancor, being a private company, is not obliged to present Venmyn or its associates with the supporting documentation that would normally constitute an independent due diligence on the environmental considerations.

Venmyn and its associates have relied upon information provided by Sylvania relating to the environmental consideration of the SDOs. These have not been verified by Venmyn, nor are Venmyn qualified to do so.

The responsible party, regarding contraventions and non-compliance for the complex is dependent on an agreement between both Samancor and Sylvania.

The financial provision determined for rehabilitation and set aside by Sylvania for Moonooi is currently valued at approximately ZAR1,046,000.

HISTORIC PRODUCTION

Moonooi has been operating at a steady rate since late 2009. Moonooi was originally designed to process 57,000tpm of combined dump material and current risings. However, recent developments have resulted in a scaling down of this processing rate to 40,000tpm which includes ROM.

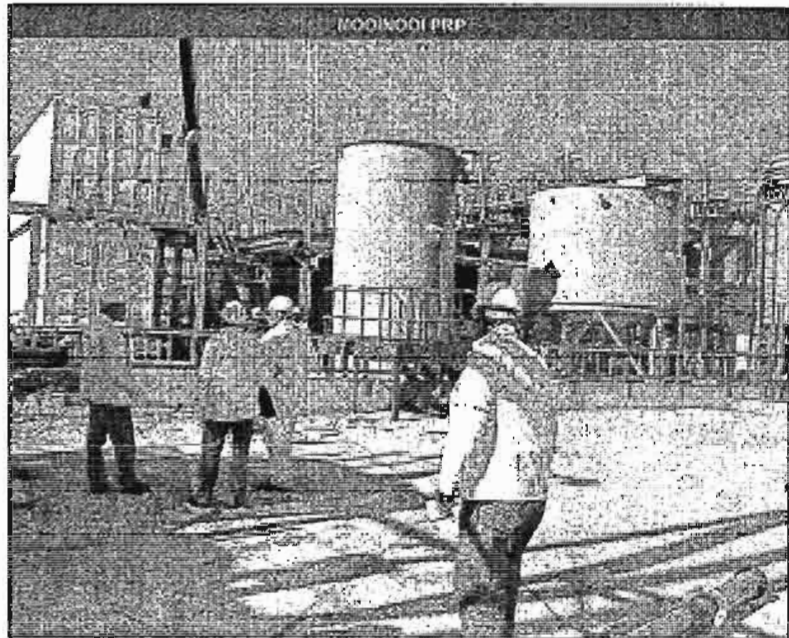
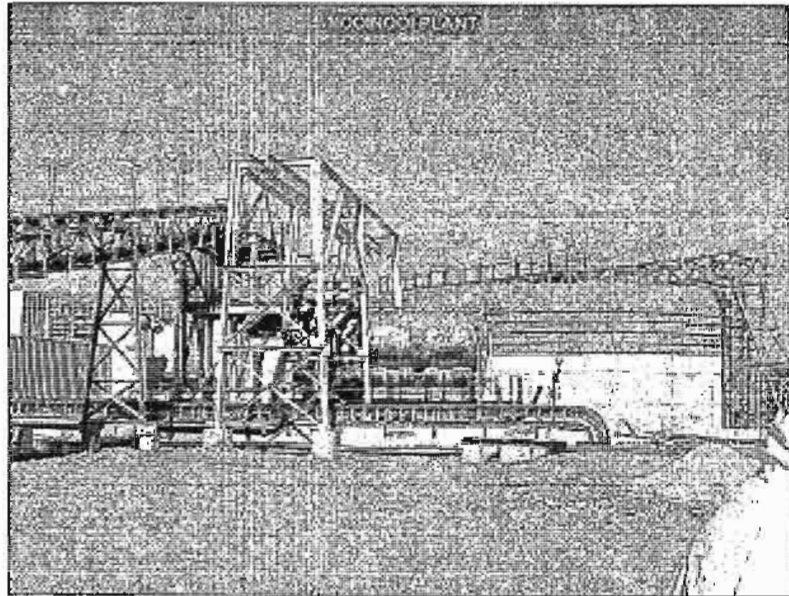
Due to the modular construction strategy and the experience gained from the construction and operation of previous near identical complexes, ramp up and commissioning of the new ROM section is planned to be completed during the 2011 financial year (July 2010 to June 2011). The CWP and PRP are already fully operational.

SOURCES OF INFORMATION

Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2011;
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 5th November 2010, relevant knowledge was obtained on the complex.



DOORNBOSCH COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE DOORBOSCH COMPLEX

as at 2nd December 2010

Prepared in the format of a short form SAMREC compliant Technical Statement.

- IN THIS DOCUMENT:**
- Key Features
 - Introduction
 - Geological Setting
 - History
 - Mineral Resources and Mineral Reserves
 - Mineral Processing Plant
 - Control and Record Keeping
 - Plant Operation
 - Material Agreements
 - Environmental Considerations
 - Historic Production
 - Sources of Information

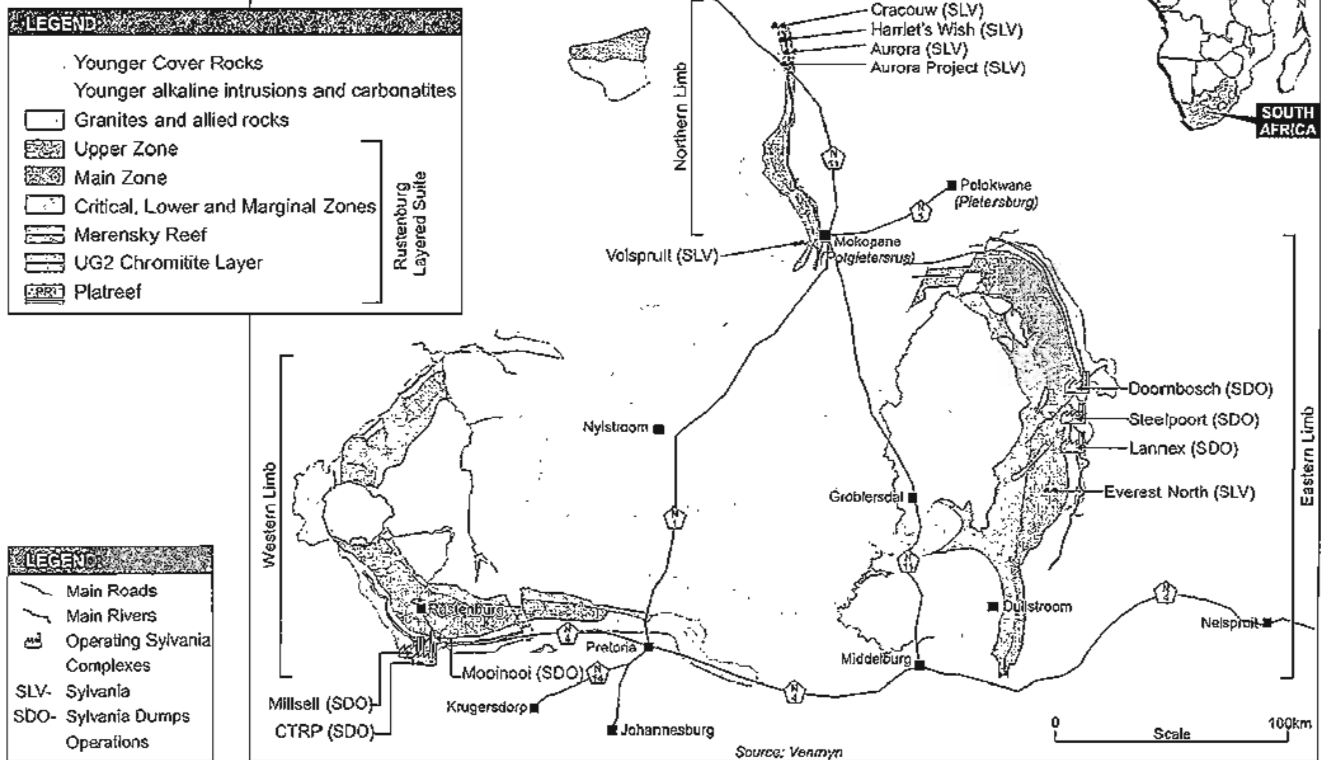


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director, Venmyn.
Key Technical Personnel:	Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Iaan Myburgh, B.Sc. (Maths).
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Person's Report for AIM.
Sources of information:	Information was supplied to Venmyn by Sylvania, including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal Inspection:	A site visit to the Doornbosch Complex facility was undertaken on the 5 th November 2010 by the project team representatives.
Location:	The facility is located 8km north of the town of Steelpoort, in the Limpopo Province in South Africa, 5km south of the major national R37 route and 8km north of the major national R555 route (Figure 1).
Infrastructure and Accessibility:	Access to the site is via a tarred road connected directly to the major national R555 route through the town of Steelpoort. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current risings from chromite washing plants has been incorporated into a business combination with Samancor Chrome. A controlling interest in Samancor Chrome is held by International Mineral Resources (IMR). IMR is active in the mining of chromite and the production and marketing of ferroalloys.
Process Plant Characteristics:	Prill Split: Pt = 60.0%; Pd = 29.0%; Rh = 10.5%; Au = 0.0%. Fully operational since mid 2010.

FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



INTRODUCTION

The Doornbosch Complex recovers two separate concentrates from the Samancor Chrome historical tailings and current risings. Firstly, chromite concentrate with a 44% Cr₂O₃ content and secondly, a PGE concentrate. The feed sources for the Doornbosch Complex will be the current risings from the Samancor Chrome Doornbosch Plant. In addition to these feed sources, the historical Samancor Chrome Groothoek and Montrose tailings dumps also contribute source material for re-treatment to the Doornbosch Complex.

The feed to the Doornbosch complex is satisfied by several different mechanisms. These include:-

- a pipe feeding a waste stream containing tailings from the Samancor Chrome Doornbosch Plant which, in the absence of the Doornbosch Complex, would have been discarded directly to the current TSF. Instead, the Doornbosch Complex re-treats and recovers a portion of the chromite and PGE's from the waste stream and returns the tailings material to one of the existing Samancor Chrome tailings sites;
- a hydromining and pipe system operating adjacent to the Doornbosch Complex feeds material directly into the plant, after which, screening and processing is initiated; and
- a road haulage scheme whereby back-loaded trucks carry mined dump material from the historic Groothoek and Montrose tailings dumps. This material is also fed into the feed bins along with the scraper material.

The operation is atypical of a mineral resources sector project in that, by its very nature, the project relies on the historical and current production from a mineral asset which is under the jurisdiction of another entity, namely Samancor Chrome. As such, it essentially does not own the mineral resource that it treats. The value in the project is underpinned by the agreements with Samancor Chrome to process all historical dumps and future risings.

The basic flow sheet for Doornbosch is shown schematically in Figure 3.

FIGURE 2: WESTERN BUSHVELD OPERATIONS

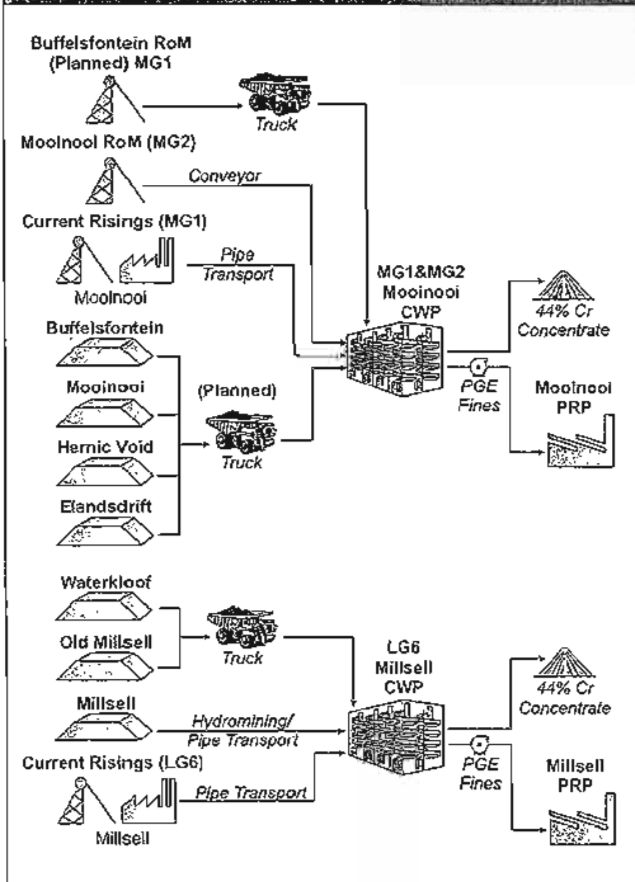
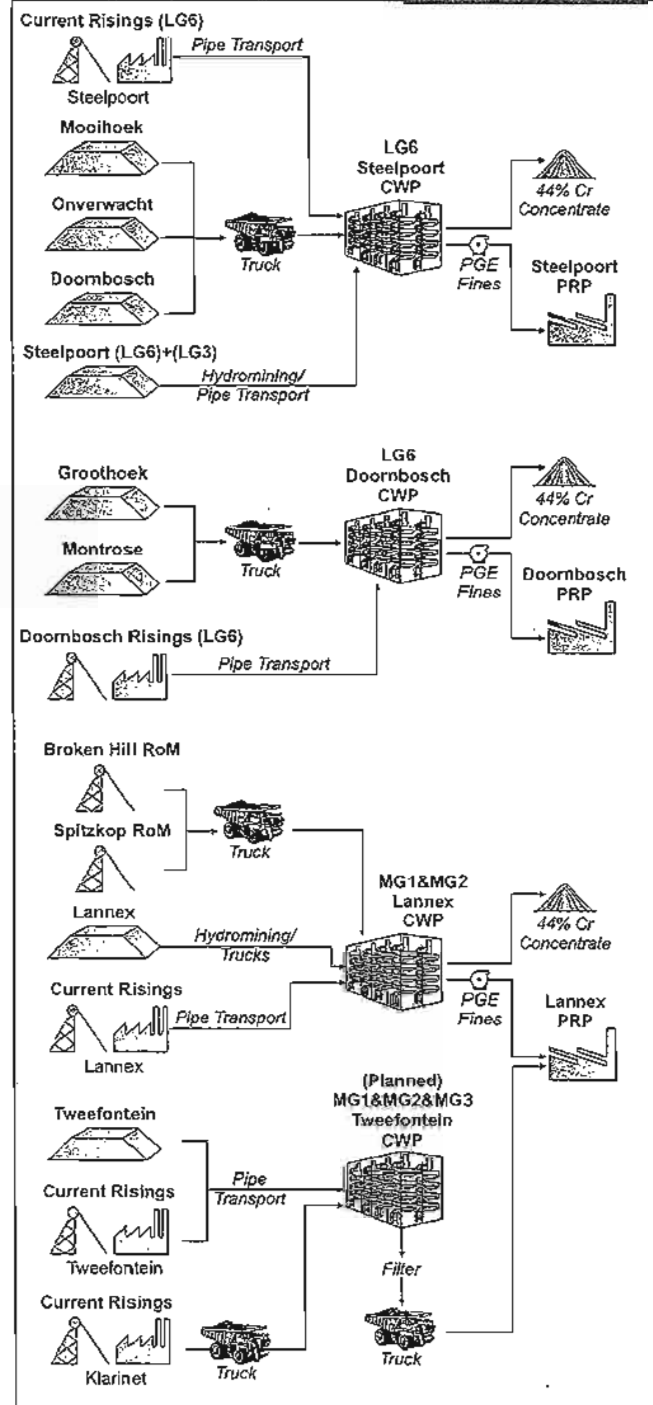
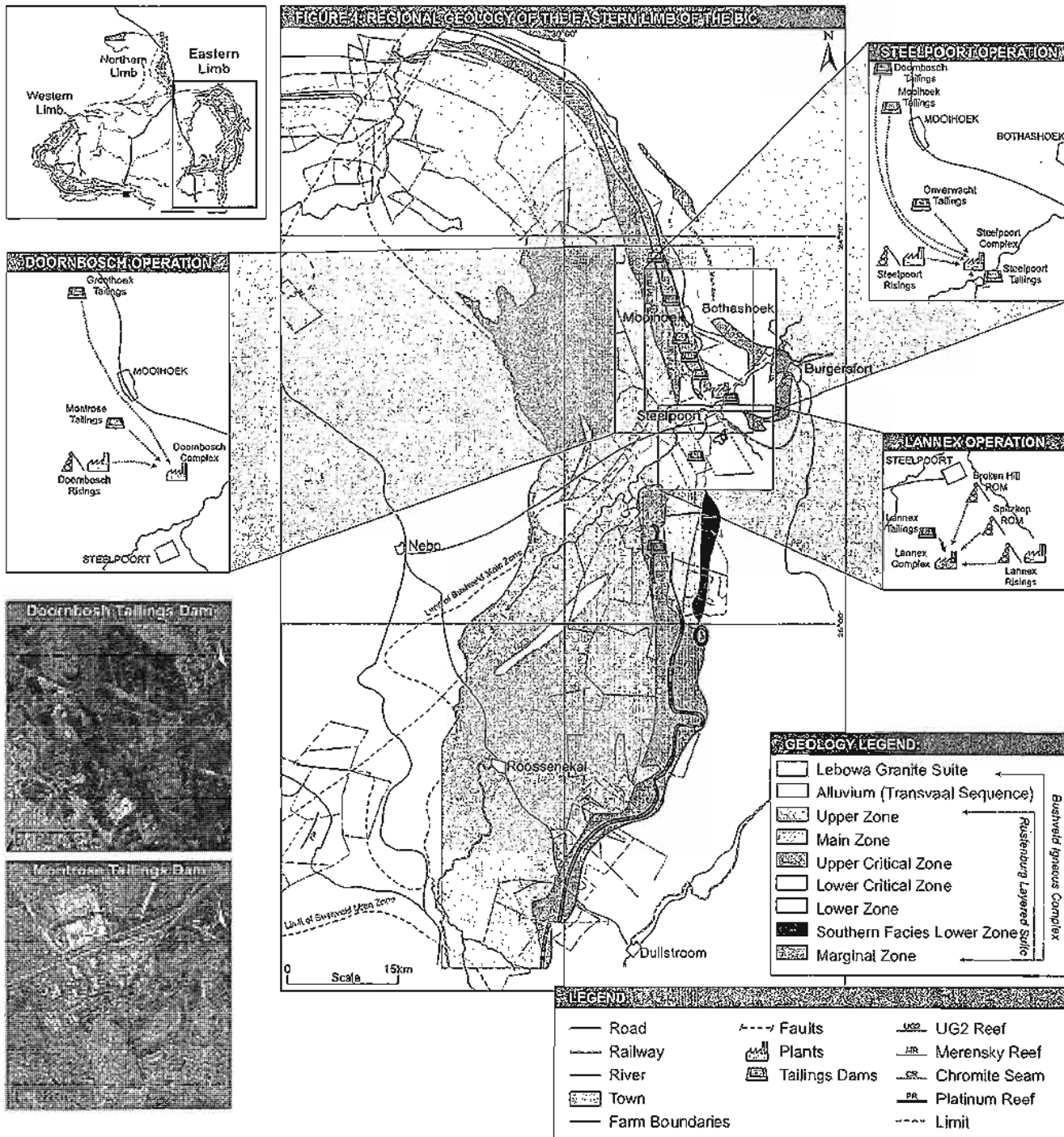


FIGURE 3: EASTERN BUSHVELD OPERATIONS



GEOLOGICAL SETTING

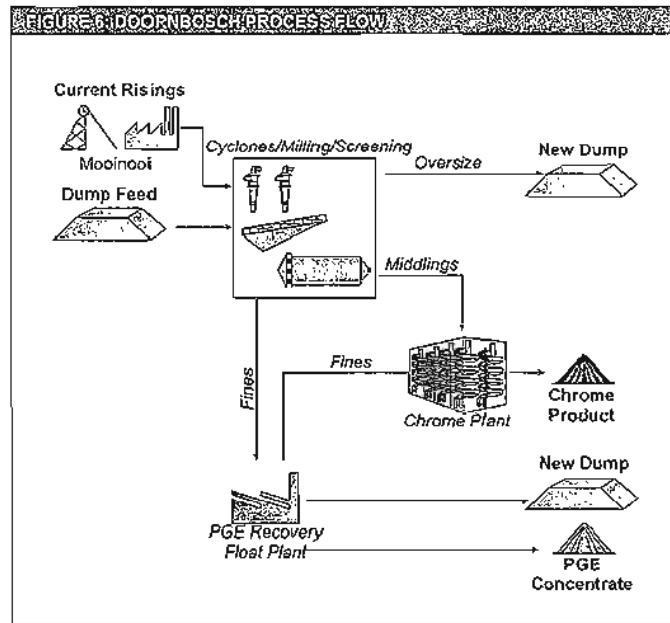
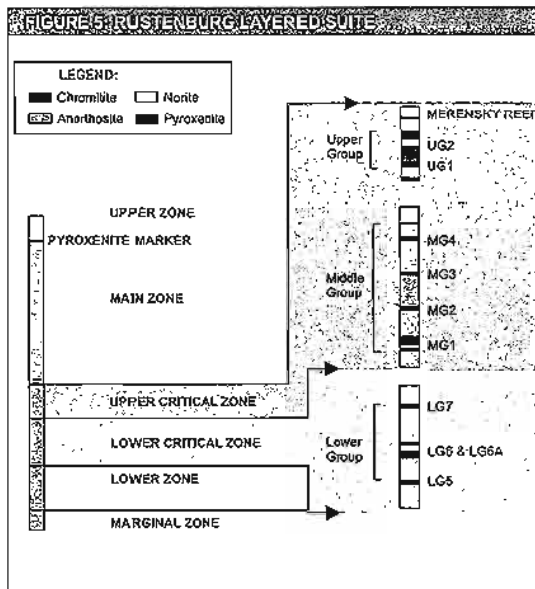


The BIC is a layered igneous intrusion located in South Africa spanning over 66,000km². The BIC contains some of the richest ore deposits in the world, including substantial resources of PGE's, including platinum, palladium, gold, osmium, Iridium, rhodium, and ruthenium, together with chromium, titanium and vanadium. The BIC holds more than 80% of the world's resources of these minerals. The BIC is divided into an eastern, western and northern lobe formed around 2bn years ago. The fact that the mineral horizons outcrop almost entirely around the complex makes its accessibility unique. It is believed that multiple magma injections, coupled with differential crystallisation resulted in the layered nature of the lithology. The simplified stratigraphy and nomenclature for the chromite seams of economic interest is shown in the figure in Figure 5.

Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed. These chromite seams form part of the BIC.

The PGE content of the chromite seams has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. It is the Sylvania CWP/PRP development that has revolutionised this thinking.

GEOLOGICAL SETTING (cont...)



HISTORY

Construction of the Sylvania Doornbosch Complex commenced in the fourth quarter of the 2009 financial year with commissioning beginning in July 2010, it is now fully operational. The Doornbosch Complex represents the fifth facility constructed by Sylvania to honour the Samancor Chrome Agreement. Its design, as well as the previously built Millseil, Steelpoort, Lannex and Mooinooi complexes, were based upon the successful CTRP which pioneered the technology and concept.

MINERAL RESOURCES AND MINERAL RESERVES

The Doornbosch Complex is a standalone processing plant, supplied with tailings from the Samancor Chrome Groothoek, Montrose and Old Doornbosch chrome tailings dumps as well as current risings from the Samancor Chrome's Doornbosch Plant. Consequently, the Doornbosch Complex does not own Mineral Resources or Mineral Reserves. The feedstock for processing is not a compliant Resource, nor is a classification required for Sylvania's purposes. However, the feedstock available to the complex is shown in Table 1:-

TABLE 1: FEED SOURCE ESTIMATES FOR SYLVANIA'S DOORNBOSCH COMPLEX AS AT 29th NOVEMBER 2010

PROCESSING PLANT SERVICED	OPERATIONS	TONNAGE (t)	GRADE (4PGEg/t)	CURRENT RISINGS (t/m)	CONTAINED PGEs (oz)
Doornbosch Complex	Groothoek Tailings Dam	157,980	5.1		25,906
	Montrose Tailings Dam	123,630	4.8		19,079
TOTAL/AVERAGE FOR DUMPS		281,620	5.0		44,986

MINERAL PROCESSING PLANT

Location

The facility is located 8km north of the town of Steelpoort, in the Limpopo province in South Africa, 5km south of the major national R37 route and 8km north of the major national R555 route. Access to the site is via a tarred road connected directly to the major national R555 route through the town of Steelpoort.

Process Flow Description

The Doornbosch Complex can be described by the two functions it fulfills:-
- a chrome tailings re-treatment plant; and
- a chrome tailings PGE flotation plant.

The process flow is shown in Figure 6.

Although these two circuits are linked by site and operation, they are considered by Sylvania as two separate processes. The reasoning behind this distinction is due to the roles the plants fulfil. The CWP satisfies the Samancor Chrome tailings and current ROM agreement, whilst the PRP provides a separate product and revenue stream for Sylvania in the form of PGE concentrate for its own account. Having said this, these processes are integral to each other.

After screening, the CWP plant produces two tailings streams in addition to the 44% Cr₂O₃ chromite concentrate, namely, a PGE enriched fines and a low PGE coarse tailings stream. The fines are sent to the PGE recovery plant circuit while the coarse streams go directly to the appropriate tailings dams. Test work and experience from the CTRP plant indicated that PGE's are concentrated in the finer fractions at values that can be recovered to produce a saleable concentrate by conventional flotation methods.

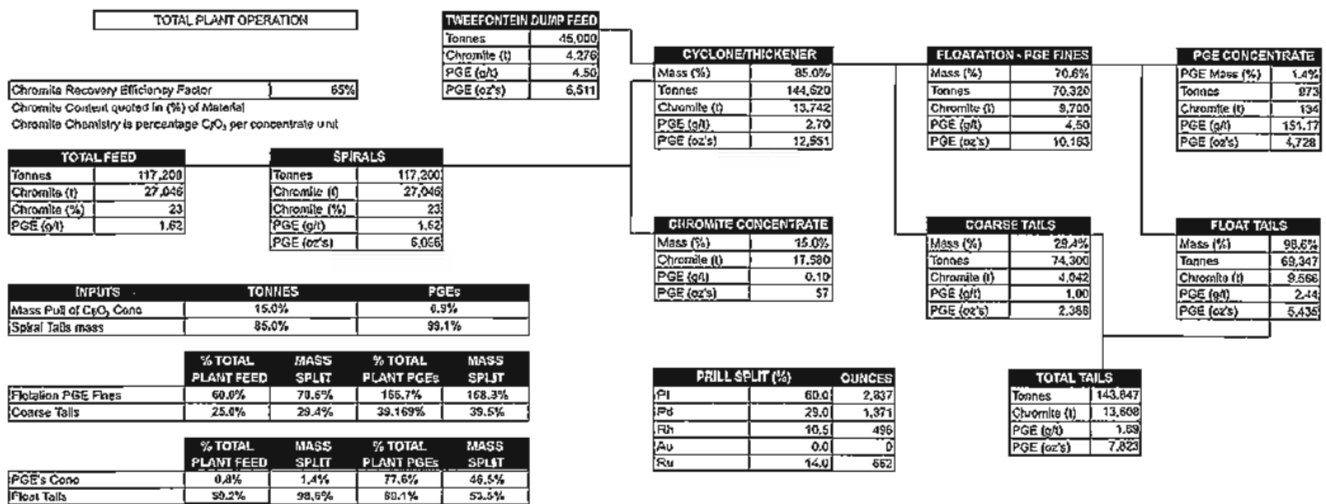
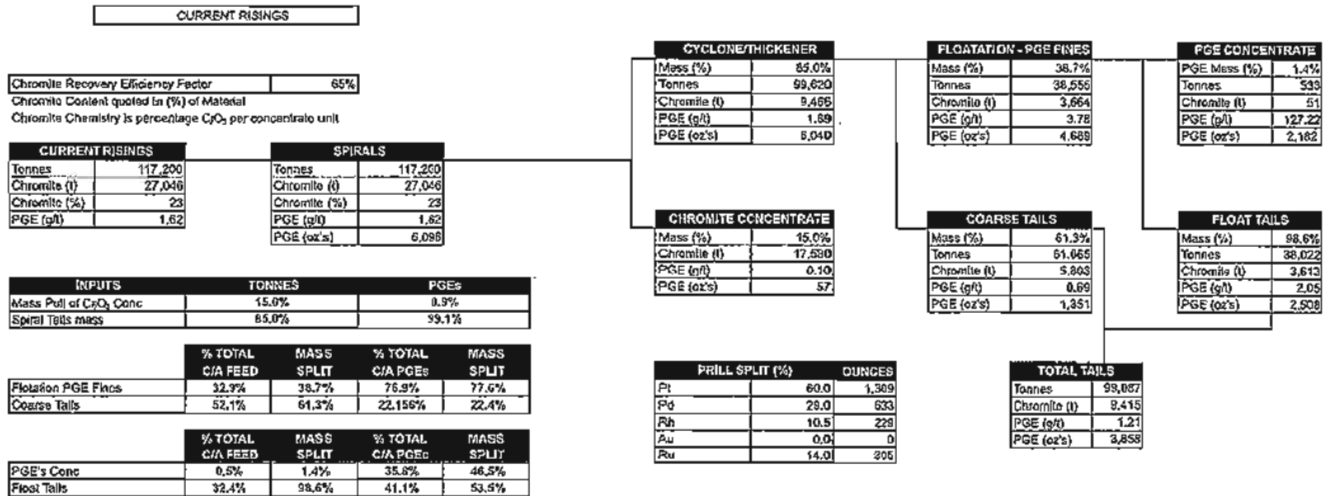
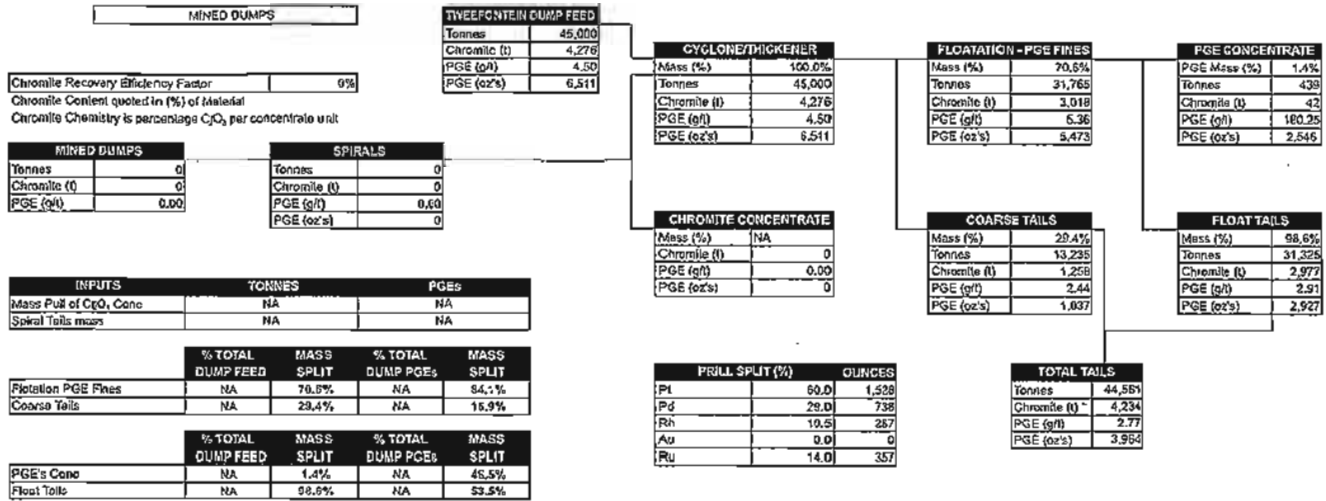
The CWP step of the flow sheet employs conventional technology and equipment such as pumps, cyclones, spiral concentrators, settling cones and hydrosizers. The fine and coarse tailings are split by a combination of cyclone and hydrosizer units. The coarse fraction is pumped directly to tails whilst the fine PGE rich fraction is thickened before being pumped to the PRP circuit.

The PRP step incorporates a surge tank which is fed from a thickener into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF which serves as feed stock for future production as existing recoveries vary from 40-45%, leaving a sufficient amount in the new tailings to warrant further re-treatment at a later stage. Water is recovered for re-use before final deposition of tails on the TSF.

INDEPENDENT METALLURGICAL STATEMENT FOR THE DOORNBOSCH COMPLEX as at 2nd December 2010



The mass balance is shown below: -



The mass balance is an estimation representing the process flow.

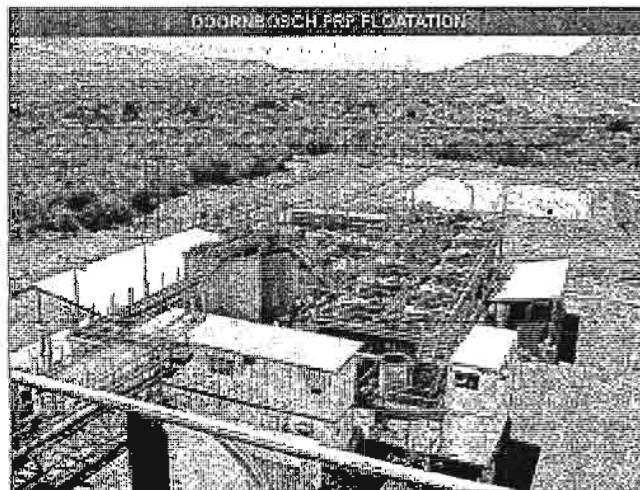
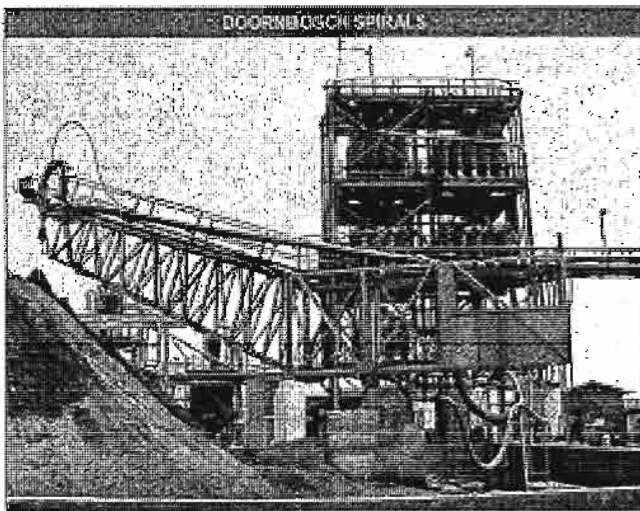
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PLANT OPERATION

The complex is operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. There are four crews who work a rotation of four days on and four days off.



MATERIAL AGREEMENTS

Samancor Service and Supply Agreement

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In the Addendums to the Agreement, other aspects were also addressed such as the duration of Agreement, which was extended to endure until the latest of:-

- the application of the services to all the base materials contained in the tailings dams, current arisings and ROM;
- five years have passed as from the effective date; and
- such time as the Agreement is terminated in accordance with its terms.

Other key aspects include:-

- Sylvania has agreed to build CWP's to process both historical chrome tailings and current arisings to recover a chromite product for delivery to Samancor Chrome;
- after the chromite washing phase, Sylvania has the right to treat resultant final tails to recover PGE's and sell it for its own account;
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A subsequent agreement to those already signed by Sylvania and Samancor Chrome provides for the additional service of primary chrome washing treatment of 300,000tpa direct ROM ore from three more Samancor Chrome mines. Additional feed is already derived from Moolinooi and Buffelsfontein mines for the Moolinooi Complex. Spitzkop and Broken Hill mines in the eastern BIC will report to the nearest Sylvania complexes. As a consequence of recent shareholder events, and as per the announcement on the 29th September 2010, a third addendum was signed to the Agreement.

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Sylvania has entered into several contracts for the sale of PGE flotation concentrates with Anglo Platinum and Impala Platinum and off-take marketing agreements do exist between Sylvania and the larger PGE producers. The vision for the Sylvania Initiative is that a DC furnace may, in future, be used as a PGE smelter to treat a lower grade PGE concentrate from Sylvania's Northern Limb Platreef Resources with which Sylvania can sell a further beneficiated product in years to come.

ENVIRONMENTAL CONSIDERATIONS

The Doornbosch Complex is the subject of two authorisation processes, as per the Mineral and Petroleum Resources Development Act (MPRDA; Act 28 of 2002)

The existing EMPR for each operation is held by the mineral rights holder, Samancor.

INDEPENDENT METALLURGICAL STATEMENT FOR THE DOORNBOSCH COMPLEX as at 2nd December 2010



Sylvania compiled and submitted all the EMPR amendments required, on Samancor's behalf, to construct and operate the various SDOs. Sylvania has informed Venmyn that all amendments to relevant EMPRs have been submitted to, and approved by the regulatory bodies with the exception of the Doornbosch Operation, which has been submitted. Samancor, being a private company, is not obliged to present Venmyn or its associates with the supporting documentation that would normally constitute an independent due diligence on the environmental considerations.

Venmyn and its associates have relied upon information provided by Sylvania relating to the environmental consideration of the SDOs. These have not been verified by Venmyn, nor are Venmyn qualified to do so.

The responsible party, regarding contraventions and non-compliance for the complex is dependent on an agreement between both Samancor and Sylvania.

The financial provision determined for rehabilitation and set aside by Sylvania for Doornbosch is currently valued at approximately ZAR724,000.

HISTORIC PRODUCTION

Doornbosch has been operating at a steady rate since 2010. Doornbosch was originally designed to process 37,000tpm of combined dump material and current risings in line with the other complexes in the SDO.

Due to the modular construction strategy and the experience gained from the construction and operation of previous near identical complexes, and commissioning is planned to be completed during the first year of operation, in this case, the 2010 financial year (July 2009 to June 2010). The CWP and PRP are fully operational.

SOURCES OF INFORMATION

Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2011;
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 5th November 2010, relevant knowledge was obtained on the complex.

CTRP COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE CTRP COMPLEX as at 2nd December 2010

Prepared in the format of a short form SAMREC
compliant Technical Statement.

- IN THIS DOCUMENT
- Key Features
 - Introduction
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 - Mineral Processing Plant
 - Control and Record Keeping

- Plant Operation
- Material Agreements
- Historic Production
- Sources of Information

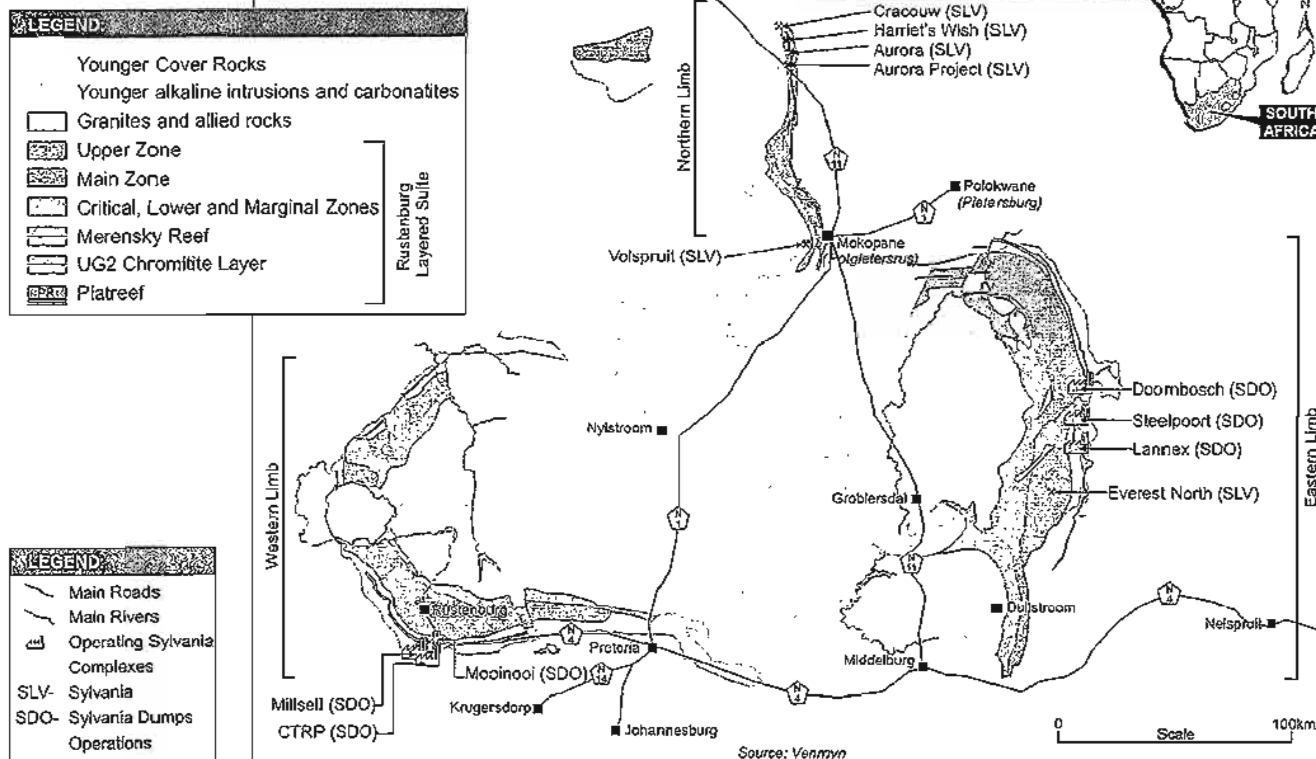


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director, Venmyn.
Key Technical Personnel:	Mr. Richard Taylor, B.Sc. Hons (Geol.), MGSSA. Mr. Khalid Patel, B.Sc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpaai Motloung, B.Sc. Hons (Geol.), MGSSA, ASAIMM. Mr. Iaan Myburgh, B.Sc. (Maths).
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Person's Report for AIM.
Sources of Information:	Information was supplied to Venmyn by Sylvania, including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal Inspection:	A site visit to the CTRP Complex was undertaken on the 31 st July 2009 by the project team representatives.
Location:	The facility is located 4km east of the town of Kroonddaal, in the North West province in South Africa, 4km south of the major national N4 highway (see Figure 1).
Infrastructure and Accessibility:	Access to the site is via a tarred road connected directly to the major national N4 highway. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania has a 25% attributable equity stake in this project, which is operated by Aquarius Platinum Corporate Services (AQPCS). The CTRP was the first plant to be developed as part of Sylvania's business plan. Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current risings from chromite washing plants has been incorporated into a business combination with Samancor Chrome.
Process Plant Characteristics:	Approximate Prill Split: Pt = 61.0%; Pd = 22.0%; Rh = 16.0%; Au = 0.5%. Treats Xstrata and Bayer LG6 material.

FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



INTRODUCTION

Sylvania announced on the 10th March 2004 that it had entered into an agreement to acquire a 25% interest in a Consortium known as RK1, which encompassed the CTRP led by AQPCS. This CTRP undertook to treat chromite tailings through a purpose built plant on Aquarius' Kroondal Mine in order to extract the PGE's. The project is owned by a three-member consortium, led by AQPCS, a wholly-owned subsidiary of Aquarius; Ivanhoe, and Sylvania. Both Sylvania and Ivanhoe have an interest of 25% each whilst Aquarius has an interest of 50% in the project. AQPCS is the operator and manager of the CTRP.

Significant tonnages of old dumps and current tailings streams derived from the beneficiation processes employed by chromite mines located close to Kroondal are retreated to recover a PGE concentrate at the CTRP. The feed sources for the CTRP include the Xstrata and Lanxess chrome tailings, including both current risings and historical dumps.

The feed to the CTRP complex is satisfied by several different mechanisms. These include: -

- a pipe feeding a slurry waste stream containing tailings from the nearby chrome mines which, in the absence of the CTRP Complex, would have been discarded directly to current TSF. Instead, the CTRP Complex will retreat and recover a portion of the PGE's from the waste stream and return the tailings material to a new onsite TSF; and
- a road haulage scheme whereby back loaded trucks carry mined dump material from the historic tailings dumps. This material is also fed directly into the feed bins.

AQPCS has been contracted to operate the project and earns a

management fee for services provided in this regard. Given that AQPCS is in direct control of the feed sources of the CTRP from it's own mining operations, the operation is atypical of a mineral resources sector project in that, by its very nature, the project relies upon the historical and current production from mineral assets which are under the jurisdiction of another entity, namely Aquarius.

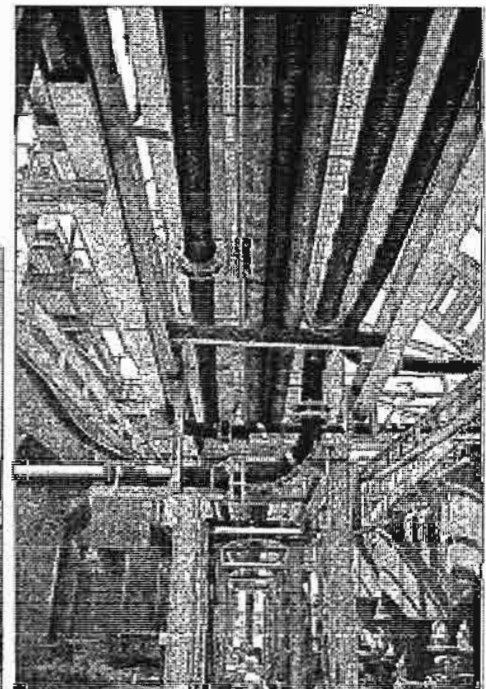
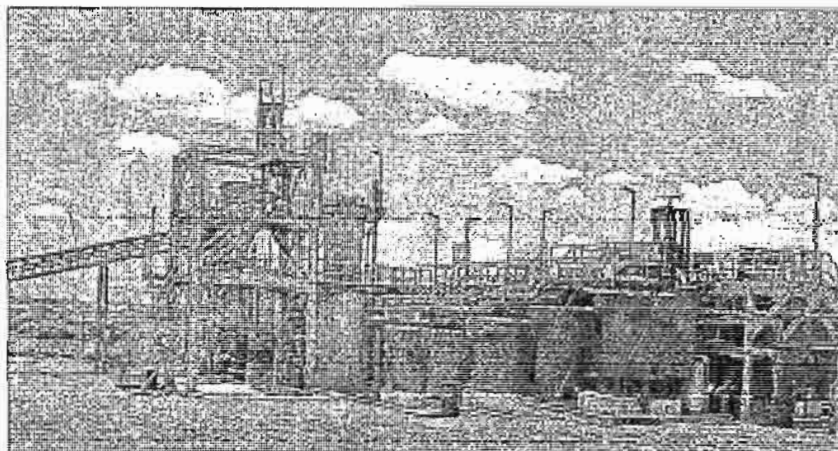
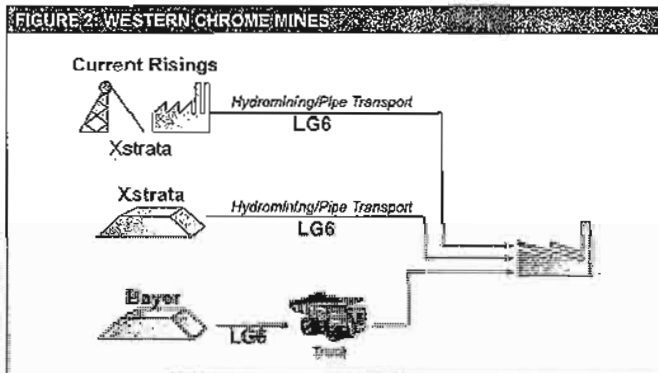
As such, CTRP essentially does not own the mineral resources that are treated. The value in the project is underpinned by the interest in the consortium.

GEOLOGICAL SETTING

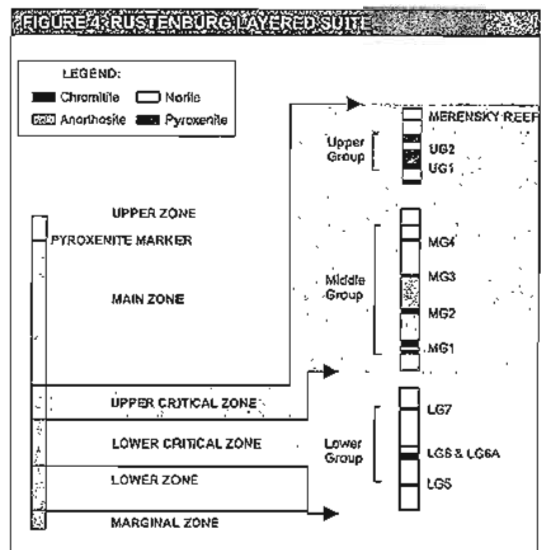
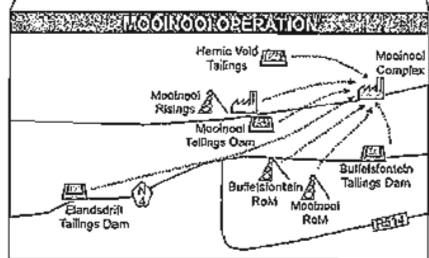
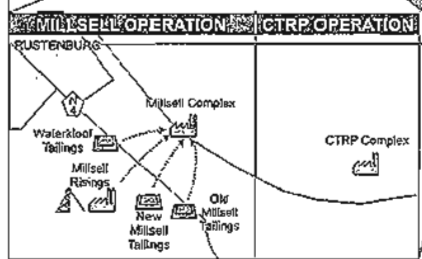
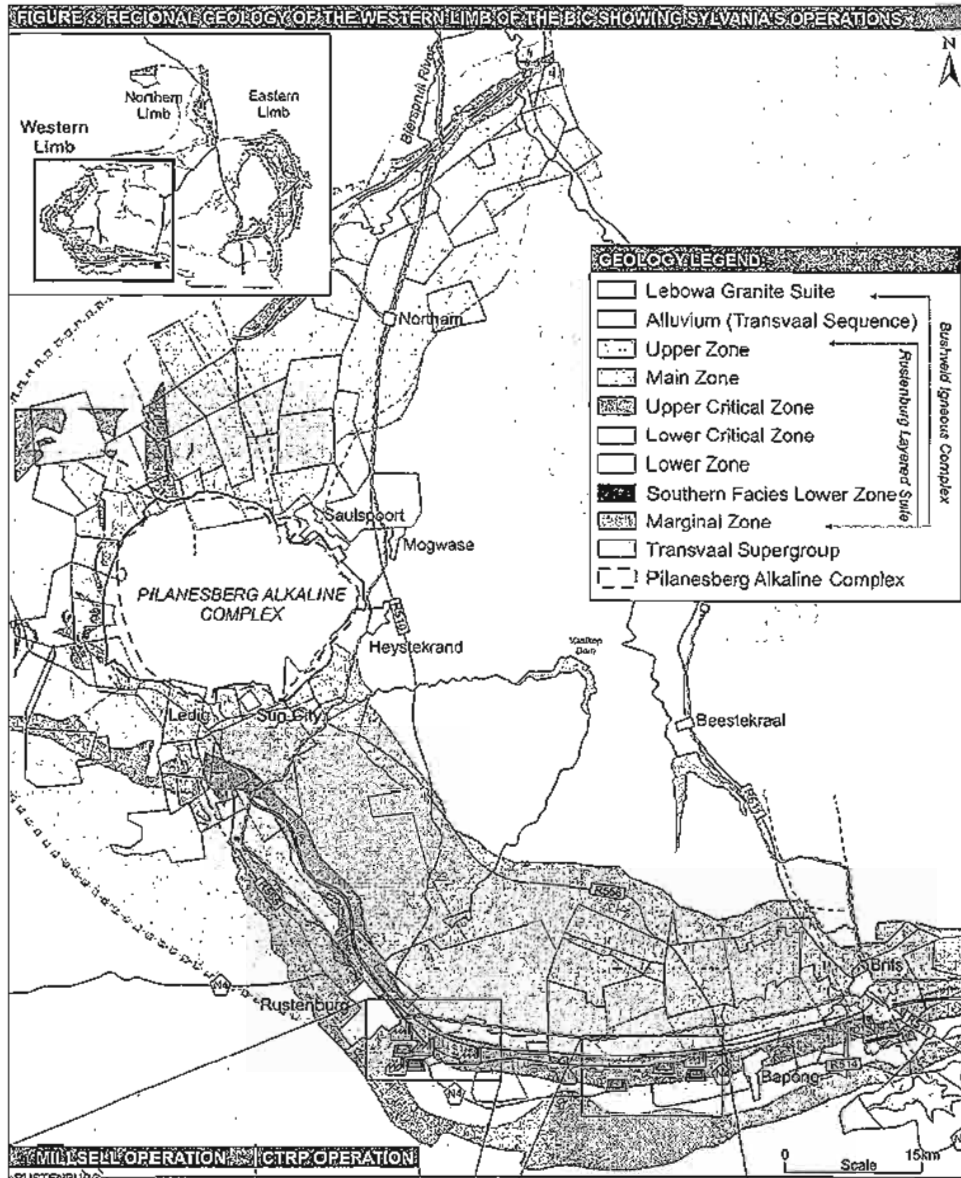
The BIC is a layered igneous intrusion located in South Africa spanning over 66,000km². The BIC contains some of the richest ore deposits in the world, including substantial resources of PGE's, such as platinum, palladium, gold, osmium, iridium, rhodium, and ruthenium, together with chromium, titanium and vanadium. The BIC holds more than 80% of the world's resources of these minerals. The BIC is divided into an eastern, western and northern lobe formed around 2bn years ago. The fact that the mineral horizons outcrop almost entirely around the complex makes its accessibility unique. It is believed that multiple magma injections, coupled with differential crystallisation resulted in the layered nature of the lithology. The simplified stratigraphy and nomenclature for the chromite seams of economic interest is shown in Figure 4.

Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed.

The PGE content of the chromite seams has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. The CTRP and subsequent Sylvania CWP/PRP developments have revolutionised this thinking.



GEOLOGICAL SETTING



HISTORY

Construction of the CTRP Complex began in 2004 with commissioning being completed in December of 2004. The first concentrate was produced ahead of schedule in January 2005. The CTRP was originally expected to treat 240,000tpa chromite tailings with an average grade of 4.0g/t with a life of 12 years, producing up to 28,000 oz 4PGE's per year, this is not a forward looking statement. The successful operation of the CTRP pioneered the technology and concept that chromite rich low grade PGE tailings could be re-treated. This operation paved the way for the subsequent Samancor Chrome and Sylvania Tailings Retreatment Agreement in 2006 which facilitated the original Sylvania business model to construct additional CWP and PRP plants for PGE concentrate production.

MINERAL RESOURCES AND MINERAL RESERVES

The CTRP Complex is a standalone processing plant, supplied with tailings from the Xstrata and Lanxess chrome tailings as well as other nearby suitable sources, including both current risings and historical dumps. As such it has no mineral resources or mineral reserves.

MINERAL PROCESSING PLANT

Location

The facility is situated 4km east of the town of Kroonandaal, in the North West province in South Africa, 4km south of the major national N4 highway. The CTRP is located on the Aquarius Kroonandaal Mine site and is accessed via a tarred road connected directly to the major national N4 highway.

Process Flow Description

The CTRP Complex can best be described as a mineral processing plant which processes chromite tailings from nearby chrome mines to produce PGE's in the form of a concentrate which is consequently sold via off-take agreements to RPM and IRS. The CTRP was the original plant which successfully recovered PGE's from chromite tailings and is very similar in design and operating characteristics to the subsequent PRP plants constructed by Sylvania on both the eastern and western limbs of the BIC.

Test work and experience from the CTRP plant indicated that PGE's are concentrated in the finer fractions at values that can be recovered by conventional flotation methods to produce a saleable concentrate. The concentration step incorporates a thickening process followed by pumping to a holding/surge tank which feeds into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF on the property. With a head grade of 4.2g/t a metallurgical recovery of 27% was achieved.

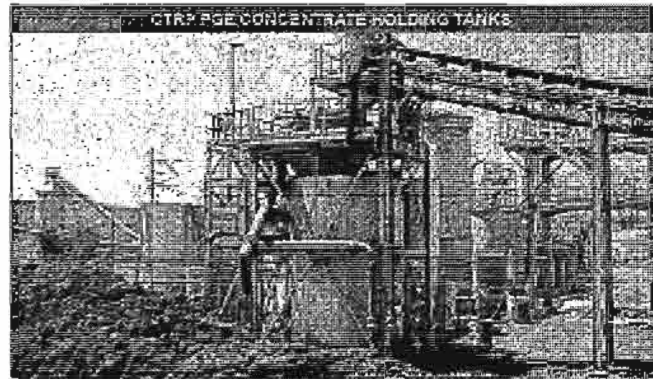
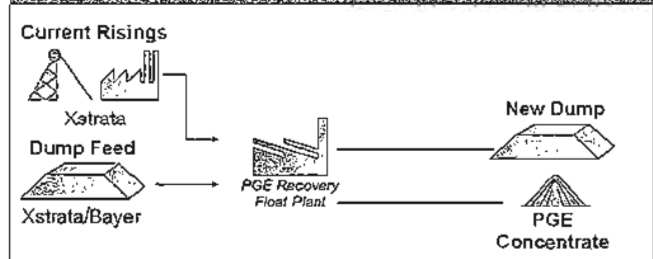
CONTROL AND RECORD KEEPING

Metal accounting at the current plants is undertaken at various stages during processing of the current risings and historical Samancor Chrome dump material. Depending on the type of sample taken and point within the process stream, these samples range from daily to monthly assays. Modern instrumentation has been installed with various levels of sophistication so that the controlling and monitoring is performed by means of a supervisory control facility. These facilities are located in the main control room of the complex. Commands are given by human intervention through an operator interface i.e. personnel computer, linked to the central processing units.

PLANT OPERATION

The complex will be operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. The CTRP currently employs 18 people including contractors.

FIGURE 5: CTRP PROCESS FLOW



MATERIAL AGREEMENTS

Off-Take Agreements

On 15th April 2004, RPM and the Consortium concluded an agreement whereby the Consortium agreed to sell to RPM 75% of the 4PGE's contained in concentrate as produced by the Consortium. The RPM Off-take Agreement endures for the life of the production of PGE tailings by Xstrata and Lanxess dumps on the properties situated on the Farm Kroonandaal 304 JQ. The Consortium has warranted to RPM that it is the sole and exclusive owner of all the concentrate sold to RPM and has comprehensively indemnified RPM in relation to a breach of such warranty. In terms of the RPM Off-take Agreement, the parties may not undergo a change of control without the prior written consent of the other parties.

On 3rd March 2004, IRS and the Consortium concluded an agreement whereby the Consortium agreed to sell to IRS approximately 90 dry metric tonnes per month of flotation concentrate to be delivered by the Consortium in sealed road tankers as slurry to the mineral processors of IRS. The IRS Off-take Agreement endures until the current tailings and dumps being processed by the Consortium and delivered as concentrate are exhausted.

HISTORIC PRODUCTION

The CTRP Complex has been operating at steady state since the 2006 financial year apart from stopages. CTRP was designed to process 20,000tpm of combined dump material and current risings.

From the yearly financial reports of the CTRP production, presented on the Aquarius website, PGE production varies with head grade but ranges from approximately 3,000oz to just less than 9,000oz contained of 4PGE's.

SOURCES OF INFORMATION

Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2011;
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 31st July 2009, relevant knowledge was obtained on the complex.

EVEREST NORTH PROJECT



IN THIS DOCUMENT

- Key Features
- Summary
- History
- Physiography
- Geological Setting
- Recent Exploration
- Adjacent Properties
- Quality Control And Assurance

- Key Environmental Aspects
- Mineral Resources Statement
- Conclusions

**INDEPENDENT TECHNICAL STATEMENT FOR THE
EVEREST NORTH PROJECT
as at 2nd December 2010**

*Prepared in the format of a short form SAMREC
compliant Technical Statement.*



In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director - Venmyn.
Key Technical Personnel:	Mr. Khalid Patel, B.Sc. Hons (Geog and Environmental Science), MIAIA. Ms. Mpai Motloung, B.Sc. Hons (Geol.), MGSSA, ASAIMM.
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	This independent technical statement (statement) was prepared in order to present the prospectivity and indicative mineral resource estimates for the Everest North Project of Sylvania. This serves as a technical basis for the appraisal of Sylvania's mineral assets.
Sources of Information:	Information was supplied to Venmyn by Sylvania and includes legal, corporate and exploration results in the form of a Competent Person's Report by Rock and Stock Investment (Pty) Ltd (Rock and Stock), which included geochemical sampling data, geological modeling and geological mapping and QA/QC for exploration methods employed in this particular project. The report was based on exploration work commenced on Everest North as well as instructions from the adjacent property's historical exploration programme.
Personal Inspection:	A visit to the Everest North Project area was undertaken on the 3 rd August 2009 by the project team representatives Messrs Andy Clay, and Khalid Patel.
General Location:	The Everest North Project is situated in the Eastern Limb of the BIC. It lies approximately midway between the towns of Roosenekal and Lydenburg in the Lydenburg Magisterial District of the Mpumalanga Province, South Africa.
Licence Status:	Everest North has a new-order prospecting right no. MP30/5/1/2/2/1034PR issued to Aquarius Platinum SA (Pty) Ltd (AQPSA) on the farm Vygenhoek 10JT over what was previously known as "Mineral Area 2". This area includes Portions 3 and 7 of the above mentioned farm. This prospecting right, valid from 26 th November 2006 to 22 nd November 2008, was extended until 7 th December 2012, and gives the holder the right to prospect for PGE's and associated minerals. A legal agreement between AQPSA and Sylvania gave Sylvania the right to carry out exploration and the option to apply for the mining right to this property, to be ceded to Sylvania once potential for eventual economic extraction has been demonstrated.
Climate:	The Everest North Project area typically experiences maximum temperatures up to 39 ^o C in summer with minimums of -8 ^o C in winter, with an average of 15 ^o C. The higher altitude areas of the province have average summer rainfall ranges of 700-1,500mm per year. Rain falls predominantly in the summer season (November-March).
Infrastructure and Accessibility:	Access to Everest North is via the Roosenekal-Lydenburg tarred road located approximately 15km south of the project area. Another access road is a secondary road off the Roosenekal-Lydenburg Road, turning off at Boschfontein. This road is tarred for 3km up to the turnoff to Everest South Mine. The rest is an all-weather dirt road.
Geological Setting and Deposit Type:	The BIC is the world's largest layered igneous intrusion; hosting an estimated 80% of the world's PGE's and substantial base metal deposits. It was intruded into Transvaal Supergroup rocks ca. 2,060Ma, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. The BIC in its entirety covers an area of approximately 66,000km ² and is subdivided into Northern, Eastern and Western limbs. The mineralisation of interest in this area is primarily hosted by the Merensky Reef and UG2 Reef, although the Merensky Reef tends to be absent or poorly developed in some areas due to weathering of the Upper Critical Zone. The two reefs are hosted within the Critical Zone of the Rustenburg Layered suite. The primary target for this project is the UG2 Reef.

SUMMARY

This statement reviews Sylvania's interest of 74% in the Everest North Project in the Eastern Limb of the BIC, as shown in Figure 1. The Eastern Limb of the BIC already has a number of prominent PGE mines, in the vicinity of the Everest North project. The primary economic horizons are the Merensky Reef and the UG2 Reef, of which the latter is of commercial interest. Sylvania has secured access to the Everest North Project, subject to the fulfilment of certain terms of its agreement with the mineral rights owners AQPSA. This technical statement identifies the technical criteria of the Everest North Project.

Historical exploration on this area dates back to the 1920's and culminated with Genmin's (previously General Mining Corporation, the owner of the old order right at the time) exploration programme in the

1990's, which extended onto the adjacent farm Mareesburg 8JT. The mineral rights to the farm Vygenhoek 10 JT were ceded to AQPSA in 2000. AQPSA only received a new order prospecting right, on conversion of their existing old order prospecting right, on 26th November 2006. It was extended and will expire on 7th December 2012, but will be open for renewal.

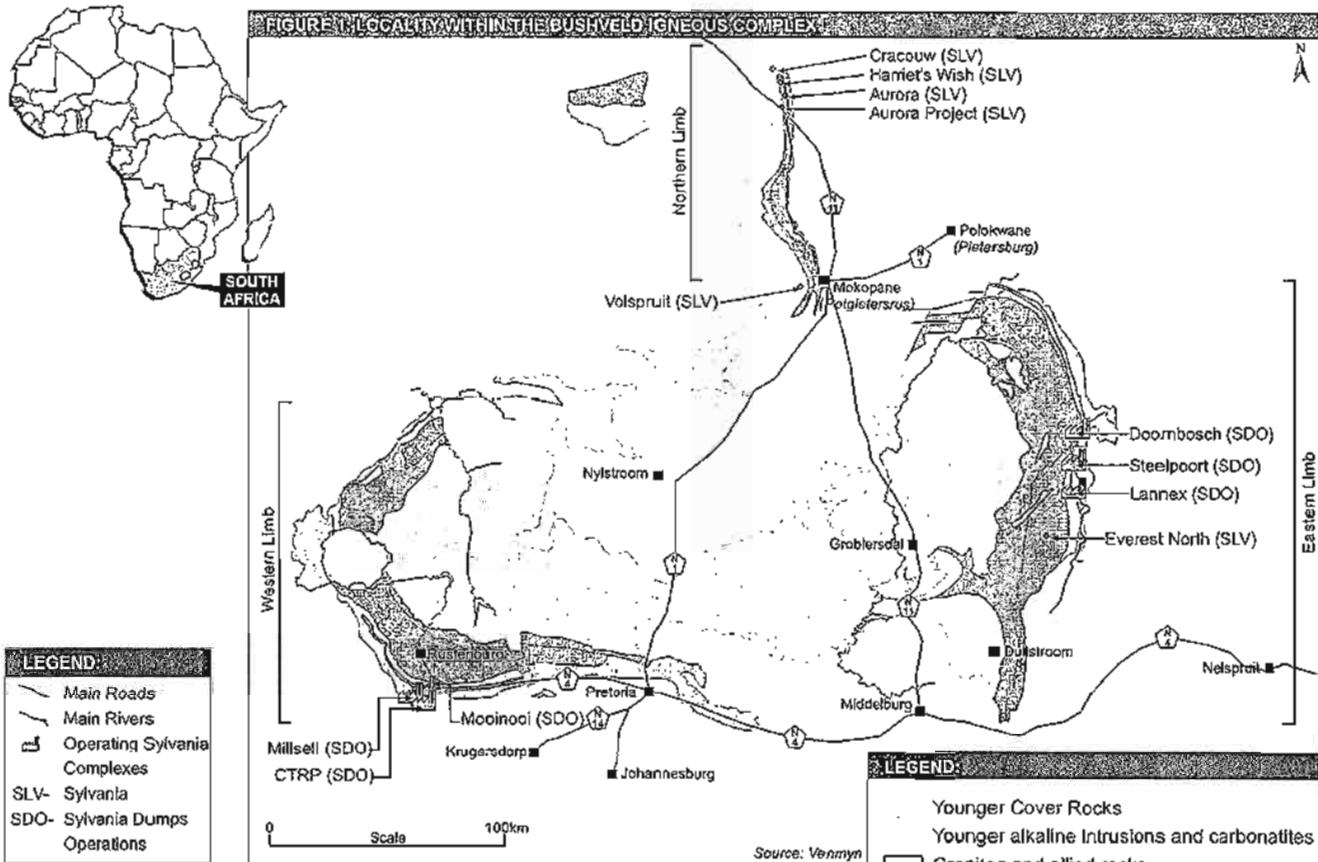
AQPSA entered into a legal agreement with Sylvania in 2005, in which Sylvania was appointed the contractor to carry out all the prospecting on the farm Vygenhoek 10 JT, subject to certain conditions. One of the conditions was that, should positive results be yielded from the exploration programme indicating that the prospect can be mined economically, Sylvania could elect to mine on the prospect. In addition, should Sylvania elect to mine the prospect, then AQPSA is obliged to appoint Sylvania as its agent to apply for a mining right for the property.



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PAGE 1





On 20th May 2009 Sylvania applied to the DME for a new order mining right. AQPISA has subsequently advised Sylvania that it is of the opinion that the prospect could not be economically mined. The matter is now under dispute and in terms of the agreement it has been referred to arbitration. Sylvania and AQPISA are currently engaged in a process to resolve the issue to their mutual satisfaction, and the arbitration is suspended.

An additional exploration programme was carried out by Rock and Stock on behalf of Sylvania and was completed in March 2008. This exploration programme consisted of 21 diamond bore holes together with assays of 779 samples. Both historical and recent exploration confirm the geology and structure of the orebody across the farms Mareesburg 8JT and Vygenhoek 10JT, which is thought to be a roughly oval-shaped erosional remnant of the three adjacent hills, with an E-W axis of 2.5km and a width of 1.9km. The recent and historical exploration data was the basis for the mineral resource estimate made by Rock and Stock on 25th March 2008, which declared a Measured Resource of 5,08mt of ore at a grade of 4.7g/t 4 PGE, over a width of 1.72m.

HISTORY

The earliest exploration in the vicinity of Everest North took place in the 1920's and concentrated on tracing the extent of the Merensky Reef. In 1977, the University of Pretoria undertook a detailed mapping exercise which formed the basis of the published 1:250,000 geological map sheet for the area.

In 1990, Genmin carried out exploration activities in the farms Vygenhoek 10JT as well as the adjacent Mareesburg 8JT to investigate the UG2 Reef. During 2000, the prospecting rights on the farm Vygenhoek 10 JT were ceded to AQPISA by Implats. Other than reconnaissance visits and limited field mapping, no further exploration work has been carried out by AQPISA on the property.

As part of their exploration programme on the farms Mareesburg 8JT and Vygenhoek 10 JT, Genmin drilled a total of 15 boreholes. Only three of the 15 boreholes were drilled on the farm Vygenhoek 10 JT and they all intersected the UG2 at different depths. In addition, three short deflections were drilled from 10 holes. This provided 63 intersections of the UG2 Reef, of which 35 were assayed. This data revealed a UG2 outlier with the dimensions 2.8km east-west by 1.5km north-south. Genmin interpreted the outlier to consist of a gentle syncline and the axis plunges at 3° to the west. The flanks of the structure dip 10-16°E.

The drilling also revealed that the UG2 consisted of a main seam that grades 8.31g/t over 0.66m and a leader seam grading at 2.85g/t over 0.63m. In all but two intersections, there was a waste parting between the two seams, generally less than 2m thick, except at one intersection which gave a thickness of 7.25m. Based on this information, Genmin declared a Measured Resource for the entire outlier (Mareesburg 8JT and Vygenhoek 10 JT) of 17Mt at 5.68g/t 4PGE over 1.28m (3.1Moz) for the entire UG2 resource, at an average depth of approximately 240m. (This was prior to the SAMREC Code).

TABLE 1: HISTORICAL MINERAL RESOURCE ESTIMATE FOR THE EVEREST NORTH PROJECT

DATE	COMPANY	FARM	RESOURCE CATEGORY	4E (g/t) (P+Pd+Rh+Au)	CHANNEL WIDTH (m)	SG (g/cm ³)	TONNAGE ('000t)	CONTENT ('000oz)
1990	Genmin	Vygenhoek 10JT & Mareesburg 8JT	Measured	5.66	1.28	N/A	17,000	3,380
2004	Aquarius Platinum	Vygenhoek 10JT	Estimated	5.74	2.85	N/A	4,002	804
2006	Eastplats	Mareesburg 8JT	Indicated	4.80	N/A	3.70	11,290	1,897

A reconnaissance visit was carried out in 1998 as part of AQPSA's exploration programme, followed by detailed surface mapping carried out in 2000. In October 2004, an unpublished 'estimated' resource was quoted by AQPSA in an internal document, as shown in Table 1. In BIC terms, the project is relatively small, but the fact that it is adjacent to Eastern Platinum Limited (Eastplats) property and is strategically located in strike position, makes it a useful property to be combined with a bigger enterprise. It is however viable as a stand alone operation. East Plats acquired historical data from the adjacent farm Mareesburg 8JT as part of their exploration. This included data from 12 drillholes from Genmin's exploration programme and seven holes drilled by Samancor. MSA Geoservices (MSA) was engaged by Lion's Head, in joint venture with Eastern Plats, to prepare a geological and quality control report.

MSA's exploration programme was limited to diamond drilling, limited mapping and trenching as well as 10kg samples taken for metallurgical testing. The drilling programme comprised 37 vertical diamond drill holes with an additional five geotechnical holes. MSA was able to confirm Genmin's original geological model. This exploration programme culminated in a prefeasibility study carried out by SRK Consulting on Mareesburg 8JT Farm in June 2006. The study quoted an Indicated Mineral Resource of 11.3Mt at a grade of 4.8g/t 4PGE (1.74Moz) or half of the previous estimate. Exploration activities at Mareesburg 8JT revealed a continuous orebody extending from the Mareesburg 8JT to Vygenhoek 10JT. Table 1 summarises the historical mineral resource estimates for the Everest North Project.

PHYSIOGRAPHY

The Everest North Project is characterised by three parallel, linear geographic features:-

- the Groot Dwars River, which rises 21km to the south in the Steenkampsberg. Local relief along this valley is up to 600m, with high points ranging from 1,600m to 2,000m;
- a bench area, located 4km east of the river, which is a subdued valley at elevations of 1,400m to 1,700m. It is drained by unnamed tributaries to the main river. Most of the agricultural activity between the Steenkampsberg and Groot Dwars River occurs along this feature; and
- the Steenkampsberg, which is located 7km east of the Groot Dwars River, with peaks at elevations of 1,900m to 2,300m.

The project area underlies the Groot Dwars River valley and hills between the valley and bench area. The topography of the site is defined by a river, a tributary to the Groot Dwars River, running north north-east, creating a topographical low with associated higher altitude hills to the east and west of the river. The surface elevation varies between 1,280mamsl in the north of the project area to 1,480mamsl to the south.

The main land use in the area is agriculture, ranging from extensive cattle ranching, sheep ranching, pig farming, wattle plantations and various agricultural crops. There is a limited amount of natural vegetation, consisting of indigenous trees, grasses, shrubs and flowering plants on the rocky areas of the site. The indigenous grassland is classified as North-Eastern Mountain Grassland and falls within the grassland biome

and is typical of the grassland of the mountains and plateau.

The climate in the project area has maximum temperatures reaching 39°C in the summer and minimums that reach -8°C in the winter, with an average of 15°C. The higher altitudinal areas of the province have average summer rainfall of 700-1,500mm per year. Rain falls predominantly in the summer season (November-March).

GEOLOGICAL SETTING

The property under review is set within the 2,060Ma Eastern Limb of the BIC, which, like its Northern and Western counterparts, is subdivided into the lower Rooiberg Group, followed by the Rustenburg Layered Suite, overlain by the Rashedoep Granophyre Suite and capped by the Lebowa Granite Suite. The mineralisation is hosted in the UG2 and Merensky reefs, found in the Upper Critical Zone of the Rustenburg Layered Suite. The Critical Zone in the Eastern Limb is developed over about 150km of strike in three areas separated by two down faulted blocks.

The Merensky and UG2 reefs are enriched with varying grades of PGE's, gold, nickel, copper, vanadium, titanium, magnetite and chromite. The Merensky Reef occurs stratigraphically higher than the UG2 Reef and is relatively more PGE enriched. The UG2 Reef commonly consists of the Leader Chromitite seams and an underlying Main Chromitite seam. The Leader seams, of which there are normally two or three, are thin, measuring from 5 to 15cm thick separated from the underlying Main Seam by similar widths of pyroxenite. The Main Seam is a more massive chromitite seam, measuring approximately 30cm to 80cm.

The principal target of the Everest North Project of Sylvania is the UG2 Reef. The depositional model of the UG2 Reef of Everest North is thought to be syndinal structures in the floor rocks in which mineralization has "ponded". The Merensky Reef is not present in the prospecting area, having been removed by extensive weathering.

RECENT EXPLORATION

In 2006, Sylvania contracted Rock and Stock to conduct and manage the exploration programme on the farm Vygenhoek 10 JT. This was planned to consist of a drilling programme on an approximate grid of 250m x 250m, trenching, as well as limited surface mapping. In total, 21 holes were completed with 62 reef intersections for a total of 2,635m drilled. Of the 62 intersections, 45 were sampled and a total of 779 samples were taken across the mineralised portions of the drill hole intersections.

FIGURE 2: STRATIGRAPHY FOR EVEREST NORTH

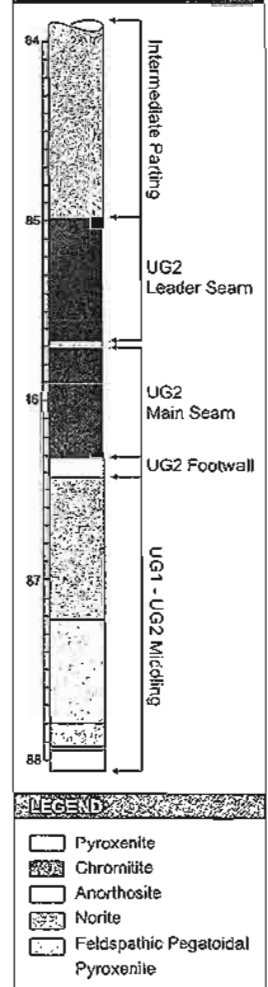
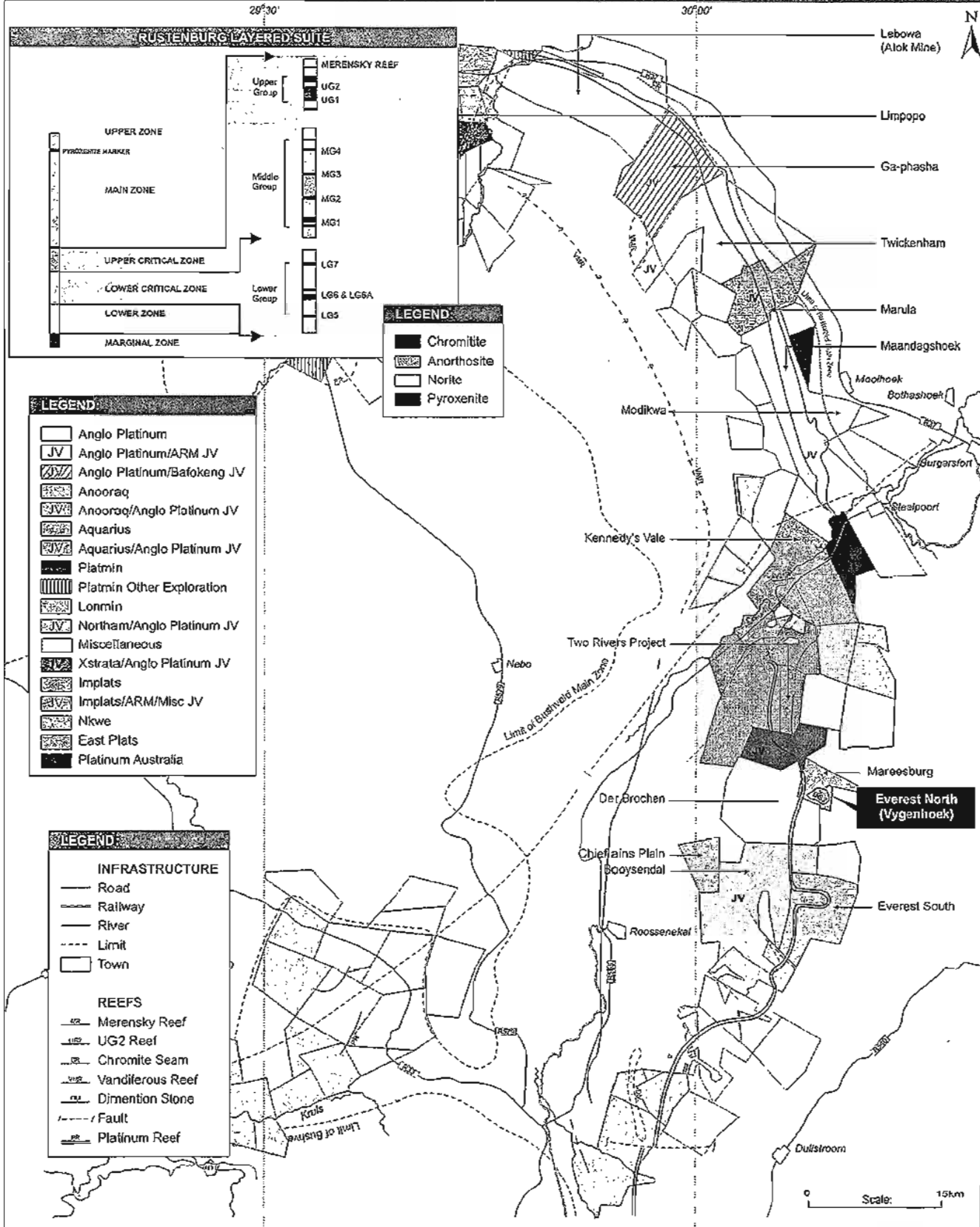
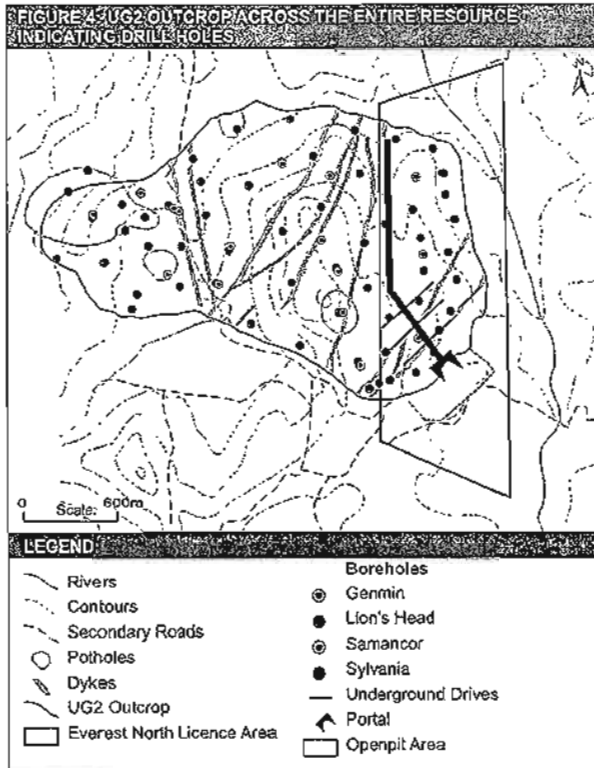


FIGURE 3: LOCALITY OF THE EVEREST NORTH PROJECT ON THE EASTERN LIMB OF THE BIC





The attached map summarises the findings of the mapping exercise. Three dolerite dykes were found to cross the UG2 Reef, with their thickness varying from 0.5m to 12m across the outcrop. The dykes strike between 32°E and 40°W, with a dip of 72°N to 90°N.

QUALITY CONTROL AND ASSURANCE (QA/QC)

Drilling

QA/QC on the data generated from historical drilling programmes was carried out by means of validation in SABLE software by Rock and Stock. This was done to check inconsistencies and irregularities such as gaps in borehole logs, overlaps, mismatched sample values and sample bias.

For the two sets of data (i.e. Genmin/Aquarius and Lion's Head/Easternplats), the following conclusions were made:-

- the Genmin/Aquarius data was found to be of good quality and deemed appropriate for mineral resource estimation;
- the field data from the same data set was found to be trustworthy with a limited amount of variance;
- in the Lion's Head/Easternplats exploration data, all drill holes interpreted as potholed reef intersections were excluded from the mineral resource estimation process;
- no collar positions for the geotechnical drillholes were obtained and subsequently, the holes could not be used for structural interpretation purposes; and
- exploration data was considered to be of a good standard and were used in mineral resource estimation, by Rock and Stock.

Recent drilling data from Sylvania's exploration programme was logged and sampled using the drill hole logging and sampling procedure as stipulated by Rock and Stock.

This procedure included:-

- the checking of all metres drilled and marked by the drilling company;
- verifying the metres across intersections;
- checking the metres marked against stick-up positions; and
- checking that all metres are metre lengths.

The logging of the drill holes was carried out by a geologist on hand-written logs and these were then entered into the SABLE™ database. No down hole surveys were carried out since all holes were less than 400m deep, (a depth which Rock and Stock considered a 'trigger' depth for down hole surveys) and were drilled vertically. Assay data returned from the laboratories in electronic format was directly imported into SABLE™ for validation. More than 60% of the drill holes were audited by a principal geologist from Rock and Stock. All collar positions were surveyed by a registered mine surveyor. Every box of drillhole core recovered from the drilling programme was photographed and stored in electronic format.

Sampling

Rock and Stock followed a rigid sampling protocol, consisting of 12 check points, to ensure compliance with the SAMREC Code. Blank and standard samples were inserted randomly within the sampling schedule during sampling by the field geologist.

A total of 47 standard samples were submitted with the batches of cored samples. The control charts showed that the PGE elements plotted within the control limits. About 57% of the standards submitted returned values higher than the mean plus two. This bias was attributed to inter-laboratory variance and not instrument calibration. Rock and Stock did not consider that this had any influence on the integrity of the sampling database.

The blanks used during the sampling programme were made up of Magaliesburg Quartzite, taken just north of the Hartebeespoort Dam. A total of 50 blank samples were submitted with the batches of samples. No blank sample returned values higher than 0.12g/t4PGE as anticipated.

Field duplicates are not used for BIC sampling as the nugget effect is too pronounced with respect to PGE mineralisation, therefore samples and duplicates may have a variance of 50% in PGE tenor. A total of 44 of the returned sample pulps from the primary laboratory (Genalysis) were submitted to another laboratory (Setpoint Laboratories) for verification. All assay values returned from the primary lab have been accepted as an accurate reflection of the mineralisation. Results were acceptable for the proper resource statement to be carried out.

Assaying

Both the primary (Genalysis) and the secondary (Setpoint) laboratories have in-house QA/QC checks which were performed on the samples submitted to them. These in-house checks were used to test their procedures, contamination, accuracy and precision. This was carried out through the use of standards and blanks.

KEY ENVIRONMENTAL ASPECTS

An Environmental Scoping Study was carried out on the Everest North Project by Scientific Aquatic Services CC and completed in July 2009. This study included public involvement from 2006/7 and other specialist scoping studies to determine the potential environmental impacts of the project and further specialist studies that might be required in more evolved stages of development of the project.

The key environmental issues highlighted in this report were as follows:-

- loss of soil resource through sterilisation, erosion and contamination;
- negative impact on the land capability (currently mostly for agriculture);
- negative impacts on land use:-
 - road disturbance and traffic;
 - disturbance of existing land uses; and
 - damage from blasting.
- loss of natural vegetation;
- loss of naturally occurring animals;
- negative impacts to surface water:-
 - altering drainage patterns; and
 - contamination of surface water.
- negative impacts to ground water:-
 - reducing ground water levels and availability; and
 - contamination of groundwater.
- reduction of air quality due to pollution from emissions
- increase in disturbance noise levels;
- loss of heritage resources;
- negative visual impacts; and
- socio-economic impacts (positive and negative).

Details of these potential impacts were provided in the Everest North Environmental Statement, but none were considered to be fatal flaws that would prevent mine development.

CURRENT MINERAL RESOURCE STATEMENT

Mineral Resources were estimated by Rock and Stock as at 25th March 2008, based mainly on their exploration programme which included 21 boreholes and historical exploration carried out by Genmin and Eastplats. The classification was based on the following assumptions and factors:-

- the known continuity of the UG2 within the Eastern Limb of the BIC, with special attention to Aquarius' Everest South mine;
- the distribution and quantity of the data in terms of the drill hole locality and density;
- the quality of historical as well as current data within the drill hole database as well as the interpretation of the reef horizons;
- the accuracy and reproducibility of the assay data;
- the examination of confidence in the location of any discontinuities that may disrupt the reef;
- confidence in the knowledge of the character and abundance of features such as potholes and IRUPS (Iron Rich Ultramafic Pegmatites);
- no allowance was made for additional hangingwall dilution, this should form part of the mineral reserve estimation in future; and
- the actual thickness of the dykes is unknown at this point. The data allowed for a 20m thickness to be assigned for modelling purposes.

The mineral resource estimates are provided in the table below, which shows the Measured Resource category with a total tonnage of 5,08kt at a grade of 4.7g/t 4PGE over 1.72m.

TABLE 2: PGE RESOURCE ESTIMATE FOR EVEREST NORTH PROJECT - ROCK AND STOCK (25 th MARCH 2008)						
CATEGORY	AREA (m ²)	4PGE (g/t) (Pt+Pd+Rh+Au)	CHANNEL WIDTH (m)	SG (g/c.m ³)	TONNAGE ('000t)	CONTENT ('000oz)
Measured Resources	799,578	4.74	1.72	3.70	5,080	773

This Mineral Resource was not considered to have changed since no further drilling or modelling had been undertaken since its declaration. It should be noted that no cut-off was applied to the in situ Mineral Resource and a 0.0g/t cut-off must be assumed. Whilst this may not materially affect the quality and quantity as stated, it should be considered in any future estimates.

Mine Planning and Scheduling

Mine planning and scheduling work was originally carried out by Sylvania on behalf of AQPSA in terms of a Mining Work Programme dated September 2008. This work, in Venmyn's opinion does not constitute a definitive feasibility study but is sufficient to support a preliminary assessment.

CONCLUSION

Based on the information contained in this Technical Statement as well as a preliminary assessment conducted by Venmyn (not presented here), it can be concluded that Everest North demonstrates potential for eventual economic extraction of PGE's. While it has been shown that Everest North is a viable small mining operation in Venmyn's opinion, it could be used to create a larger economic entity with surrounding ground holders.

CRACOUW 391 LR (HACRA PROJECT)



IN THIS DOCUMENT

- Key Features
- Summary
- History
- Physiography
- Geological Setting
- Recent Exploration
- Adjacent Properties
- Quality Control And Assurance

INDEPENDENT TECHNICAL STATEMENT FOR THE FARM CRACOUW 391 LR (HACRA PROJECT) as at 2nd December 2010

- Key Environmental Aspects
- Mineral Resources Statement
- Conclusions

Prepared in the format of a short form SAMREC compliant Technical Statement.



In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

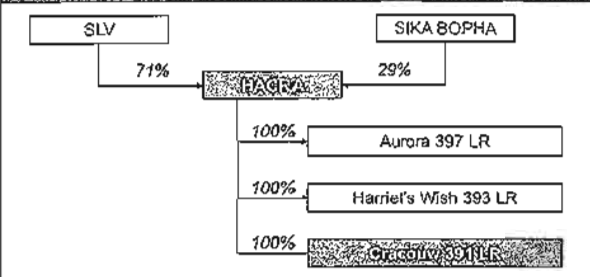
Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director-Venmyn.
Key Technical Personnel:	Ms. Mpaai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA.
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	This independent technical statement (statement) was prepared in order to present the prospectivity for the Farm Cracouw 391 LR of HACRA. HACRA is held 71% by Sylvania and 29% by Sika Bopha. It serves as a technical basis for the appraisal of Sylvania's mineral assets. This statement has been based on exploration work conducted by the farm's previous owners.
Sources of Information:	Information was supplied to Venmyn by Sylvania, and included legal, corporate and exploration results. The exploration results included information from reconnaissance geological mapping, geological analyses, geophysical interpretation, assaying results and orebody modelling. Additional, older information was acquired from public domain sources including the ASX.
Personal Inspection:	A visit to the Cracouw 391 LR area was undertaken on the 4 th August 2009 by project team representatives Messrs Andy Clay and Khalid Patel.
General Location:	Cracouw 391 LR is situated in the Northern Limb of the Bushveld Igneous Complex (BIC) approximately 80km north-northwest of Mokopane and 81 km northwest of Polokwane.
Licence Status:	The prospecting rights for the farm Cracouw 391 LR are held jointly by Rustenburg Platinum Mines (RPM) and Sika-Bopha Trading (Pty) Ltd (Sika-Bopha) under two separate prospecting licences, nos 595/2007 and 792/2007, respectively. RPM's prospecting rights expire on 22 nd May 2012, while Sika Bopha's right expired on 10 th June 2009. Sika Bopha lodged an application for renewal with the DMR on 12 th March 2009. An application to transfer the prospecting right from RPM and Sika Bopha to Sylvania is currently in progress.
Climate:	The project area has warm to hot summers with moderate winters. It has an average annual rainfall of between 577 and 1,000mm. Average summer temperatures rise to 38°C and drop to 15°C. Average winter temperatures range from 20°C to 5°C.
Infrastructure and Accessibility:	Access to the farm is via good quality secondary roads linked to the main N11 highway from Mokopane to Botswana, some 13km to the west of the farm.
Geological Setting and Deposit Type:	The BIC is the world's largest layered igneous intrusion; hosting an estimated 80% of the world's Platinum Group Elements (PGEs) and substantial base metal deposits. It was intruded into Transvaal Supergroup rocks ca. 2,060Ma, largely along an unconformity between the Magaliesburg quartzite of the Pretoria Group and the overlying Rooiberg felsites. The BIC, in its entirety, covers an area of approximately 66,000km ² and is subdivided into the Northern, Eastern and Western Limbs. The mineralisation in the Northern Limb is hosted by the platinumiferous Platreef and Volspruit Reef. The former is at the base of the Main Zone/Upper Critical Zone boundary and the latter is in the Lower Zone, unlike the Merensky Reef and the UG2 Reef in the Western and Eastern Limbs which is hosted within the Critical Zone.

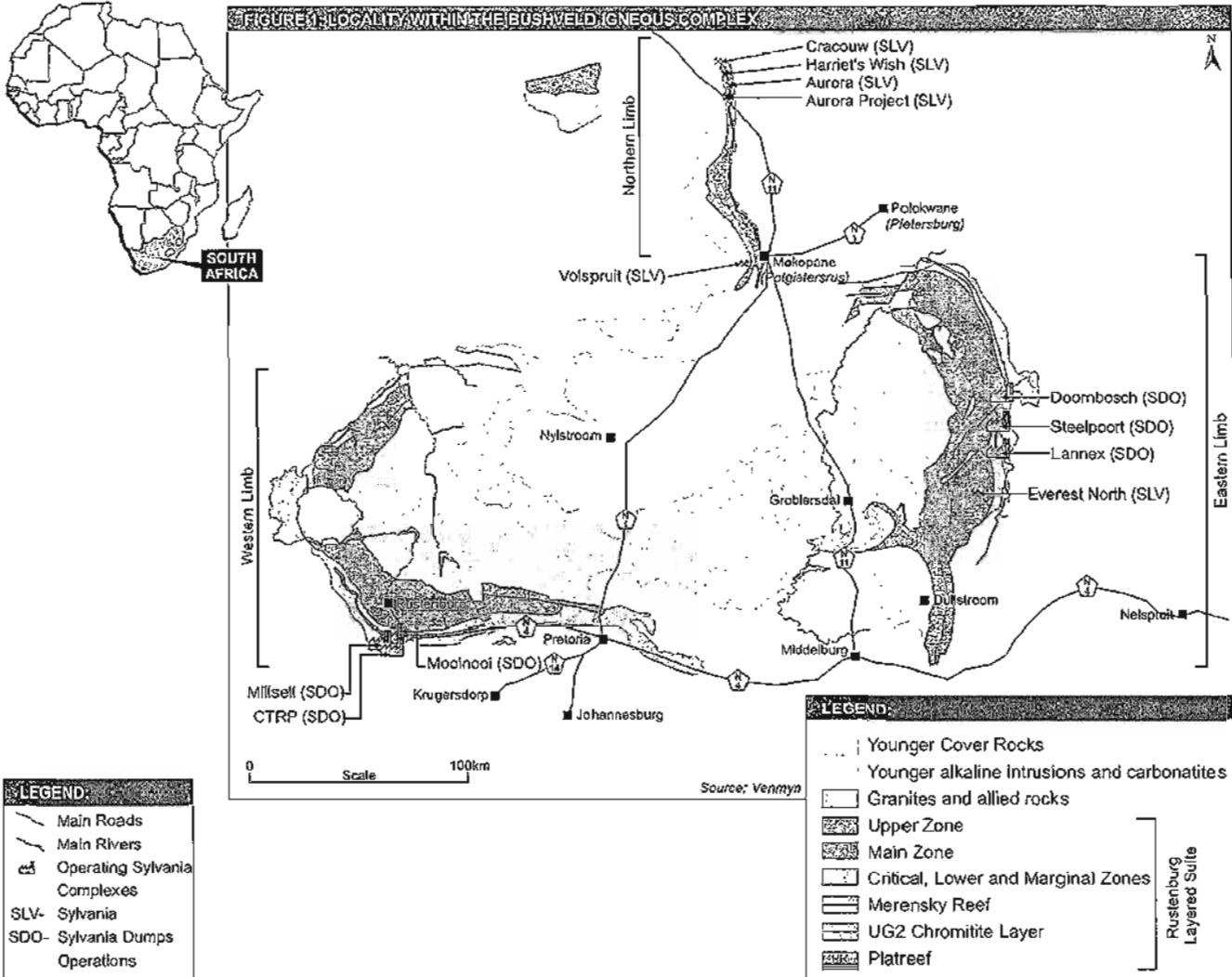
SUMMARY

This statement presents a technical study of Sylvania's Cracouw 391 LR farm located in the Northern Limb of the BIC. The primary economic horizons in the Northern Limb of the BIC are the Platreef in the north and the Volspruit Reef in the south. These reefs contain lower grades of PGEs and associated metals when compared to the traditional Merensky and UG2 reefs in the Eastern and Western Limbs of the BIC, but are considerably thicker.

The farms Harriet's Wish 393 LR, Aurora 397 LR and Cracouw 391 LR are held under prospecting licences by HACRA. Sylvania has a 71% stake in HACRA, while the Black Empowerment entity Sika Bopha owns the remaining 29% of the company. The transfer application for the mineral rights from RPM and Sika Bopha to HACRA has been submitted (Figure 1).

FIGURE 1: CORPORATE STRUCTURE





All the geological information relating to the the farm Cracouw 391 LR has been inferred from exploration of the adjacent farms Harriet's Wish 393 LR and Aurora 397 LR. This historical exploration programme, jointly with Aurora 397 LR, included soil sampling, geological mapping and interpretation of aeromagnetic and ground magnetic surveys.

Recent exploration has not been vigorous, and has comprised desktop studies, soil sampling and reinterpretation of the geophysical data. No drilling has been carried out on the property. No mineral resource classification has been carried out on this property due to insufficient data. Previous workers were reluctant to develop this property further due to results of a regional magnetic survey, which indicated that the Platreef does not extend into this property.

HISTORY

The history of exploration on the farm Cracouw 391 LR by previous owners is set out in Table 1.

TABLE 1: PROJECT HISTORY		
DATE	COMPANY	EXPLORATION ACTIVITY
1970's		Soil Sampling.
1973		Basic Mapping.
1976	Anglo	Interpretation of Government Aeromagnetic Survey.
1977	Platinum	Regional Mapping.
1984		Soil Sampling and Trenching.
1985		Ground Magnetic Survey

As can be seen in Table 1, exploration only began in 1970's on Cracouw 391 LR as part of a regional exploration programme that included adjacent farms.

PHYSIOGRAPHY

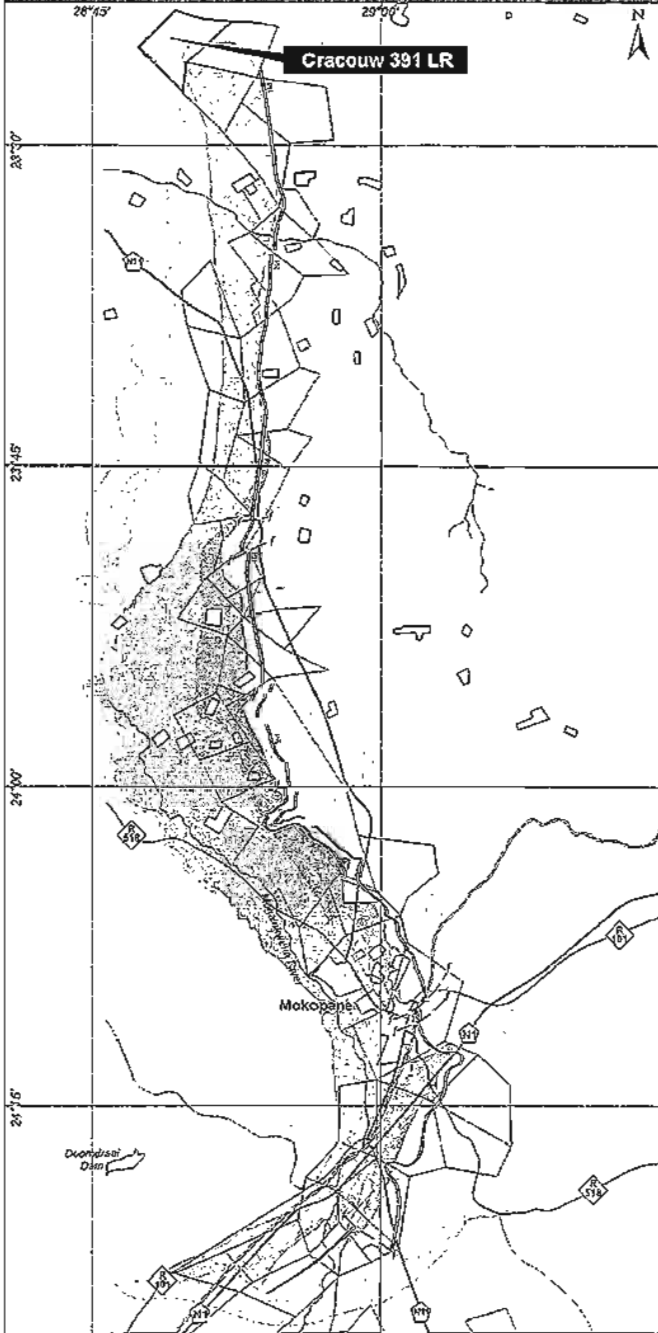
The site has generally flat lying topography with few outcrops. The soils are predominantly moderate to deep, black and red clay soils, with reddish-brown sandy loam soils to the north and east. The Seepabana River runs through the farm from east to west.

The vegetation of the region is classified as Mixed Bushveld. The vegetation varies from a dense, short Bushveld to a rather open tree savannah. Due to the fact that the site is developed into smallholdings, a number of alien plant species, such as bluegums, and several garden plants occur.

The climate is mild throughout the year and the area can be classified as semi-arid. The area has summer from November to April and winter from May to October. In summer, the days are hot and generally sunny in the morning, with afternoon showers or thunderstorms.

Daytime temperatures can rise to 38°C and night temperatures drop to around 15°C. The afternoons can be humid. In winter, days are dry, sunny and cool to warm, while evening temperatures drop sharply. Daytime temperatures generally reach 20°C and can drop to as low as 5°C at night.

FIGURE 3 REGIONAL GEOLOGY OF THE NORTHERN LIMB OF THE BIC



GEOLOGICAL SETTING

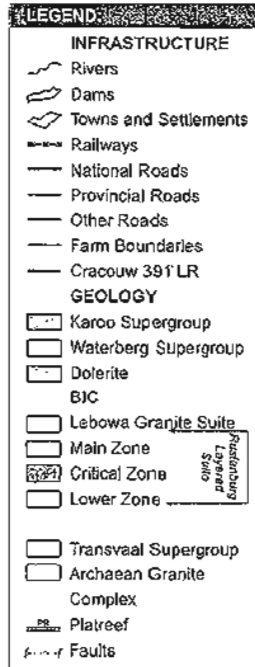
The property under review is set in the 2,060Ma old Northern Limb of the BIC (Figure 3), which, like its Eastern and Western counterparts, is subdivided into the lower Rooiberg Group, followed by the Rustenburg Layered Suite, overlain by the Rashedoep Granophyre Suite and capped by the Lebowa Granite Suite. The mineralization is hosted in the Platreef, found in a pyroxenitic gabbro layer of the Main Zone of the Rustenburg Layered Suite. The Platreef is enriched with PGEs, gold, nickel, copper, vanadium, titanium, magnetite and chromite.

The Volspruit Reef is set within the Lower Zone.

The Volspruit Reef is thought to be an extension of the Platreef and occurs at depth on this property as a result of what is believed to be regional faulting. Insufficient research has been carried out to-date with regards to the Platreef and the Volspruit Reef to clearly define the layered stratigraphy, correlation and metallogenesis.

RECENT EXPLORATION

The most recent exploration results available for the farms Aurora 397 LR and Cracouw 391 LR are from an exploration programme commissioned and carried out by Anglo Platinum, and completed in February 2005. These exploration results were based upon one historical borehole drilled in 1985 (borehole AR1 drilled on Aurora 397 LR) and assay results from sampling of the borehole and results from historical exploration as summarised in Table 2. The exploration was able to describe the property's geology and reef characteristics. No mineral resource estimation was carried out.



Geological Mapping

The geological mapping exercise showed that most of the outcrop on the Cracouw 391 LR property is of the Waterberg sediments. It is considered that the BIC stratigraphy is underneath these sediments. The mapping exercise also revealed the Waterberg Group sediments and intrusive dykes in the west, as shown in Figure 3.

FIGURE 4 SCHEMATIC CROSS SECTION THROUGH THE NORTHERN LIMB OF THE BUSHVELD COMPLEX

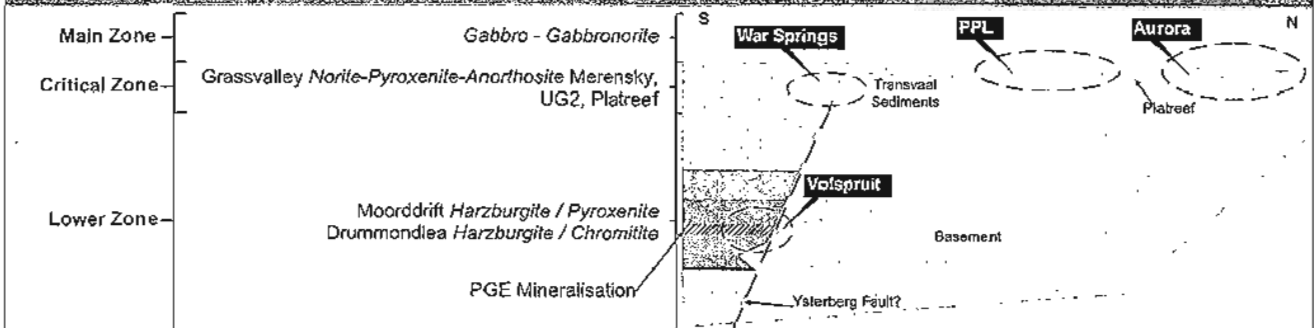
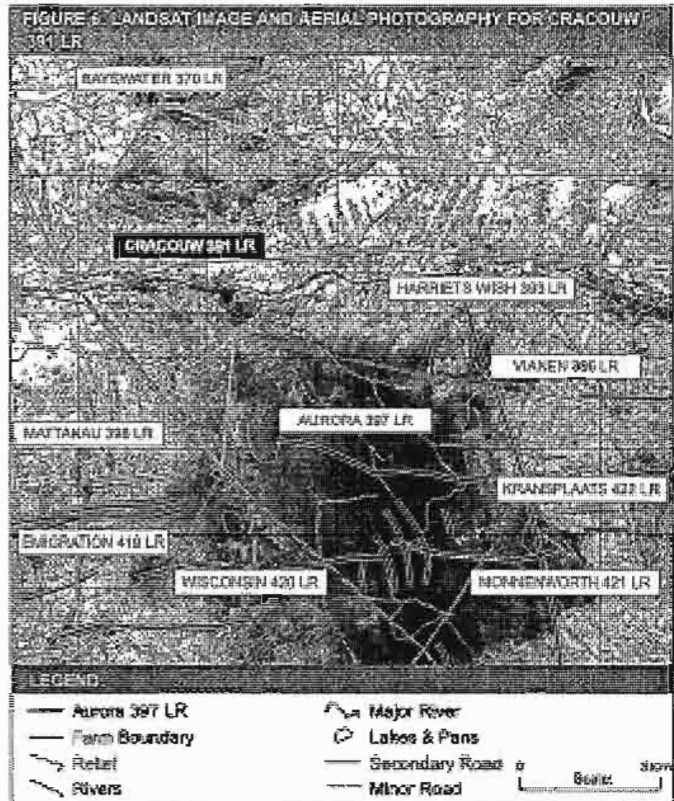
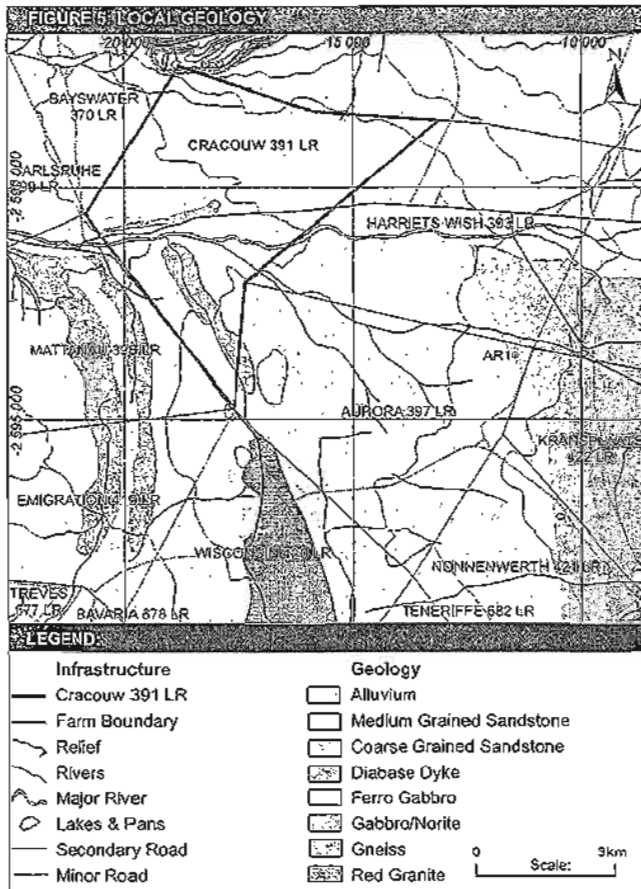


TABLE 2: RECENT EXPLORATION OF THE FARM CRACOUW 391 LR

DATE	COMPANY	EXPLORATION ACTIVITY
1999		Desktop Studies.
1999	Anglo	Analysis of Landsat Imagery.
2004	Platinum	Soil Sampling.
2005		Reinterpretation of ground magnetometer and Aeromag data.



From the available data and limited outcrop, correlation with the stratigraphy of the Platreef was not possible. Based upon this information it is evident that the level of geological confidence is very low. It may, therefore, be regarded as a greenfields target.

Interpretation of Landsat Imagery

Analysis of the Landsat 7 imagery (Figure 6) revealed no geological features such as dykes or faults and no typical BIC signature colouring (purplish for Main Zone and blue for the Upper Zone). This can be attributed to intense farming that has occurred in the region and younger alluvial cover obscuring the BIC type signature.

Interpretation Of Magnetic Surveys

The Aeromagnetic and Ground Magnetic Surveys did not yield meaningful results for Cracouw 391 LR; i.e. no anomalies correlatable to the BIC lithologies were evident.

Reef Characteristics

No zones have been identified to-date within the prospect area but the closest analogue, the Platreef, is being used as an exploration model to generate similar targets. The target is thick pyroxenite layers (30m to 200m thick) situated mainly near the base of the BIC around or in contact with the Archaean Granite floor rocks.

ADJACENT PROPERTIES

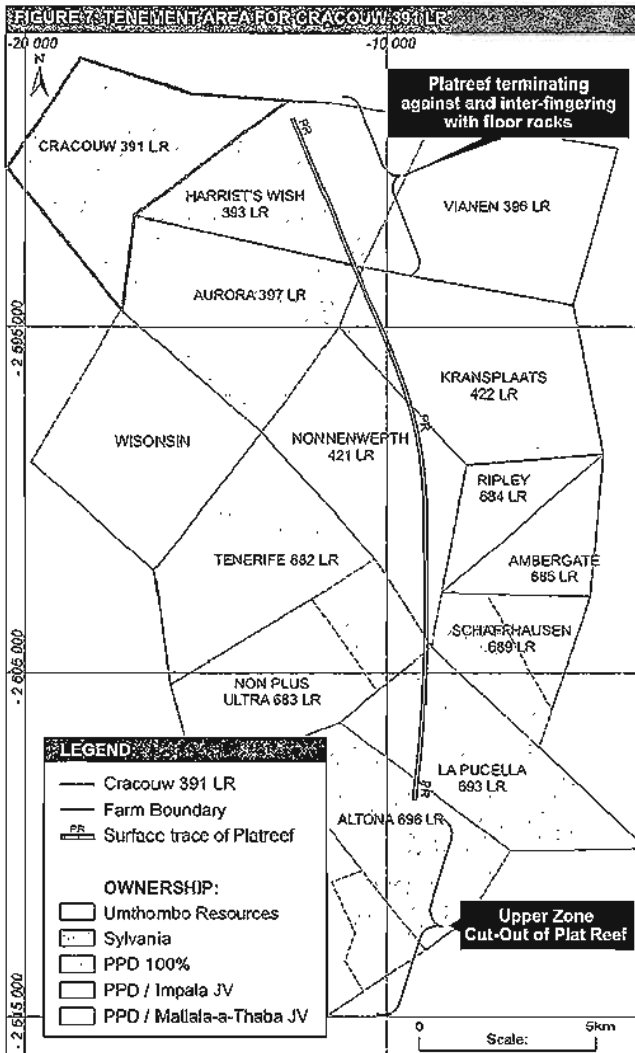
Adjacent to the Cracouw 391 LR farm is the Harriet's Wish Project 393 LR farm, located on its south-eastern boundary, whose exploration details have been provided in its technical statement, included in this report. Harriet's Wish 393 LR has not benefitted from extensive exploration as is evident in the fact that no resource classification has been carried out on that property as yet. The farm Aurora 397 LR is also adjacent to Cracouw 391 LR, located along its south-eastern boundary, shown in Figure 7. Only one exploration borehole had been drilled on Aurora 397 LR in 1985. Consequently, no mineral resources can be defined for this property. Information acquired points to the three farms being part of the same exploration programme, with Cracouw 391 LR having the least exploration work carried out to date.

QUALITY CONTROL AND ASSURANCE (QA/QC)

No record of QA/QC was presented to Venmyn with the results of the exploration programme.

KEY ENVIRONMENTAL ASPECTS

No environmental studies were carried out during this investigation. Environmental reporting is only anticipated in later stages of exploration.



MINERAL RESOURCE STATEMENT

A mineral resource quantity could not be estimated due to insufficient data.

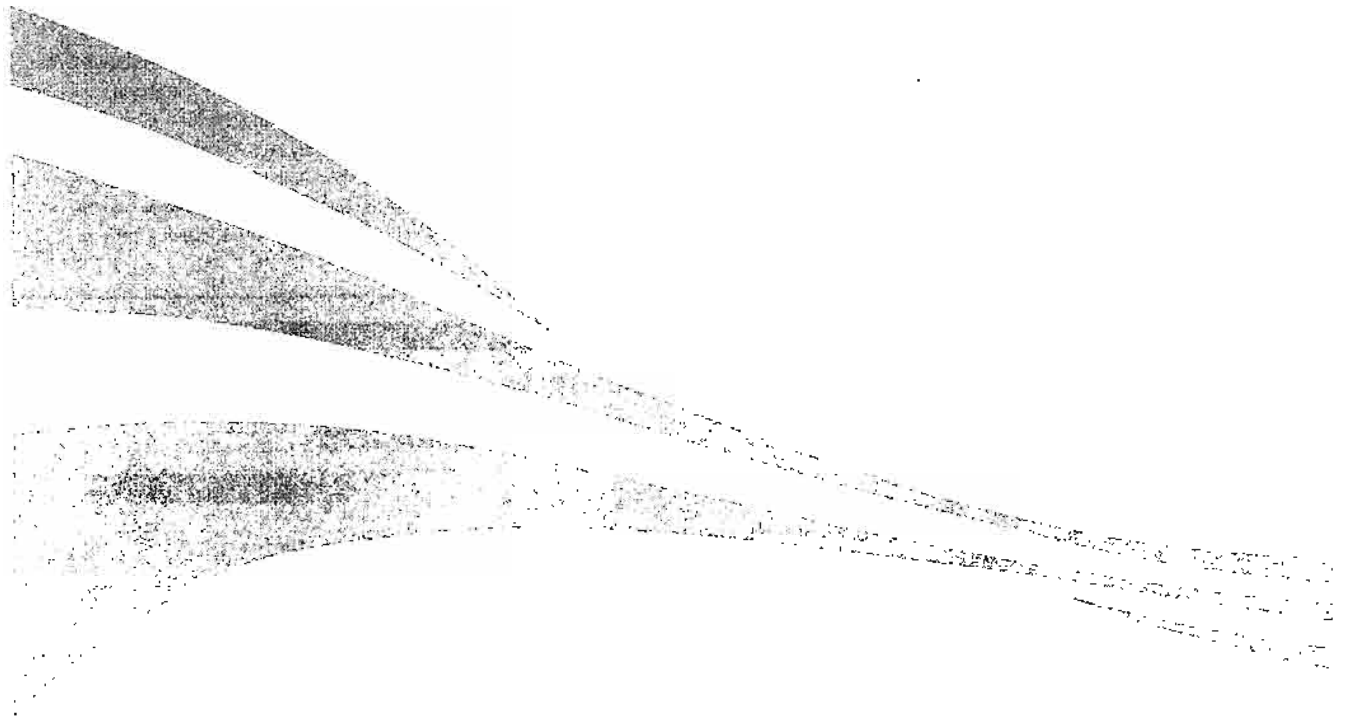
CONCLUSION

The following remarks can be made as a conclusion to this Techno-Economic Statement:-

- the farm Cracouw 391 LR has only undergone preliminary prospecting at this point;
- the preliminary studies carried out on Cracouw 391 LR have identified limited potential for reefs or mineralisation at depth; and
- although potential for finding a mineralised reef on the prospect exists, there is no certainty of its economic potential at this point.

Prorated by hectares as no other information available.

AURORA 397 LR (HACRA PROJECT)



IN THIS DOCUMENT

- Key Features
- Summary
- History
- Physiography
- Geological Setting
- Recent Exploration
- Adjacent Properties
- Quality Control And Assurance

INDEPENDENT TECHNICAL STATEMENT FOR THE FARM AURORA 397 (HACRA PROJECT) as at 2nd December 2010

- Key Environmental Aspects
- Mineral Resources Statement
- Conclusions

Prepared in the format of a short form SAMREC compliant Technical Statement.



In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol.), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director- Venmyn.
Key Technical Personnel:	Ms. Mpaai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Khalid Patel, B.Sc. Hons (Geog and Environmental Science), MIAIA. Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA.
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	This independent technical statement (statement) was prepared in order to present the prospectivity for the farm Aurora 397 LR of HACRA. HACRA is held 71% by Sylvania and 29% by Sika Bopha. It serves as a technical basis for the appraisal of Sylvania's mineral assets. This statement has been based on exploration work conducted by the farm's previous owners.
Sources of Information:	Information was supplied to Venmyn by Sylvania, and included legal, corporate and exploration results. The exploration results confirmed information from reconnaissance geological mapping, geological analyses, geophysical interpretation, assaying results and orebody modelling. Additional, older information was acquired from public domain sources including the ASX.
Personal Inspection:	A visit to the Aurora 397 LR area was undertaken on the 4 th August 2009 by project team representatives Messrs. Andy Clay and Khalid Patel.
General Location:	Aurora 397 LR is situated in the Northern Limb of the Bushveld Igneous Complex (BIC) approximately 80 km north-northwest of Mokopane and 81km northwest of Polokwane.
Licence Status:	The prospecting licence for Aurora 397 LR is held by Rustenburg Platinum Mines (RPM), a wholly owned subsidiary of Anglo Platinum Ltd, under prospecting licence no.595/2007 which expires on 22 nd May 2012. An application to transfer the prospecting licence to HACRA has been submitted.
Climate:	The project area has an average annual rainfall of between 577 and 1,000mm. Average summer temperatures rise to 38°C and drop to 15°C. Average winter temperatures range from 20°C to 5°C.
Infrastructure and Accessibility:	Access to the farm is via good quality secondary roads linked to the main N11 highway from Mokopane to Botswana, some 15km to the west of the farm.
Geological Setting and Deposit Types:	The BIC is the world's largest layered igneous intrusion, hosting an estimated 80% of the world's Platinum Group Elements (PGEs) and substantial base metal deposits. It was intruded into Transvaal Supergroup rocks ca. 2,060Ma, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. The BIC, in its entirety, covers an area of approximately 66,000km ² and is subdivided into the Northern, Eastern and Western limbs. The mineralisation in the Northern Limb is hosted by the platinumiferous Platreef and Volspruit Reef. The former is at the base of the Main Zone/Upper Critical Zone boundary and the latter is in the Lower Zone, unlike the Merensky Reef and the UG2 Reef in the Western and Eastern Limbs which is hosted within the Critical Zone.

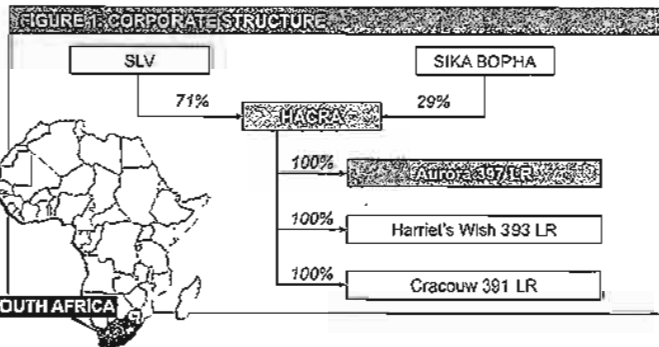
SUMMARY

This document presents a technical study of Sylvania's Aurora 397 LR farm located in the Northern Limb of the BIC. The primary economic horizons in the Northern Limb of the BIC are the Platreef in the north and the Volspruit Reef in the south.

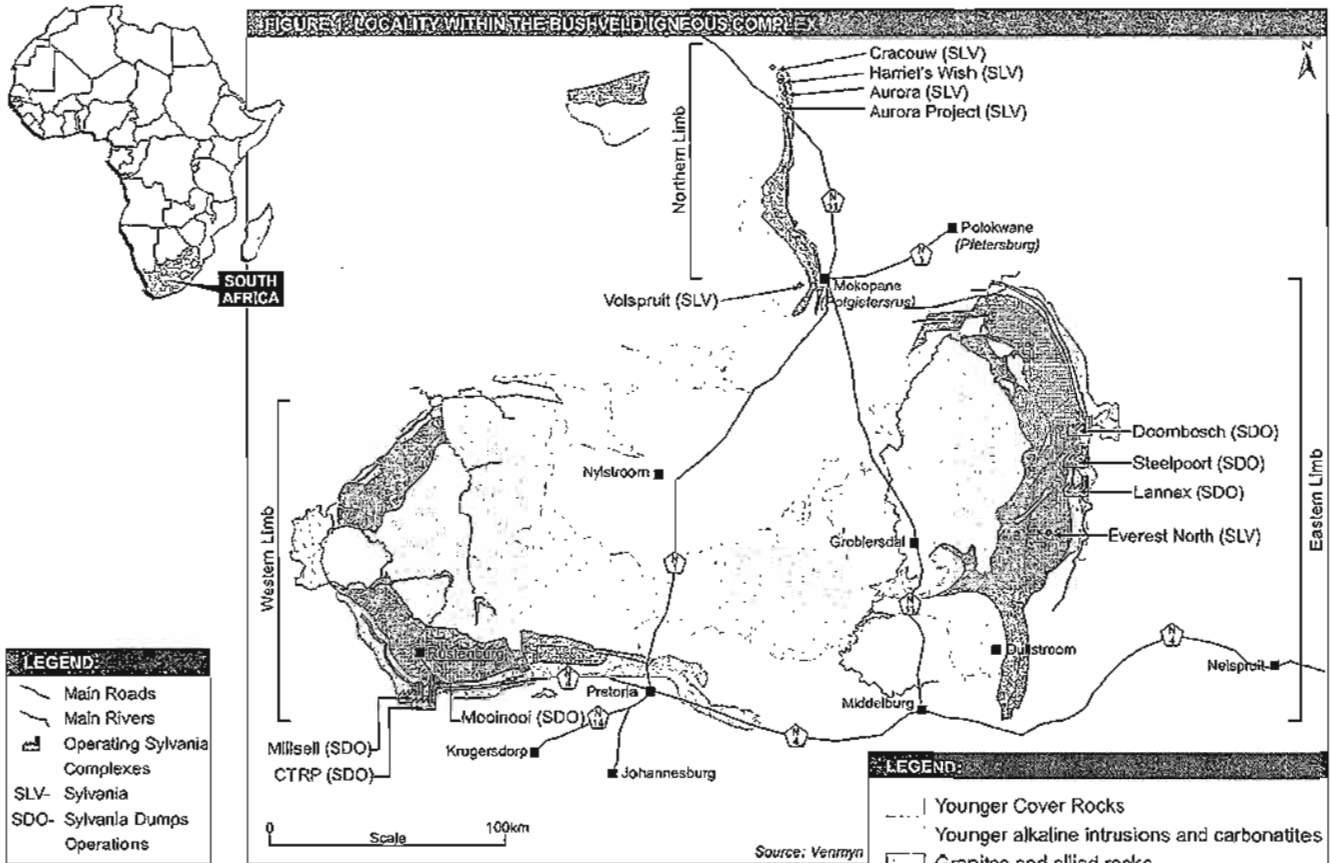
These reefs contain lower grades of PGEs and associated metals when compared to the traditional Merensky and UG2 reefs in the Eastern and Western Limbs of the BIC.

The farms Harriet's Wish 393 LR, Aurora 397 LR and Cracouw 391 LR are held under prospecting licences by HACRA. Sylvania has a 71% stake in HACRA, while the Black Empowerment entity Sika Bopha owns the remaining 29% of the company. The transfer application for the mineral rights from RPM and Sika Bopha to HACRA has been submitted.

A historical exploration programme, which included the adjacent farm Cracouw 391 LR, was completed in February 2005 by Anglo Platinum.



This included soil sampling, geological mapping and interpretation of aeromagnetic and ground magnetic surveys and the drilling of one exploration borehole. Recent exploration consisted of desktop studies, soil sampling, re-interpretation of the geophysical data and relogging of the drilled borehole AR1.



No mineral resource classification has been carried out on this property due to insufficient data. The Platreef has not been identified in outcrop and the results of a regional magnetic survey, as interpreted by Anglo Platinum, indicates that the reef cannot be delineated into this property. The borehole drilled on the property does, however, suggest the presence of a promising target at approximately 160m depth.

HISTORY

The history of exploration in the farm Aurora 397 LR by its previous owner is set out in Table 1. Sylvania has not carried out any additional exploration on this property to-date, but information from previous owners has enabled geological models to be constructed. As can be seen in the historical exploration in Table 1, exploration only began in 1970s on the Aurora 397 LR as part of a regional exploration programme which included adjacent farms.

DATE	COMPANY	EXPLORATION ACTIVITY
1970s	Anglo Platinum	Soil Sampling
1973		Basic Mapping
1976		Interpretation of Government Aeromagnetic Survey
1977		Regional Mapping
1984		Soil Sampling and Trenching
1985		Ground Magnetic Survey and Drilling of One Borehole AR1

PHYSIOGRAPHY

The site has generally flat lying topography with few outcrops. The soils are predominantly moderate to deep, black and red clay soils, with reddish-brown sandy loam soils to the north and east.

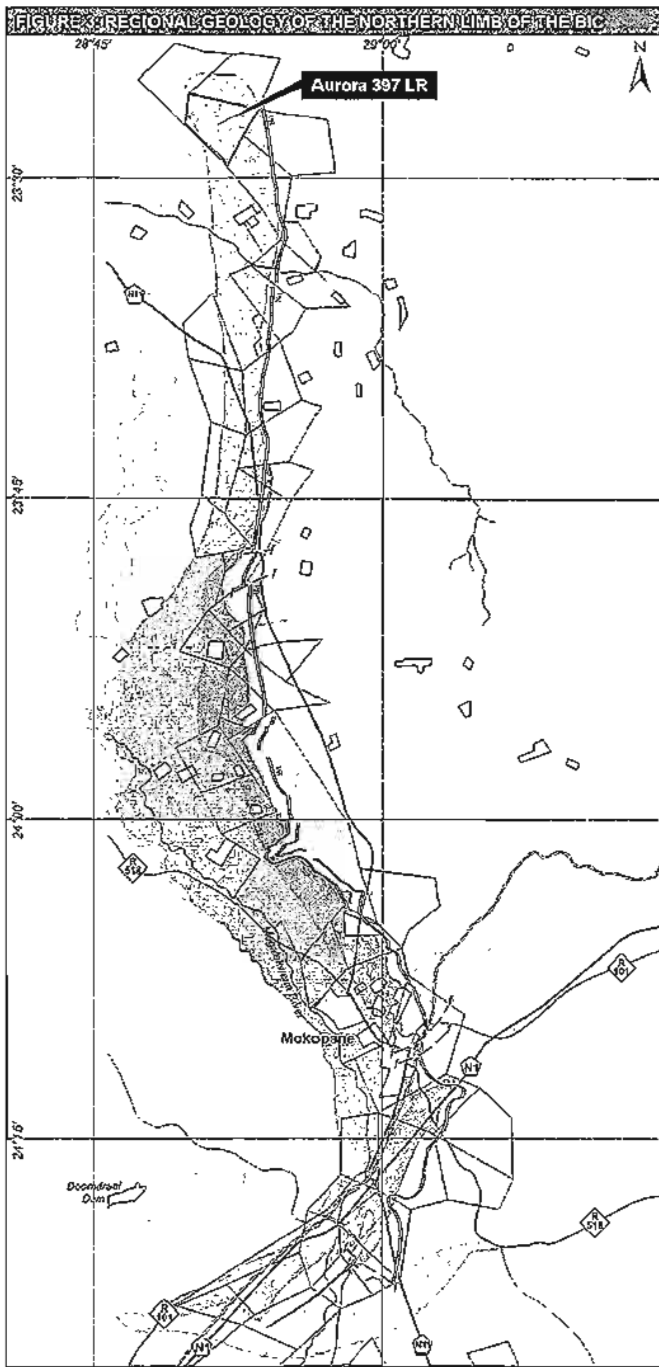
The vegetation in the region is classified as Mixed Bushveld. The vegetation varies from a dense, short bushveld to a rather open tree savannah. Due to the fact that the site is developed into smallholdings, a number of alien plant species, such as, bluegums and several domestic plants occur.

The climate is mild throughout the year and the area can be classified as semi-arid. The area has summer from October to April and winter from May to September. In summer, the days are hot and generally sunny in the morning, with afternoon showers or thunderstorms. Daytime temperatures can rise to 38°C and night temperatures drop to around 15°C. The afternoons can be humid. In winter, days are dry, sunny and cool to warm, while evening temperatures drop sharply. Daytime temperatures generally reach 20°C and can drop to as low as 5°C at night.

GEOLOGICAL SETTING

The property under review is set in the 2,060Ma old Northern Limb of the BIC, which, like its Eastern and Western counterparts, is subdivided into the lower Rooiberg Group, followed by the Rustenburg Layered Suite, overlain by the Rashoop Granophyre Suite and capped by the Lebowa Granite Suite. The mineralization is hosted in the Platreef, found in a pyroxenitic gabbro layer of the Main Zone of the Rustenburg Layered Suite.

The Platreef is enriched with PGEs, gold, nickel, copper, vanadium, titanium, magnetite and chromite.



The Volspruit Reef is in the Lower Zone.

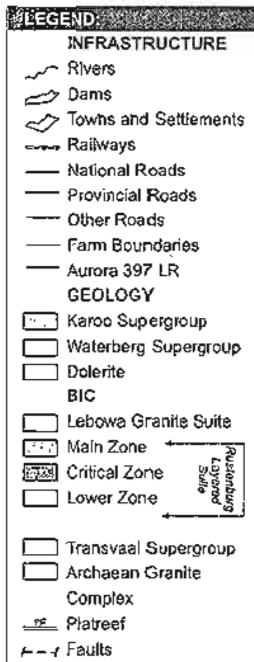
The Volspruit Reef is thought to be an extension of the Platreef and occurs at depth on this property as a result of what is believed to be regional faulting. Insufficient research has been carried out to-date with regards to the Platreef and the Volspruit Reef to clearly define the layered stratigraphy, correlation and metallogenesis.

RECENT EXPLORATION

The most recent exploration results available for Aurora 397 LR are from an exploration programme commissioned and carried out by Anglo Platinum, and completed in February 2005. These exploration results were based upon one historical borehole drilled in 1985 (borehole AR1) and assay results from sampling of the borehole. Other results from recent exploration as summarised in Table 2 were also included. The exploration helped to define the property's geology and reef characteristics. No mineral resource estimation was carried out.

TABLE 2: RECENT EXPLORATION OF THE HARRIET'S WISH PROJECT

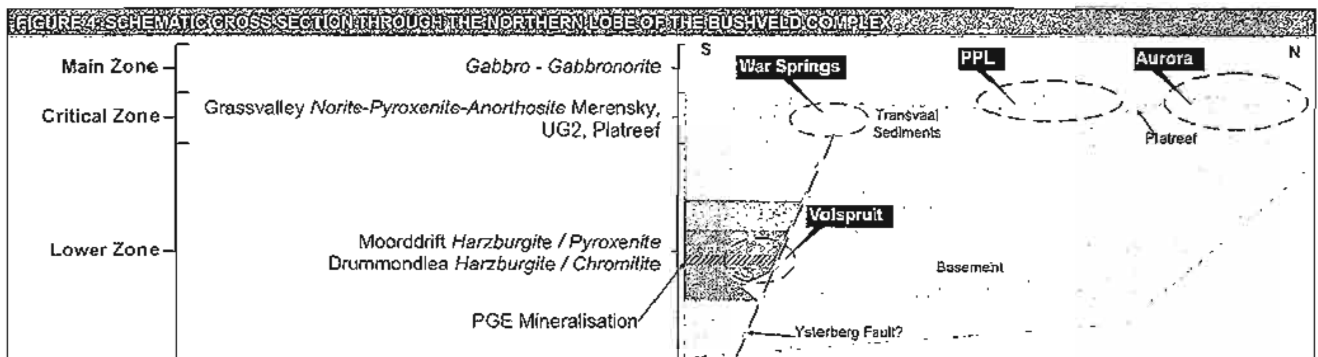
DATE	COMPANY	EXPLORATION ACTIVITY
1998		Desktop Studies.
1999	Anglo Platinum	Analysis and interpretation of Landsat Imagery.
2004		Soil Sampling.
2005		Reinterpretation of ground magnetometer and Aeromag data.
2005		Relogging and interpretation of borehole and soil geochemical data.

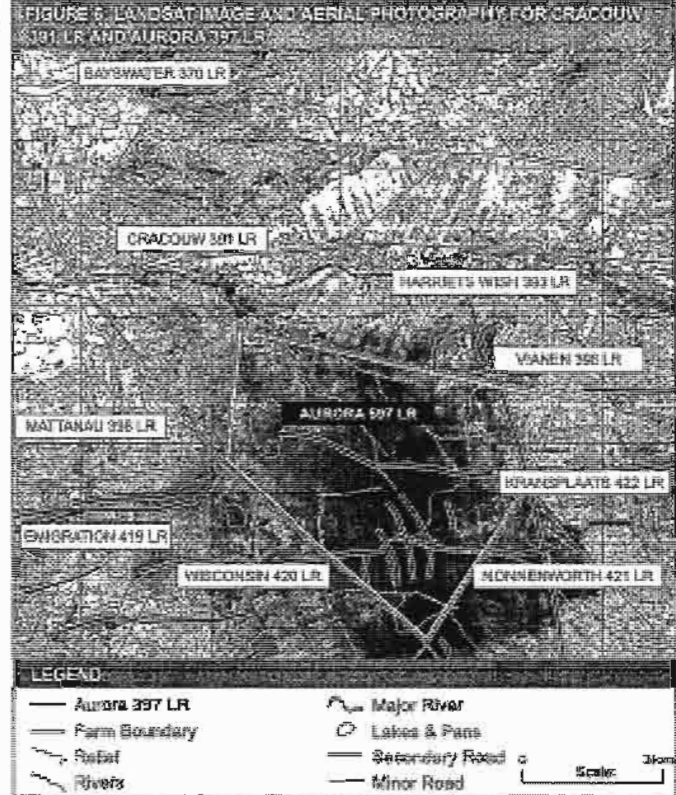
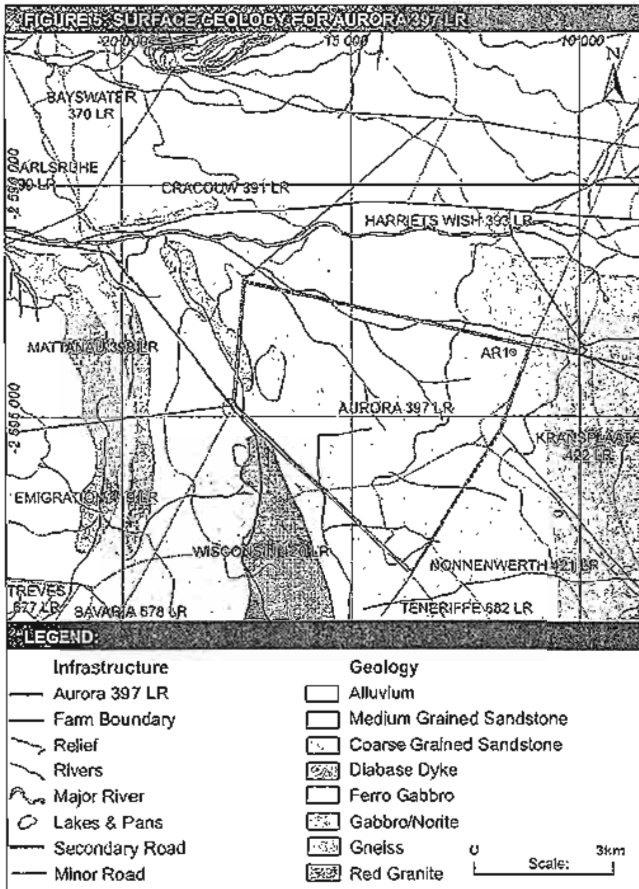


Geological Mapping

The geological mapping exercise showed that most of the outcrop on the western part of the Aurora 397 LR property is of later Waterberg sediments. It is considered that the BIC stratigraphy is under these sediments. Magnetite bands have been identified during historical mapping and have been classified into the Upper Zone of the Rustenburg Layered Suite markers.

The mapping exercise also identified the Waterberg Group sediments and intrusive dykes in the west as shown in Figure 3. From the available data and limited outcrop, definite correlation with the stratigraphy of the Platreef was not confirmed. Based upon this information it is evident that the level of geological confidence on this property is very low. It is, therefore, still a greenfields target.





Drilling And Sampling

A single borehole was drilled in the far northeast corner of the farm Aurora 397 LR, as shown in Figure 5, to a depth of 372m, and intersected layers of norite, and pyroxenitic gabbro of the BIC and an intrusive dolerite. Sampling of the borehole gave two potentially prospective horizons, approximately 200m above the footwall contact with the basement. This zone is, however, not correlatable with any known stratigraphic horizon.

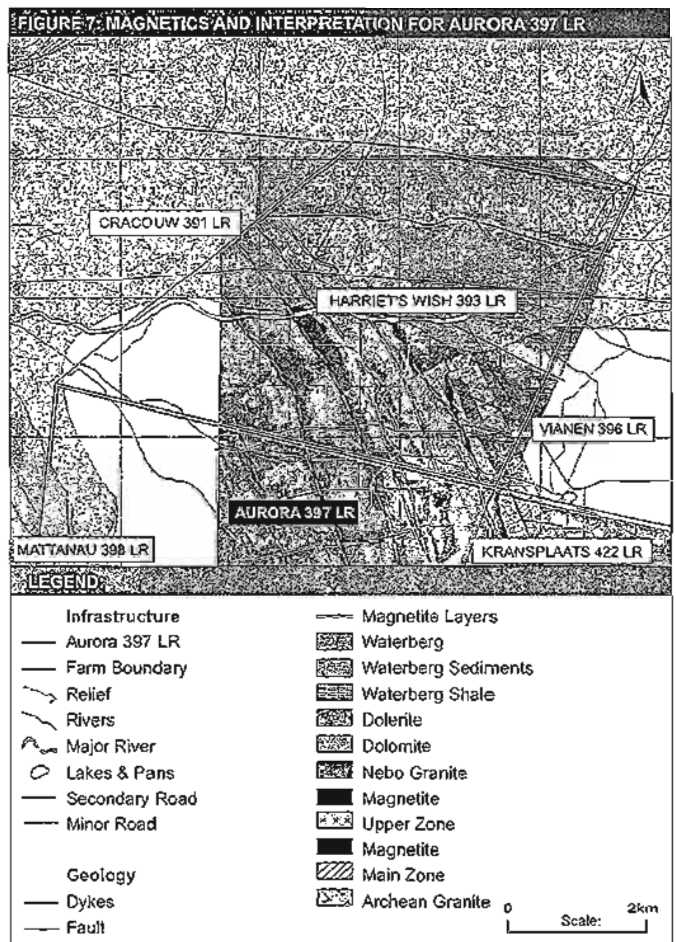
Interpretation of Landsat Imagery

Analysis of the Landsat 7 imagery was utilised to create structural line work corresponding to surface structural lineaments. The purplish blue colour of the black turf can be seen on Aurora 397 LR which is a typical weathering profile for the Upper Zone type rocks. The predominant lineament directions, as demonstrated on the Landsat image in Figure 6, are east-west associated with dolerite dykes and to east-northeast trends associated with magnetite bands. This was, however, not confirmed during field mapping.

Interpretation of Magnetic Surveys

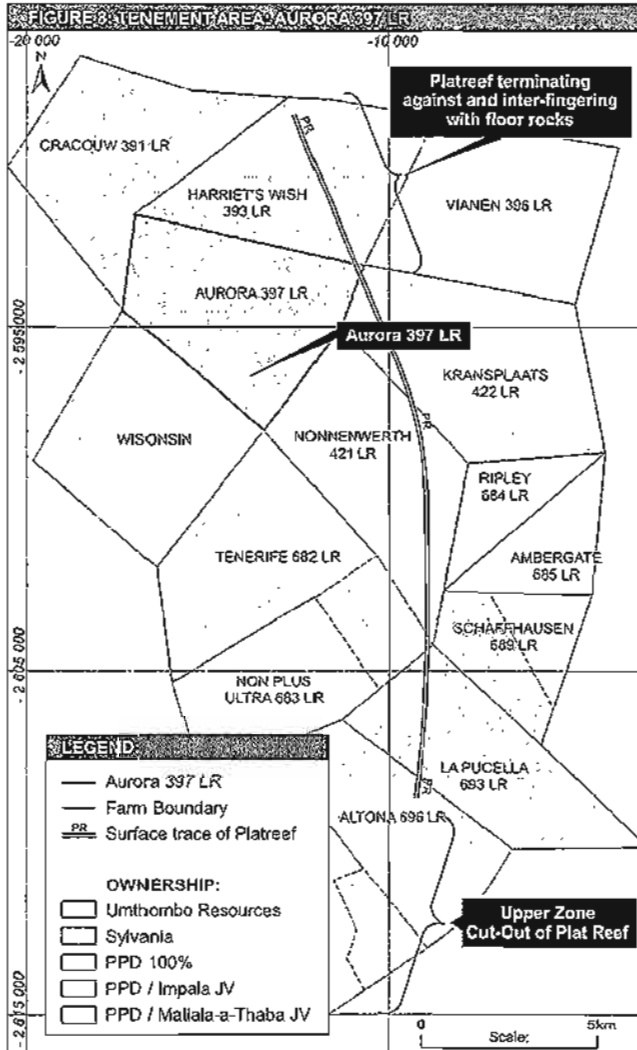
A government aeromagnetic survey was flown over the area and its interpretation by Anglo Platinum indicated the presence of east-southeast trending dolerite dykes. A subsequent re-interpretation of the same survey confirmed the earlier interpretation.

A small area of Ground Magnetic Survey was conducted mainly on the neighbouring northern and eastern farms, a small portion of which falls on Aurora 397 LR. This data set was reinterpreted and may contain anomalous magnetite regions.



Reef Characteristics

No directly correlatable BIC PGE horizons have been identified with certainty within the prospect area but the closest analogue, the Platreef, is being used as an exploration model to generate targets. As a result the target is thick pyroxenite layers (30m to 200m thick) situated mainly near the base of the BIC around or in contact with the Archaean granite floor rocks. The targets still need to be positively intersected.



ADJACENT PROPERTIES

Adjacent to Aurora 397 LR are the Harriet's Wish 393 LR and Cracouw 391 LR farms of Sylvania, for which exploration details have been provided in their respective technical statements. Other adjacent farms include Wisonsin and Tenerife 682 LR, owned by Umthombo Resources; Kransplaats 422 LR owned by Pan Palladium Resources (PPD) and Nonnenwerth 421 LR (Figure 8).

The exploration details for the two farms have been discussed in the technical statement for PPD's Aurora Project. Harriet's Wish 393 LR has not been subjected to detailed exploration, and only 11 boreholes have been drilled on the property. No mineral resource classification has been carried out on that property.

The farm Cracouw 391 LR, adjacent to the north/eastern boundary of Aurora 397 LR, has been explored together with Aurora 397 LR, but only

one borehole was drilled. Information acquired points to the three farms being part of the same exploration target area, with Cracouw having the least exploration work carried out to-date.

Kransplaats 422 LR underwent recent exploration commissioned by PPD in 2004, resulting in a total of 39 diamond drill-holes. The data acquired allowed for an Inferred Mineral Resource of 15.4Mt of ore, at a grade of 1.16g/t 2PGE+Au (0.57Moz), over a width of 200m.

A later study completed on 28th May 2008 by Anglo Platinum confirmed these results. A total of 35 diamond drillholes were drilled on Nonnenwerth 421 LR and a study conducted by RSG Global for PPD in 2005, declared an Inferred Mineral Resource of 47.84Mt of ore, at a grade of 1.36g/t 2PGE+Au (2.09Moz), over a width of 300m for Nonnenwerth 421 LR.

The importance of this regional setting and the information on adjacent farms is to provide a strategic perspective on the potential for low grade PGE ores in terms of Sylvania's business plan. This setting does demonstrate the low level confidence associated with Aurora 397 LR.

QUALITY CONTROL AND ASSURANCE (QA/QC)

No record of QA/QC was presented to Venmyn for the results of this exploration programme.

KEY ENVIRONMENTAL ASPECTS

No environmental studies were carried out during this investigation. Environmental reporting is only anticipated in later stages of exploration.

MINERAL RESOURCE STATEMENT

A compliant mineral resource quantity could not be estimated due to insufficient data. Sampling results from borehole AR1 are provided in Table 3 as an indication of what was previously found on the property. This information merely provides a positive indication of prospectivity that these intersections are at depth and not close to surface for potential open-pit type opportunities.

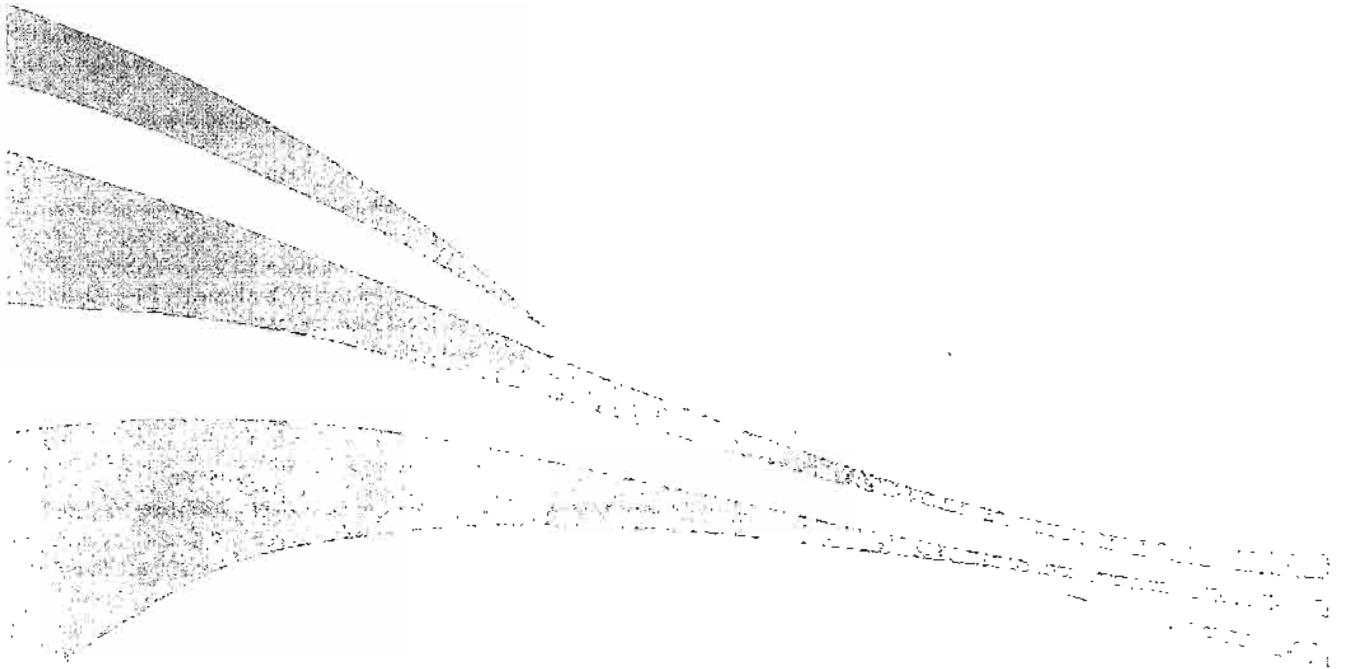
DEPTH BELOW COLLAR (m)	SAMPLED WIDTH (cm)	PGE+Au (g/t)	Cu (%)	Ni (%)
159.28	117.74	2.73	0.12	0.12
178.31	88.36	2.97	0.27	0.11

CONCLUSIONS

The following remarks can be made:-

- the farm Aurora 397 LR has only undergone preliminary prospecting at this point;
- the preliminary studies carried out on Aurora 397 LR have identified limited potential for reefs of mineralisation at depth; and
- although potential for finding a mineralised reef on the prospect exists, there is no certainty of its economic potential at this point.

HARRIET'S WISH 393 LR (HACRA PROJECT)



IN THIS DOCUMENT

- Key Features
- Summary
- History
- Physiography
- Geological Setting
- Recent Exploration
- Adjacent Properties
- Quality Control And Assurance

INDEPENDENT TECHNICAL STATEMENT FOR THE FARM HARRIET'S WISH 393 LR (HACRA PROJECT) as at 2nd December 2010

- Key Environmental Aspects
- Mineral Resources Statement
- Conclusions

Prepared in the format of a short form SAMREC compliant Technical Statement.

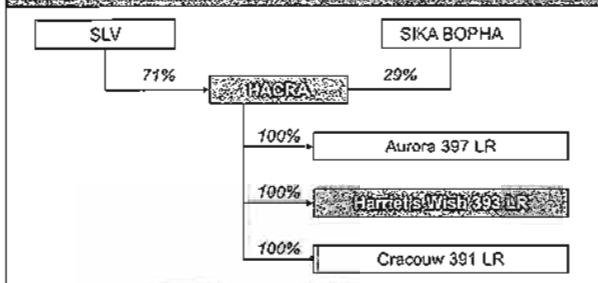


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director - Venmyn.
Key Technical Personnel:	Ms. Mpaï Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA. Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA.
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	This Independent technical statement (statement) was prepared in order to present the prospectivity for the farm Harriet's Wish 393 LR of HACRA. HACRA is held 71% by Sylvania and 29% by Sika Bopha. Harriet's Wish 393 LR forms part of Sylvania's mineral assets. This serves as a technical basis for the appraisal of Sylvania's mineral assets. This statement has been based upon the exploration work conducted by the previous owners' recent and historical exploration programme.
Sources of information:	Information was supplied to Venmyn by Sylvania and includes legal, corporate and exploration results in the form of pre-feasibility studies and exploration result summaries including geochemical sampling data, 3D geological modelling and geological mapping.
Personal Inspection:	A visit to the Harriet's Wish 393 LR area was undertaken on the 4 th August 2009 by project team representatives Messrs. Andy Clay and Khalid Patel.
General Location:	Harriet's Wish 393 LR is situated in the extreme north of Northern Limb of the Bushveld Igneous Complex (BIC), approximately 86km north-northwest of Mokopane and 79km northwest of Polokwane.
Licence Status:	The prospecting rights for Harriet's Wish 393 LR are held under two separate prospecting licences. The first, licence no. PP5/2003, is held by Rustenburg Platinum Mines (RPM), a wholly owned subsidiary of Anglo Platinum Ltd, and expired on 14 th August 2009. A renewal application was lodged on 15 th May 2009 and acknowledged by the DMR on 10 th July 2009. The second prospecting license, no. 792/2007, is held by Sika Bopha Trading and expired on 10 th June 2009. The renewal application was sent to the DMR on 12 th March 2009. An application to transfer the prospecting licences from RPM and Sika-Bopha to HACRA has been submitted.
Climate:	The project area experiences warm to hot summers with moderate winters. It has an average annual rainfall of between 577 and 1,000mm. Average summer temperatures rise to 38°C and drop to 15°C. Average winter temperatures range from 20°C to 5°C.
Infrastructure and Accessibility:	Access to the site is via good quality secondary roads surrounding it, from the main N11 highway from Mokopane to Botswana. The major national R35 route lies to the west of the project area.
Geological Setting and Deposit Type:	The BIC is the world's largest layered igneous intrusion, hosting an estimated 80% of the world's Platinum Group Elements (PGE) and substantial base metal deposits. It was intruded into Transvaal Supergroup rocks ca. 2,060Ma, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. The BIC, in its entirety, covers an area of approximately 66,000km ² and is subdivided in to the Northern, Eastern and Western Limbs. The mineralisation in the Northern Limb is hosted by the platiniferous Platreef and Volspruit Reef. The former is at the base of the Main Zone/Upper Critical Zone boundary and the latter is in the Lower Zone unlike the Merensky Reef and the UG2 Reef in the Western and Eastern Limbs which is hosted within the Critical Zone.

FIGURE 1: CORPORATE STRUCTURE



SUMMARY

Within this statement is a brief technical study of the farm Harriet's Wish 393 LR. This project is located in the Northern Limb of the BIC, as shown in Figure 2. The primary economic horizons in the Northern Limb of the BIC are the Platreef in the north and the Volspruit reef in the south. These reefs contain lower grades of PGE and associated metals when compared to the traditional Merensky and UG2 Reefs in the Eastern and Western Limbs of the BIC, but are considerably thicker.

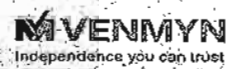
The farms Harriet's Wish 393 LR, Aurora 397 LR and Cracouw 391 LR are held under prospecting licences by HACRA.

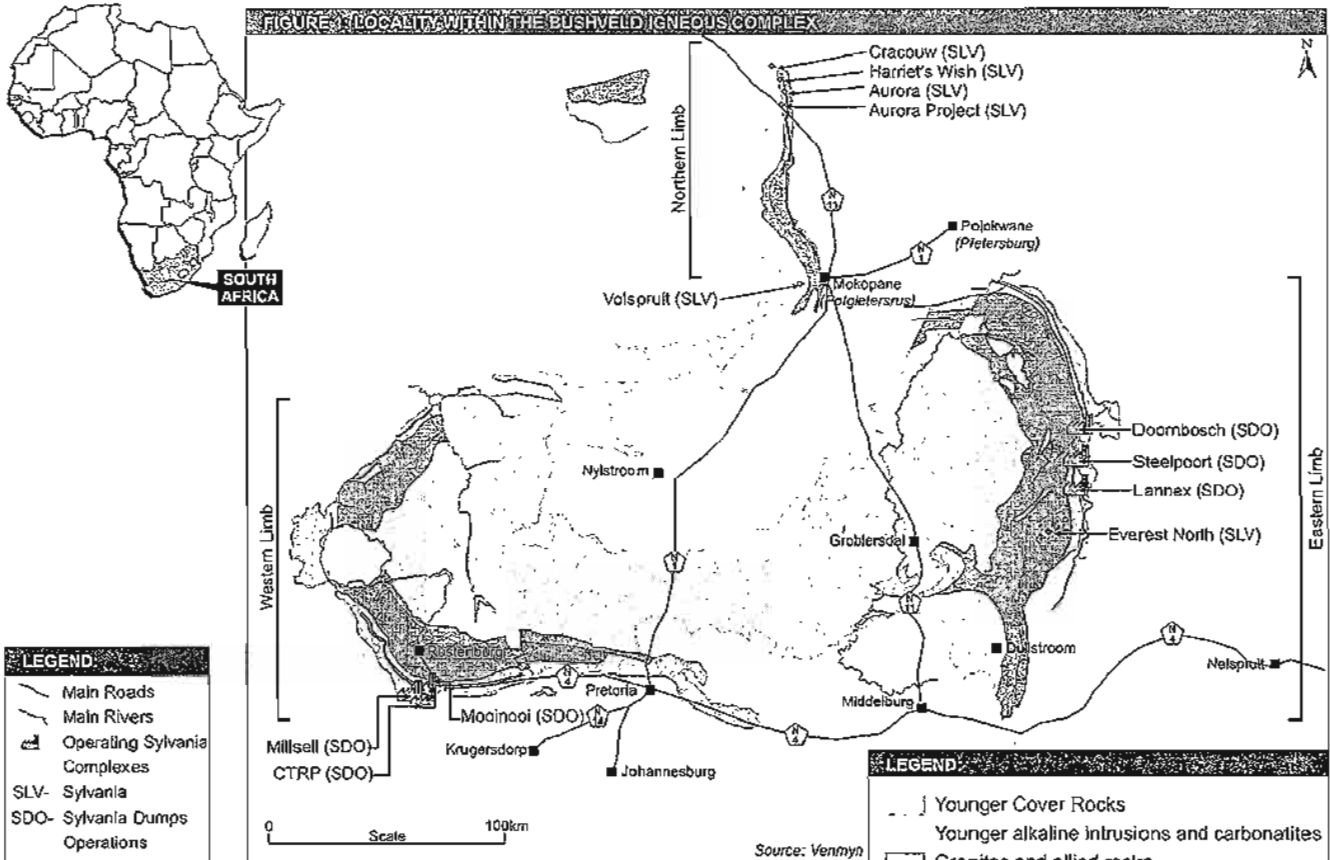
Sylvania has a 71% stake in HACRA, while the Black Empowerment entity Sika Bopha owns the remaining 29% of the company.



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PAGE 1





The transfer application for the mineral rights from RPM and Sika Bopha to HACRA has been submitted. This technical statement identifies the technical criteria of the Harriet's Wish 393 LR prospect.

Harriet's Wish 393 LR has been explored and 13 diamond core boreholes have been drilled on that property. However, no mineral resources have been defined for this property. The primary target in previous exploration programmes was the Platreef. Additional exploration work still needs to be conducted on this prospect, and this has been identified by Sylvania. A bulk mineable approval has been taken when evaluating this project.

HISTORY

The history of exploration on Harriet's Wish 393 LR by its previous owner is set out in Table 1.

TABLE 1: PROJECT HISTORY		
DATE	COMPANY	EXPLORATION ACTIVITY
1970s	Anglo Platinum	Soil Sampling
1973		Basic Mapping
1976		Interpretation of Government Aeromagnetic Survey
1977		Regional Mapping
1978		Soil Sampling and Tronching
1985		Ground Magnetic Survey and Drilling of Three Boreholes HW1-HW3

Exploration on Harriet's Wish 393 LR was carried out by Anglo Platinum as part of a regional exploration programme, which included adjacent farms.

PHYSIOGRAPHY

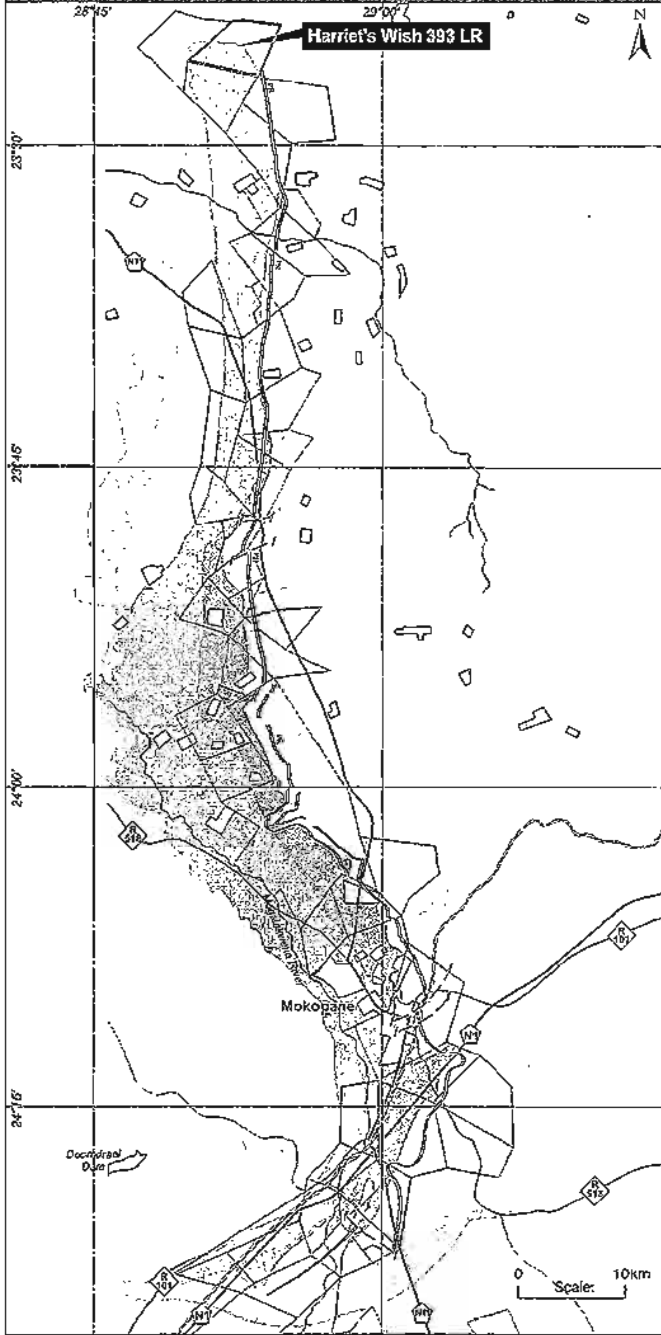
The project area is mainly flat lying with an abrupt rise just off the prospect marking the beginning of the hilly Waterberg region. An ephemeral stream, the 'Seepabana', flows westwards through the centre of the property.

The area is currently mainly utilised for subsistence farming, pasture, and grazing. The vegetation in the region is classified as Mixed Bushveld. The vegetation varies from a dense, short Bushveld to a rather open tree savannah. Due to the fact that the site is developed into smallholdings, a number of alien plant species, such as bluegums and several garden plants occur.

The climate is mild throughout the year and the area can be classified as semi-arid. The area has summer from November to April and winter from May to October. In summer, the days are hot and generally sunny in the morning, with afternoon showers or thunderstorms. Daytime temperatures can rise to 38°C and night temperatures drop to around 15°C. The afternoons can be humid. In winter, days are dry, sunny and cool to warm, while evening temperatures drop sharply. Daytime temperatures generally reach 20°C and can drop to as low as 5°C at night.

The property under review is set in the 2,060Ma old Northern Limb of the BIC, which, like its Eastern and Western counterparts, is subdivided into the lower Rooiberg Group, followed by the Rustenburg Layered Suite, overlain by the Rashaop Granophyre Suite and capped by the Lebowa Granite Suite. The mineralization is hosted in the Platreef, found in a pyroxenitic gabbro layer of the Main Zone of the Rustenburg Layered Suite. The Platreef is enriched with PGE's, gold, nickel, copper, vanadium, titanium, magnetite and chromite.

FIGURE 3: REGIONAL GEOLOGY OF THE NORTHERN LIMB OF THE BIC



GEOLOGICAL SETTING

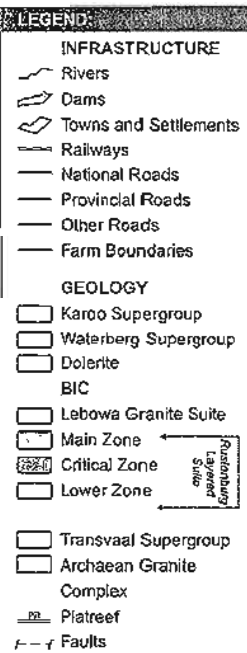
The project area is underlain by basement Hout River granites and gneisses which are overlain by units correlated with the Upper Critical, Main and Upper Zones of the Rustenburg Layered Suite (RLS). The granite-RLS contact dips at approximately 60° to the west. The RLS units dip at angles varying from 30° to 60° to the west.

Recent re-analysis of the drilling data has suggested a Platreef-type horizon within the RLS succession at Harriet's Wish. A series of five zones has been delineated, albeit some of these only on a broad scale, to accommodate the observed stratigraphy. The Platreef equivalent horizon is termed Zone 3, which is characterised by large number of xenoliths composed of pyroxenite, norite, gabbronorite and rare harzburgite and Archaean rocks.

RECENT EXPLORATION

TABLE 2: RECENT EXPLORATION ACTIVITIES		
DATE	COMPANY	EXPLORATION ASSESSMENT ACTIVITY
1999		Desktop Studies
1999		Analysis of Landsat Imagery
2004	Anglo Platinum	Soil Sampling
2005		Reinterpretation of ground magnetometer and Aeromag data
2008		Drilling of eight additional boreholes

Recent exploration activities on the farm Harriet's Wish 393 LR is detailed in Table 2. A prospecting report was compiled for the farm Harriet's Wish 393



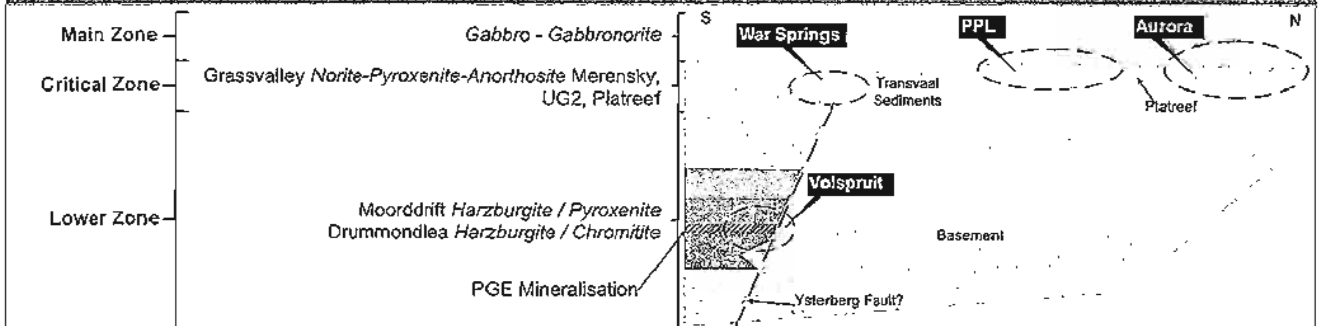
LR by Anglo Platinum in February 2006, based upon three exploration boreholes drilled in a previous exploration programme, eight boreholes drilled in that particular exploration campaign, a ground magnetic survey, an analysis of Landsat 7 imagery and geological mapping. This data was re-analysed by MSA Group in their report dated October 2010.

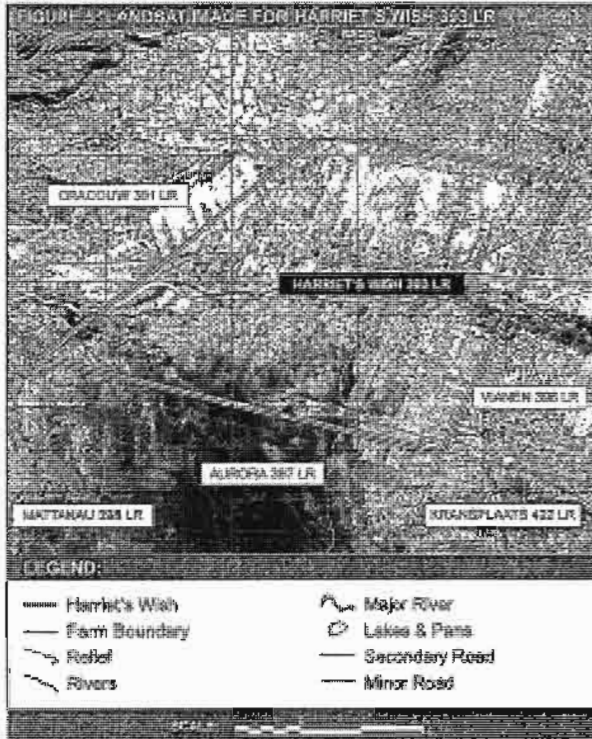
Geological Mapping

Owing to the presence of thick overlying younger cover, consisting of calcrete, alluvial sand and Waterberg sediments, there is very little outcrop of BIC stratigraphy on the property. Most of the geological knowledge available was gathered from the magnetic survey, presented in the next section.

A 2D geological model has been prepared as a result and is shown Figure 6.

FIGURE 4: SCHEMATIC CROSS SECTION THROUGH THE NORTHERN LIMB OF THE BUSHVELD COMPLEX





Interpretation of Landsat Imagery

A typical to the other areas of interest, the landsat image (Figure 5), over Harriet's Wish 393 LR does not show the usual purplish tinged colouration associated with Main Zone BIC type rocks. This can be attributed to intense farming that has occurred in the region and younger alluvial cover obscuring the BIC type signature.

Magnetic data interpretation

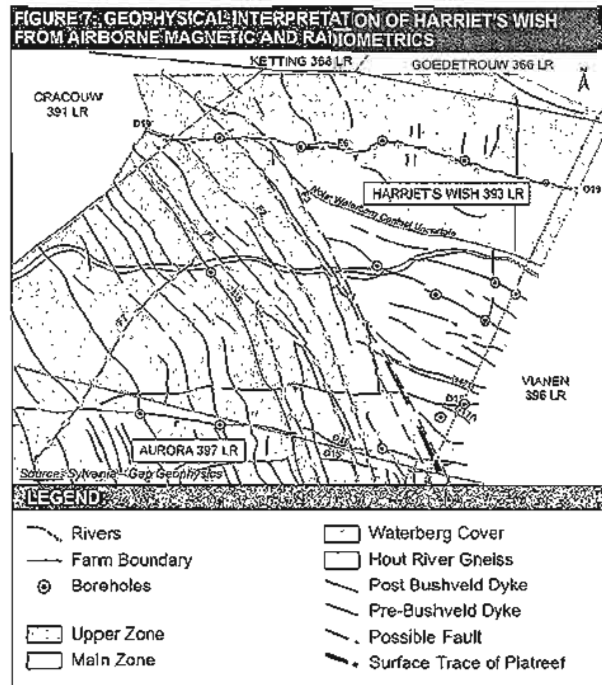
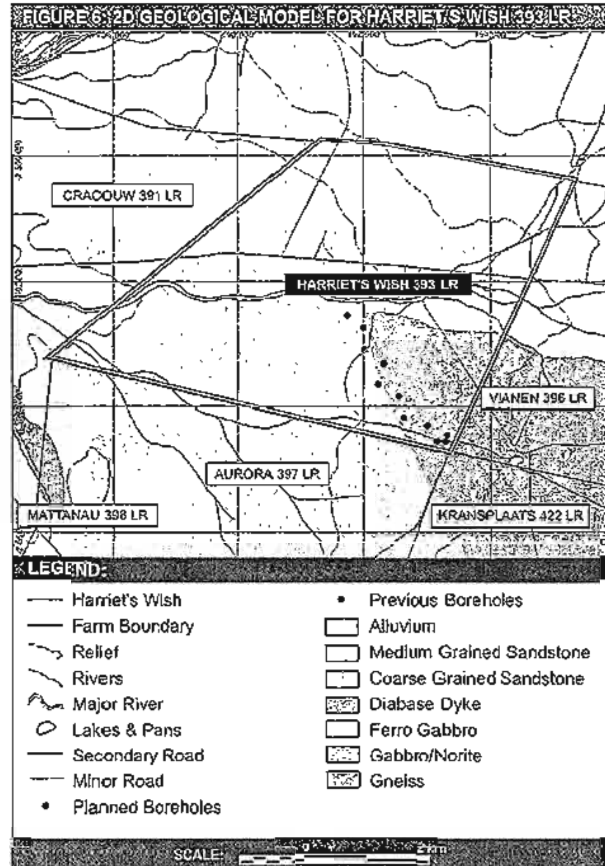
Magnetic data sets were generated during this exploration programme and incorporated into the accompanying image. Ground magnetic data was collected in 1985 and was contoured and colour coded to provide the interpretation as shown. This data was combined with an aeromagnetic image and the resultant interpretation is depicted in Figure 7. The main items of interest on the images are the Upper Zone magnetite layers forming distinct arcuate layers that appear to be continuous. They trend approximately northwest-southeast on Figure 7. Another important feature to note is the east/west trending Karoo-aged dolerite dykes which transect the magnetite layers.

The contact of the BIC with the Archaean basement can be inferred by using the magnetic signal. Where the relatively magnetically susceptible BIC is in contact with the largely non-magnetic Archaean basement, a magnetic contrast exists and this can be followed. This apparent contact serves as a target for future exploration efforts.

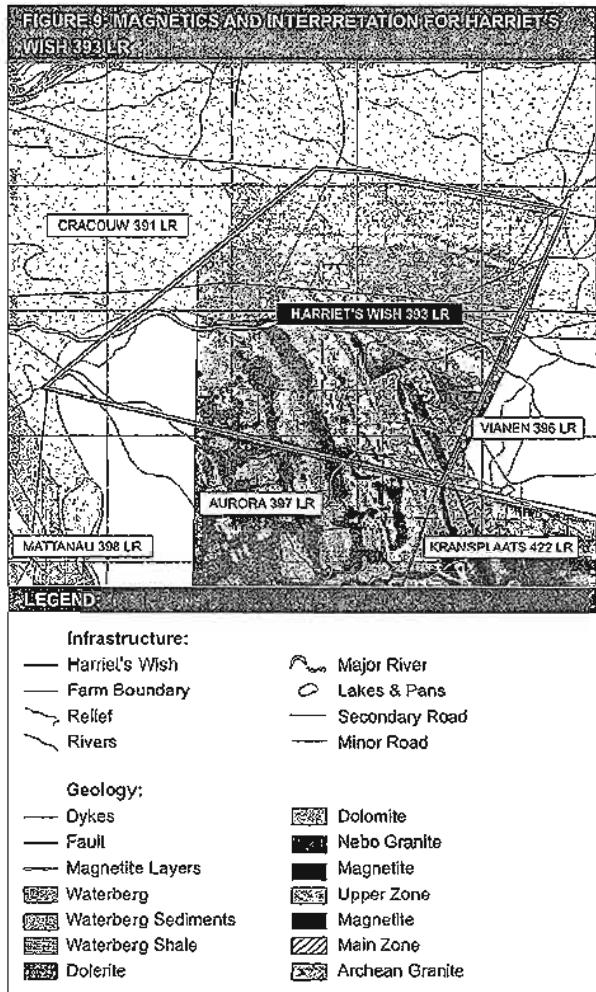
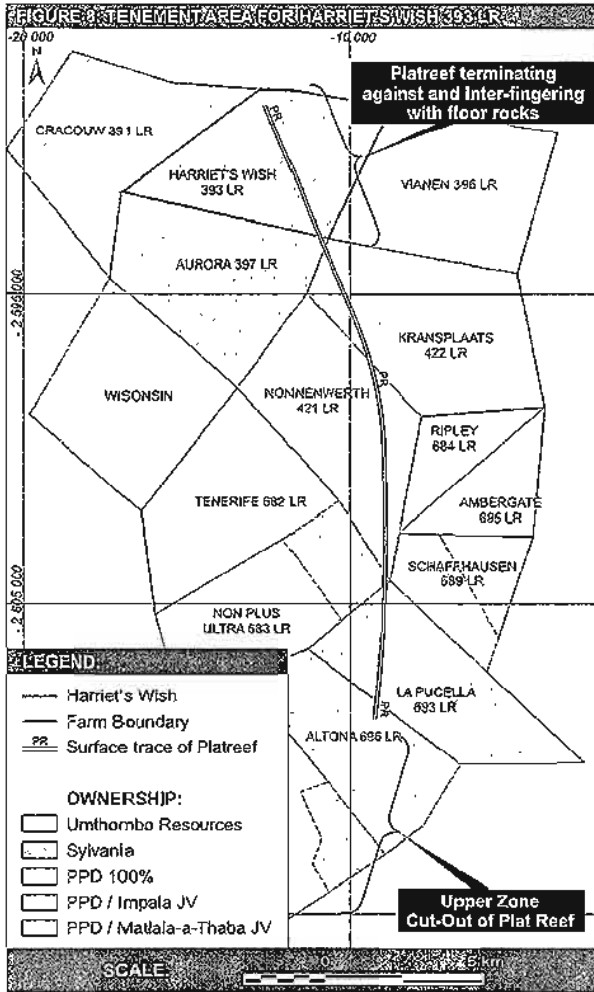
ADJACENT PROPERTIES

Adjacent properties to the Farm Harriet's Wish 393 LR include the farms Cracouw 391 LR to the west and Aurora 397 LR to the south (Figure 8). The prospecting rights on both these farms are licensed to Sylvania. Insufficient exploration has occurred on Aurora and Cracouw to this point and no mineral resources have been declared on these properties.

An application to transfer the prospecting rights to both these farms, as well as for Harriet's Wish 393 LR, to GAU has been submitted.



Once again, whilst more exploration work has been carried out on Harriet's Wish, the property still represents a fairly early stage target and more drilling and modelling is required.



QUALITY CONTROL AND ASSURANCE (QA/QC)

A thorough interrogation of the initial borehole database by MSA highlighted some erroneous values. A database 'cleaning' exercise was undertaken by MSA. Borehole maximum depths and downhole survey data at borehole collars were corrected and added respectively during the audit process and erroneous density values were removed. No additional fundamental shortcomings were identified as a result. Platreef (IGS Zone 3) core recoveries are an average of 98.4%, which is suitable for future resources estimation. MSA is satisfied that the chemical analyses were performed within acceptable limits and that the QA/QC adhered to international standards.

KEY ENVIRONMENTAL ASPECTS

No environmental studies were carried out during this investigation. Environmental reporting is only anticipated in later stages of exploration.

MINERAL RESOURCE STATEMENT AND EXPLORATION RESULTS

TABLE 3: SAMPLING RESULTS FOR BOREHOLE HW-3

DEPTH BELOW COLLAR (m)	SAMPLED WIDTH (cm)	PGE+Au (g/t)	Cu (%)	Ni (%)	(%)
61.5-64.08	258	2.41	0.33	0.35	
91.0-93.21	221	1.12	0.20	0.10	
243-245.74	274	1.62	0.27	0.20	

A mineral resource could not be estimated due to insufficient data. Of the boreholes drilled, HW1 was drilled to 138.6m before being abandoned

due to intersection with a dyke. HW2 was collared in a dyke and was abandoned after 31.1m. HW3 was drilled through to basement granite-gneiss and reached a depth of 255.3m. No correlations to the Platreef were attempted due to lack of recognizable stratigraphy.

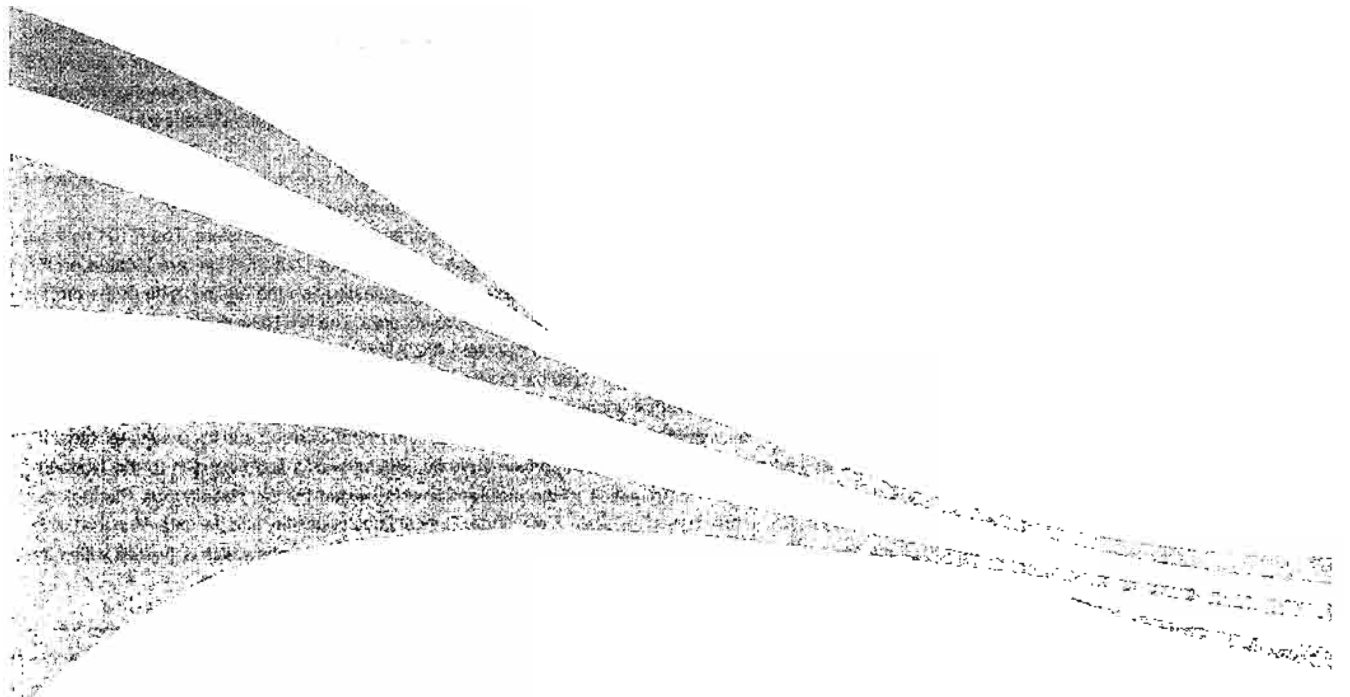
The assay results for borehole HW-3 are presented in Table 3. Importantly, the zones of mineralization implied in HW-3 are over 2-3m widths separated by significant partings. This is dissimilar to some of the other boreholes in the area where wide zones of mineralization were recorded.

This confirms early stage and low level of existing confidence in the geological interpretation of this farm.

CONCLUSION

The farm Harriet's Wish 393 LR is important as an exploration area and forms part of the overall Northern Limb exploration for lower grade PGE ores.

VOLSPRUIT PROJECT



IN THIS DOCUMENT

- Key Features
- Summary
- History
- Physiography
- Geological Setting
- Recent Exploration
- Adjacent Properties
- Quality Control And Assurance

INDEPENDENT TECHNICAL STATEMENT FOR THE

**VOLSPRUIT PROJECT
as at 2nd December 2010**

- Key Environmental Aspects
- Mineral Resources Statement
- Conclusions

Prepared in the format of a short form SAMREC compliant Technical Statement.



In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director-Venmyn.
Key Technical Personnel:	Ms. Mpai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. Khalid Patel, BSc. Hons (Geog and Environmental Science), MIAIA Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA.
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	This independent technical statement (statement) was prepared in order to present the prospectivity and indicative mineral resource estimates for the Volspruit Project, previously owned by Pan Palladium SA (Pty) Ltd (PPD). Sylvania has recently acquired the holding company for PPD, SA Metals. This statement forms part of the overall appraisal of Sylvania's mineral assets. This statement has been based upon the company's recent exploration work and which includes drilling, assaying, geological interpretation and deposit modelling, geophysics, mine planning and design, geotechnical drilling and metallurgical testwork.
Sources of information:	Recent documentation used in this statement include the Definitive Feasibility Study (DFS) documentation coordinated by Integrated Geological Solutions (Pty) Ltd (IGS), which includes a geological and resource estimation report by IGS dated June 2010, an independent mineral resources statement by MSA Group dated July 2010, an Open Pit Mining Study by SRK, dated October 2010 a platinum concentrator design study by MDM Engineering dated September 2010 and a metallurgical testwork report by Mintek, dated October 2010. Additional original information included a Pre-feasibility study (PFS) by Minerals Corporation, completed in December 2004 for the entire Volspruit Project. The December 2004 PFS was based on a previous PFS by RSG Global in 2003, which included geochemical sampling data, 3D geological modeling and geological mapping.
Personal Inspection:	A visit to the Volspruit Project area was undertaken on the 3 rd August 2009 by the project team representatives Messrs. Andy Clay and Khalid Patel.
General Location:	The project is situated in the south of the Northern Limb of the Bushveld Igneous Complex (BIC) approximately 270km north of Johannesburg and approximately 15km south of the town of Mokopane.
Licence Status:	The Volspruit Project comprises primarily of the farm Volspruit 326 KR and a small portion of the adjacent farm Zoelveld 294 KR (Ptn 2), with a single prospecting licence number 111/2006. The licence was granted for a period of 5 years and will expire on 27 th February 2011. Volspruit is an unincorporated joint venture between Sylvania (through its acquisition of PPD) and Impala Platinum, which has a 25% economic interest. An application to renew this licence for 3 years will be lodged with the Department of Mineral Resources (DMR).
Climate:	The project area experiences very hot summers with temperatures ranging from a minimum of 16°C to a maximum of 36°C; afternoon thunderstorms are common. Temperatures in winter range from 3°C to 25°C.
Infrastructure and Accessibility:	The Volspruit Project is well appointed in close proximity to roads, rail and power infrastructure. The R101 national road to Mkgophong (previously Naboomspruit) and Polokwane and the north-south rail line are located on the northern side of the project area. The N11 national highway, runs south-easterly on the eastern side of the project area, while the N1 toll road passes the western boundary of the project area. The Nyl River flows west of the project area. The Volspruit Project is 40km downstream from the Nylsvlei SANZAR site.
Geological Setting and Deposit Type:	The BIC is the world's largest layered igneous intrusion, hosting an estimated 80% of the world's Platinum Group Elements (PGE) and substantial base metal deposits. It was intruded into Transvaal Supergroup rocks ca. 2,060ma, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. The BIC in its entirety covers an area of approximately 66,000km ² and is subdivided into the Northern, Eastern and Western limbs. The mineralisation in the northern limb is hosted by the platinumiferous Platreef and Volspruit Reef. The former is at the base of the Main Zone/Upper Critical Zone boundary and the latter is in the Lower Zone, unlike the Merensky Reef and the UG2 Reef in the Western and Eastern Limbs which is hosted within the Critical Zone.

SUMMARY

This statement provides a technical review of the Volspruit located in the Northern Limb of the BIC (Figure 1). The Volspruit Project consists of two farms namely Volspruit 326 KR and a portion of Zoelveld 294 KR. PPD entered into an agreement with Impala Platinum on this project, in terms of which Impala has the right of refusal to contribute 25% of capital for the DFS, and earn 25% equity of the project.

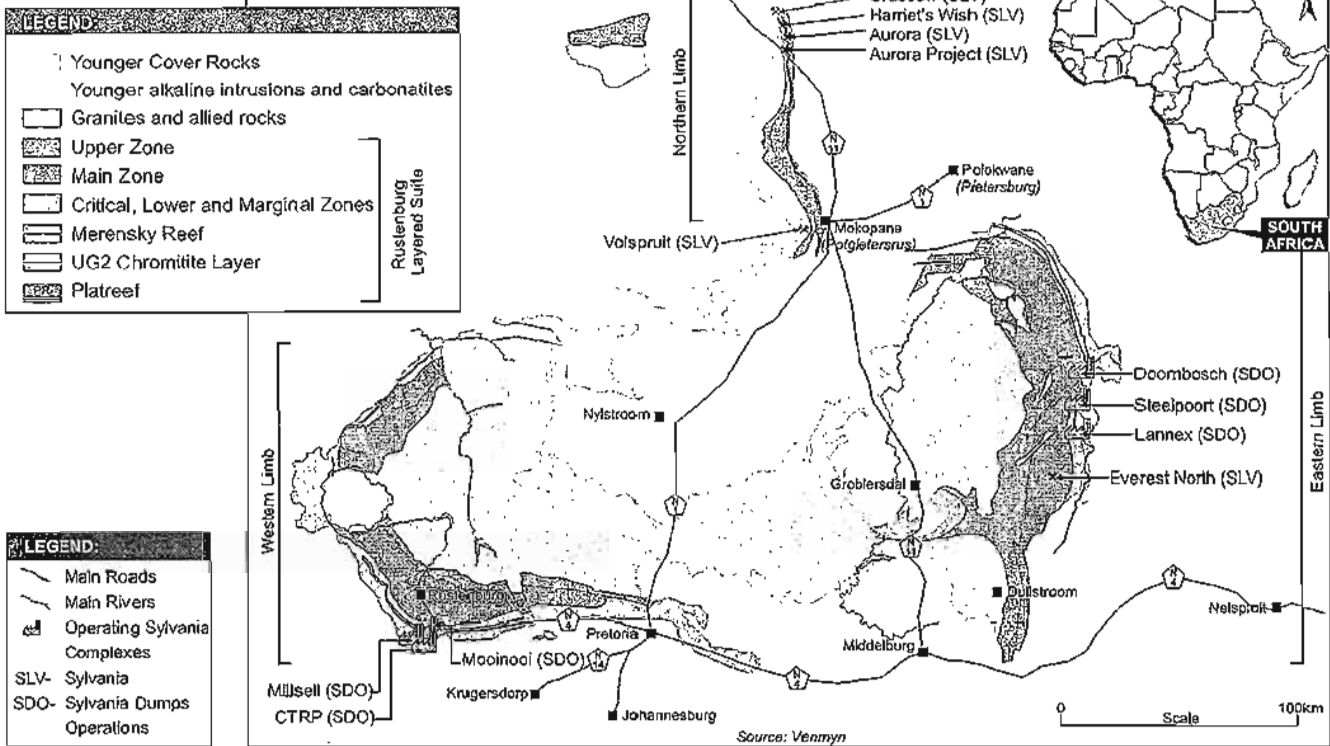
The primary economic horizons in the Northern Limb are the Platreef in the north and the Volspruit Reef in the south. These reefs contain lower grades of PGE and associated metals when compared to the traditional Merensky and UG2 reefs in the Eastern and Western Limbs of the BIC but with important base metals. Structurally, the project area consists of a major horst block bounded by north-northwest faults and younger faults trending in a north-westerly direction. The exploration target is the Volspruit Reef, hosted in the Upper Volspruit Pyroxenite Unit of the Lower Zone in the Rustenburg Layered Suite.



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PAGE 1



FIGURE 1 LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



The deposit forms two distinct orebodies, which have been named the North and South deposits. Over the past few months, Sylvania has undertaken a feasibility study that has evaluated the project development technical and economic engineering. At this stage, only the North Deposit has been modelled. Whilst a relatively low grade (50g/t) concentrate is generated opportunities to blend with other producers has been evaluated. Sylvania intends developing a Definitive Feasibility study as a consequence of this work. Several studies have been carried out on the Volspruit Nickel Project as summarised below:-

- 2003 PFS by RSG Global;
- 2004 PFS by Minerals Corporation;
- 2010 DFS by IGS, including reports from Mintek, MDM, SRK and MSA Group.

A total of 249 boreholes were drilled during the pre-feasibility study by Minerals Corporation (2004) which declared an Indicated Mineral Resource of 71.2Mt at a 0.5% PGE cut-off and with an average grade of 1.23 g/t PGE+Au, 0.11% Ni and 0.03% Cu. A Probable Reserve of 27.75Mt at a planned headgrade of 1.40g/t PGE+Au, 0.114%Ni and 0.035%Cu was also calculated during this study. The preliminary mine planning and design resulted in two open pits exploiting the two deposits, the North and South Pits. The North Pit contained 66% of the mineable ore. It should be noted that whilst the original focus of work has been on the PGE's which are low grade, the combined nickel and copper base metal credits makes this project more comparable to lower grade nickel sulphide deposits around the world.

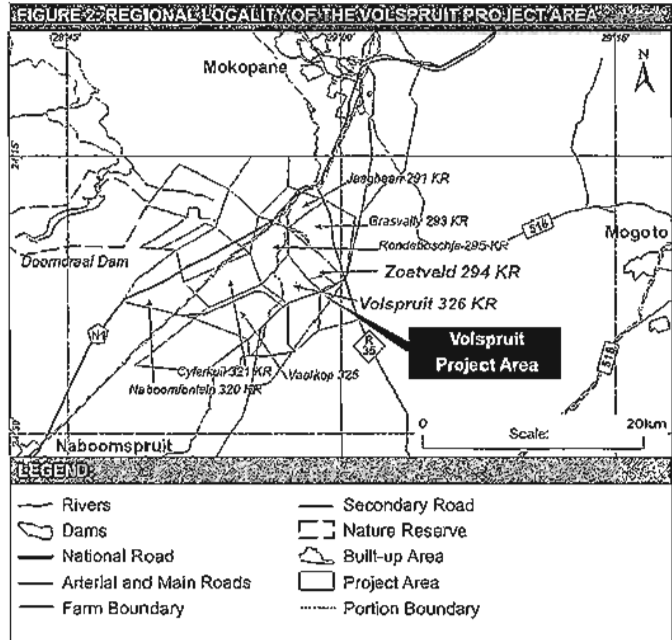
The recent drilling in the North Deposit has allowed for classification of Mineral Resources in the Measured category estimated to reach 31.6Mt at a grade of 1.28g/t 3E, 0.14% Ni and 0.04% Cu. In the Indicated Mineral Resources category, the tonnage is estimated at 18.5Mt at a grade of 1.17g/t 3E, 0.15% Ni and 0.04% Cu. Inferred Mineral Resources of 833 kt at 0.94g/t 3E, 0.18%Ni and 0.03% Cu. This mineral resources statement

is SAMREC and JORC compliant.

HISTORY

The earliest record of exploration for PGE's in the project area was by Hans Merensky in 1925. Rio Tinto reportedly conducted a soil sampling programme coupled with geological mapping, over the area which covers the contact between the BIC and the underlying meta-sediments as a possible target for mineralisation, the exact date of this activity is unknown.

FIGURE 2 REGIONAL LOCALITY OF THE VOLSPRUIT PROJECT AREA



A total of 3,193 soil samples were taken and submitted for analysis by atomic absorption spectrometry for Cu, Ni and Cr. Anomalous areas were identified, and a small trench (location unknown) was reportedly excavated over the highest Cr anomaly (approximately 5,000ppm). To test for depth integrity, 4 wagon drillholes were drilled over the same anomaly to overlap the trench site. The area drilled was reported to have been hampered by a considerable thickness of sandy soil and overburden, which may have been responsible for the poor surface results (450-1200ppm Cr). Drilling failed to intersect the contact of the BIC with the Transvaal rocks. No data or maps were available for this exploration campaign.

The Council for Geosciences carried out a regional geochemical soil sampling survey of the Nylstroom Sheet 2428 that covers the Volspruit

area, with a sample density of 1 sample/m². Hard copy maps for selected elements were constructed, but were not made available to Venmyn for the technical review. The latest record of exploration in the Volspruit Project area was that carried out by PPD.

PHYSIOGRAPHY AND INFRASTRUCTURE

The Volspruit Project lies at an average elevation of 1,100mamsl and the generally flat topography of the Nyl Valley reaches high points of 1,404mamsl and low points of 1,251mamsl. The vegetation in the region is classified as Waterberg Savannah which is an open tree savannah. Farmers in the area are involved in intensive pivot cultivation and game farming. The land is considered valuable as a result of prolific groundwater. The climate is semi-arid with moderate winter temperatures, ranging from 3°C to 25°C, and warm to hot summers with temperatures ranging from 16°C to 36°C. Average annual rainfall reaches 350mm to 400mm, concentrated in the summer months from November to March.

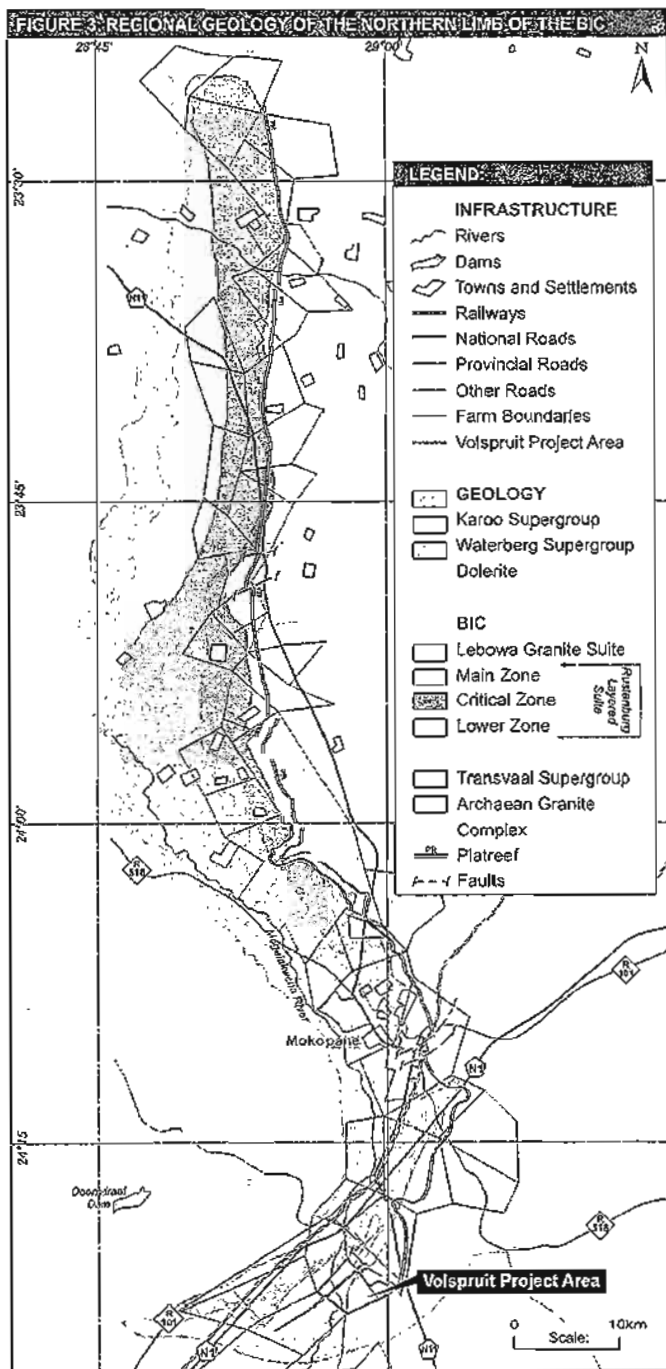
The Volspruit Project is well appointed in close proximity to roads, rail and power infrastructure as shown in Figure 2. The R101 national road to Mokgophong (previously Naboomspruit) and Polokwane and the north-south rail line are located on the northern side of the project area. The N11 national highway, runs south-easterly on the eastern side of the project area, while the N1 toll road passes the western boundary of the project area. The Nyl River flows through the project area.

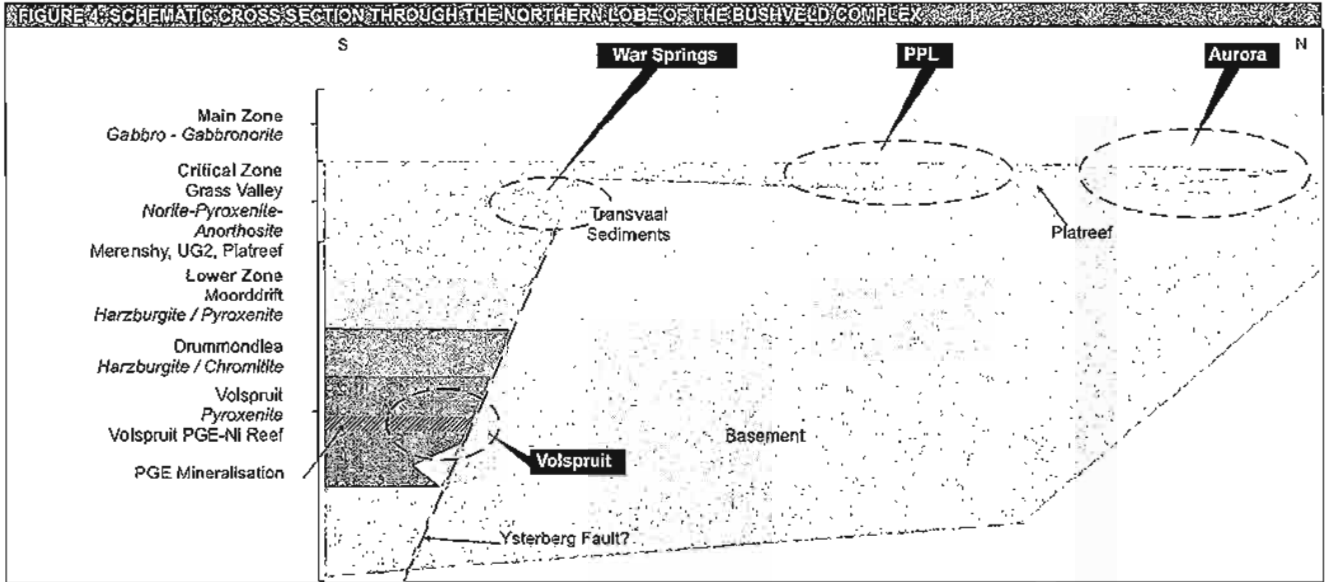
GEOLOGICAL SETTING

The property under review is set in the 2,060Ma old Northern Limb of the BIC (Figure 3), which, like its Eastern and Western counterparts, is subdivided into the basal Rooiberg Group, followed by the Rustenburg Layered suite, overlain by the Rashoop Granophyre Suite and capped by the Lebowa granite suite. The mineralisation is hosted in the Volspruit Reef, part of a pyroxenitic layer of the Lower Zone of the Rustenburg Layered Suite. The Platreef is enriched with PGE's, gold, nickel, copper, vanadium, titanium, magnetite and chrome. The genesis of the mafic phase of the BIC is that a staging chamber was located in the centre of the original Transvaal Supergroup basin. The thinned depressed crust under the basin was heated by an underlying mantle diaper and conical fractures formed in the crust which were subsequently exploited by mafic magmas to form the BIC. Several 'feeder' sites have been proposed throughout the BIC, based on gravity anomalies and observed proximal and distal magma facies. The Northern Limb feeder site is situated south of Mokopane and west of the project area.

The farm Volspruit 326 KR is underlain by sedimentary rocks of the Pretoria Group, Transvaal Supergroup and igneous rocks of the Lower Zone, Rustenburg Layered Suite of the BIC. The proposed tectonic model that affected the area after the emplacement of the BIC involves the formation of a major horst block with boundary faults trending towards north of northwest. This major horst structure has subsequently been deformed by faulting trending north-westerly. The Lower Zone is essentially composed of pyroxenitic and harzburgitic rocks. The Lower Zone is subdivided into the basal Volspruit Pyroxenite subzone, Drumondlea Harzburgite-Chromitite subzone and the upper Moordrift Harzburgite-Pyroxenite subzone. The Volspruit Pyroxenite subzone is further subdivided into Upper and Lower units based on the presence of an olivine chromite cumulate occurring at the base of the Upper unit. There are 37 cyclic units identified within the Lower Zone, numbered from the base upwards.

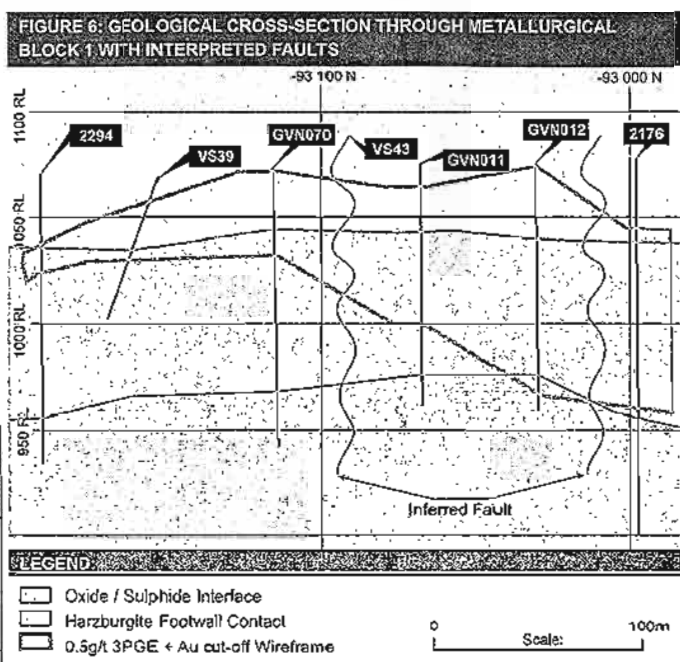
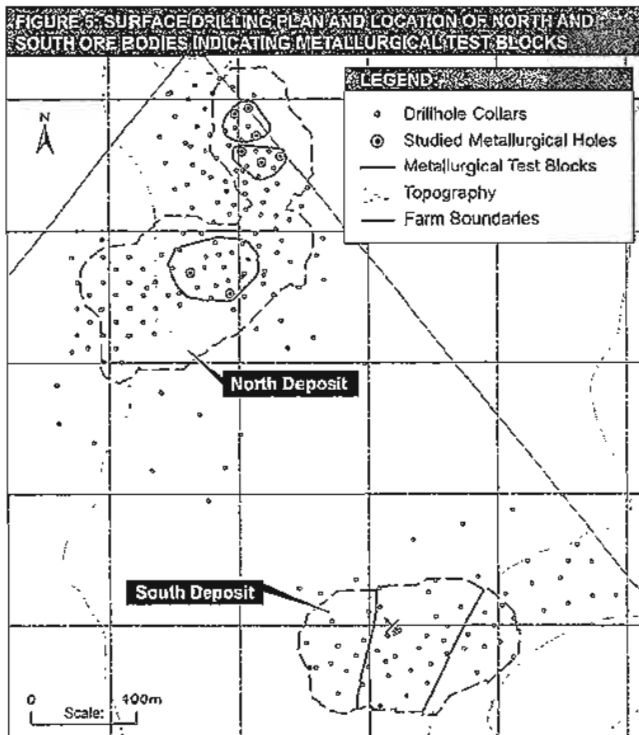
PGE's, with associated copper and nickel mineralisation, occur within a pyroxenite unit of the Upper Volspruit Pyroxenite unit.





This unit is No.11 and in terms of the layered nature of the BIC could be expected to be mineralised in other fault blocks, hitherto unidentified. Scrutiny of the core drilled by PPD suggests the PGE mineralisation is in the form of fine interstitial base metal sulphides. Although harzburgitic units occur within the No.11 pyroxenite unit, it is generally the pyroxenite rocks in this unit that contain visible mineralisation. The harzburgite layer occurring at the base of No.11 unit sometimes contains fine-grained disseminated and coarse-grained base metal sulphides. The northwest trending faults have controlled the disposition of the Upper Volspruit unit and tectonic blocks containing mineralised pyroxenite rocks of the No.11 unit in close proximity to surface.

RECENT EXPLORATION



Drilling

A total of 249 diamond drill holes have been drilled at spacings of 75m to 100m for the PFS by Minerals Corporation. The total core length obtained was 25,663m, from which over 17,000 assay samples were taken. Drill hole locations are shown in the accompanying figure. Of the total boreholes, 156 were drilled in the North Deposit at a drill spacing of 75m, and 95 holes in the South Deposit at spacings of between 100m to 150m along strike and 75m to 100m along dip. The results of the PFS indicated that the North Deposit was more prospective than the South Deposit and it was decided that further development should be concentrated on the North Deposit. A DFS was initiated in February 2010 for this purpose. An additional 42 diamond boreholes were drilled, totalling 4,300m to the 193 holes drilled in previous exploration activities, in order to upgrade the resource classification and to enable for metallurgical testwork to be carried out.

Geology

Geological sections were prepared from the drillhole database which was carried out by the Minerals Corporation. Wire frames of the oxide/sulphide interface, harzburgite footwall contact and the 0.5g/t 3PGE+Au deposit from an earlier Datamine™ model were used in these sections. The mineralized Upper Volspruit Pyroxenite unit forms two distinct orebodies, one to the north of the property and one to the south.

The North Deposit is generally flat lying and suboutcrops against the alluvium/soil on the eastern margin and is deeper towards the west, possibly due to faulting. The deposit has an average vertical width of mineralisation of 59m and strike length of approximately 1,800m.

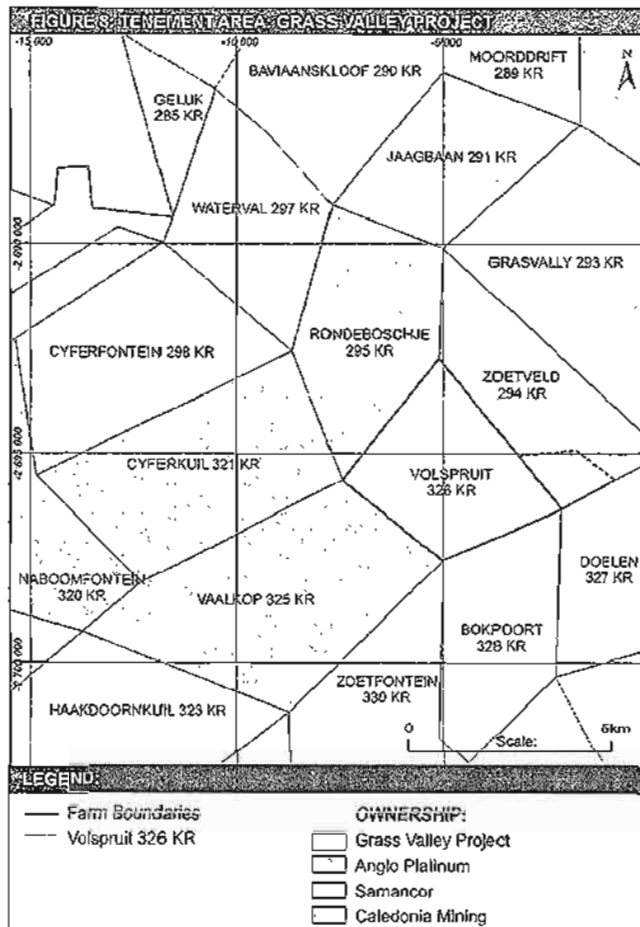
The South Deposit dips at approximately 45° to the north and has a strike length of approximately 1,000m. The deposit also suboutcrops against alluvium/soil and has a vertical mineralisation width of 47m. No faulting within the orebodies has been modelled, but a "folded" model has been favoured by RSG Global. Evidence from core, structural contour maps and cross-sections indicate widespread tectonism that is not reflected in the electronic model of the north and south orebodies.

Preliminary Mine Planning And Design Proposal

The Minerals Corporation was originally commissioned to prepare initial economic estimates of viability for the Volspruit area. This is in keeping with demonstrating "reasonable prospects for eventual economic extraction".

A preliminary decision was made to employ the open pit mining method as the optimal method of exploitation for these orebodies. The characteristics of the orebodies allowed for two pits, a North Pit and a South Pit to be designed. Preliminary pit planning data indicated that the preferred mining sequence would be North Pit, followed by South Pit. The North Pit contained approximately two thirds of the available ore and geotechnical studies indicate that a 49° slope angle could be optimal. SRK suggests further geotechnical work could upgrade the slope angle to 54°. The slope angle of the South Pit would be 39° because it contains less competent rocks.

The previous feasibility work suggested reasonable prospects for economic extraction but recent developments at Sylvania with respect to Jubilee and the ConRoast™ process led to the commissioning of the latest scoping study. This was meant to further assess pit optimisation, metallurgical recoveries and operational efficiencies that could be generated from alternative thinking. This led to comparisons with the nickel sulphide industry whereby PGE's are converted to nickel credits.



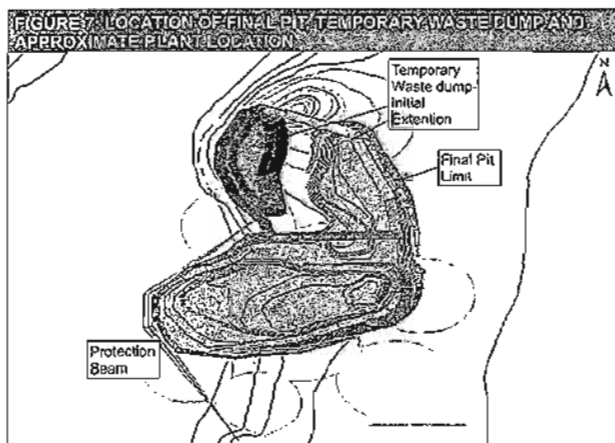
As a consequence, SRK was commissioned to carry out the mine plan and scheduling for the North pit during the DFS exercise. The mine is now planned to operate from 2012 to 2027, reaching a steady state production of 12.2Mt by the 5th year of production.

Mineral Processing

Mintek was commissioned to carry out the Bulk Sample Assay and Mini plant bulk recovery test for a 5t sample. The aim was to provide process parameters for the proposed plant configuration, and also to firm up on design parameters and to generate a concentrate for the ConRoast™ process.

Five tons of fresh ore and 350 kg of oxide and transition zone ore were delivered to Mintek on 6th April 2010 and the laboratory recovery and Mini bulk plant recovery test were completed at the end of August 2010. The report classifies the ore as relatively hard with Bond Wall and Bond Rod indices of greater than 20 Wh/t however having low abrasion index. The liberation requires 80% passing at -75µm. The process will require a lot of energy and will result in higher operating costs due to higher grinding and power costs. Fortunately the maintenance costs due to wear and tear will be lower as the abrasion of mill and liner plates will be reduced because of the low abrasion index possibly due to high presence of talc, which in itself introduces a flotation problem requiring the addition of additional depressant solutions to control the talc in the flotation process.

On analysis of the mini-plant results it was observed that the recoveries obtained were on the low side.



Further laboratory tests indicated that to achieve sulphide nickel and 4 PGE recoveries of at least 75 %, an activator is compulsory and careful control is required due to high depressant dosages, use of a co collector such as aero 3477 is required. It was recommended that a mass pull of 3 to 4 % is required.

Mintek made it clear that it is important to take into consideration that the sample grade delivered to Mintek averaged 1.7 g/t 4PGE where as the average pit grade is 1.26. A 50g/t PGE concentrator produced is generally not acceptable to local smelters but is suitable as feed to the ConRoast™ process.

The report recommended the use of the laboratory tests be used for design purposes as the mini plant run were sub optimal. The recoveries achieved in this exercise were:-

- total Ni - 68%;
- Pt - 70%;
- Pd - 79%;
- 4E - 75 %;
- Cu - 86%

The prepared bulk sample was delivered to the Mintek's pyrometallurgy department for the ConRoast™ smelting tests on 7th June 2010. The head grade results obtained are in Table 1.

4E HEAD GRADE (g/t)	Pt	Pd	Rh	Au	4E	Ni (%)	Cu (%)
Fresh sample	0.73	0.88	0.07	0.03	1.70	0.17	0.04
Transition Sample	0.51	0.66	0.06	0.03	1.25	0.16	0.03
Oxide Sample	0.33	0.44	0.04	0.01	0.81	0.11	

A platinum concentrator was designed by MDM Engineering based on the metallurgical testwork carried out by Mintek. This plant has a capacity to process 100,000t per month (1.2Mtpa) and is planned to have a capital cost of ZAR 280m and operating cost of ZAR64.14/t. These costs include the overall cost of the process plant, associated infrastructure and tailings storage facility first fills, mechanical spares, laboratory costs including contingencies, SMP and EPCM costs and exclude VAT as at August 2010.

ADJACENT PROPERTIES

The Volspruit Project is adjacent to Anglo Platinum, Samancor and Caledonia prospects as shown on Figure 8.

QUALITY CONTROL AND ASSURANCE

A data verification procedure was carried out by MSA as documented in their report. The exploration geologist confirmed that full and adequate procedures had been adopted during the geological sampling programme.

KEY ENVIRONMENTAL ASPECTS

The following environmental studies have been carried out for the Volspruit Project:-

- land use and soils;
- air quality;
- visual impact;
- noise;
- fauna and flora.

No major environmental issues or potential fatal flaws with regard to these studies were identified with the PFS.

The Nyl River occurs to the west of the prospect but the 50 year floodline encroaches on the proposed Northern Pit. In the recent DFS, the hydro-geological study and its EIA of the effects of the proposed open mine on the Nyl river and its associated floodplains and wetlands has been completed by Escience.

The 50 year floodline has been reviewed and it has been found that the N1 highway bridge built recently was the determinant of the floodline and that the mine or a berm constructed around the open pit will have no impact on the new 50 year floodline. Undoubtedly the bridge is the overriding constraint to any floodwaters. It appears as though the environmental impact of the bridge on the 50 or 100 year was never considered at the time of the bridge construction. This finding now opens the way for a Mining right application to the edge of a proposed berm that extends down to the River which will allow mining to take place to the inside edge of the berm. The extent of some 14 million tons of the North Deposit that occurs under the river has not been included in the current study.

MINERAL RESOURCE STATEMENT

Whilst several Mineral Resource estimates have been made for this project the latest Mineral Resource has been prepared by IGS and verified by MSA and is dated 8th July 2010 as shown in Table 2.

CATEGORY	TONNAGE (Mt)	DENSITY (g/cm ³)	3E (g/t)	Cu (ppm)	Ni (ppm)
FRESH ZONE					
Measured	24.27	3.06	1.27	390	1,416
Indicated	14.71	3.03	1.17	393	1,486
Measured and Indicated	38.98	3.04	1.23	391	1,442
Inferred	0.09	3.01	0.92	330	1,776
TRANSITION ZONE					
Measured	2.28	2.84	1.20	497	1,269
Indicated	1.21	3.00	1.20	309	1,673
Measured and Indicated	3.48	2.90	1.20	432	1,409
Inferred	0.62	3.00	0.95	314	1,767
OXIDE ZONE					
Measured	1.92	2.20	1.16	515	1,347
Indicated	0.72	2.20	0.96	317	1,479
Measured and Indicated	2.64	2.20	1.11	461	1,383
Inferred	0.05	2.20	0.97	357	1,784
TOTAL RESOURCES					
Measured	28.47	2.97	1.26	407.16	1,398.56
Indicated	16.63	2.99	1.16	383.77	1,498.96
Measured and Indicated	45.1	2.98	1.22	398.53	1,435.59
Inferred	0.76	2.95	0.95	318.59	1,769.10

*Estimate by IGS applying a cut-off of 0.34g/t 3E and 10% geological losses by MSA

The recent drilling in the North Deposit has allowed for classification of Mineral Resources in the Measured category estimated to reach 31.6Mt at a grade of 1.28g/t 3E, 0.14% Ni and 0.04% Cu. In the Indicated Mineral Resources category, the tonnage is estimated at 18.5Mt at a grade of 1.17g/t 3E, 0.15% Ni and 0.04% Cu. Inferred Mineral Resources of 833 kt at 0.94g/t 3E, 0.18% Ni and 0.03% Cu.

CONCLUSION

Venmyn has highlighted the following potential project risk areas:-

- 1 the environmental aspects of the project. As studies carried out have not been relayed to Venmyn, the potential environmental risk is as yet unknown. Therefore, a cautious approach to the environmental aspect is recommended.

AURORA PROJECT



IN THIS DOCUMENT

- Key Features
- Summary
- History
- Physiography
- Geological Setting
- Recent Exploration
- Adjacent Properties
- Quality Control And Assurance

INDEPENDENT TECHNICAL STATEMENT FOR THE AURORA PROJECT PREVIOUSLY OF PPD as at 2nd December 2010

- Key Environmental Aspects
- Mineral Resources Statement
- Conclusions

Prepared in the format of a short form SAMREC compliant Technical Statement.



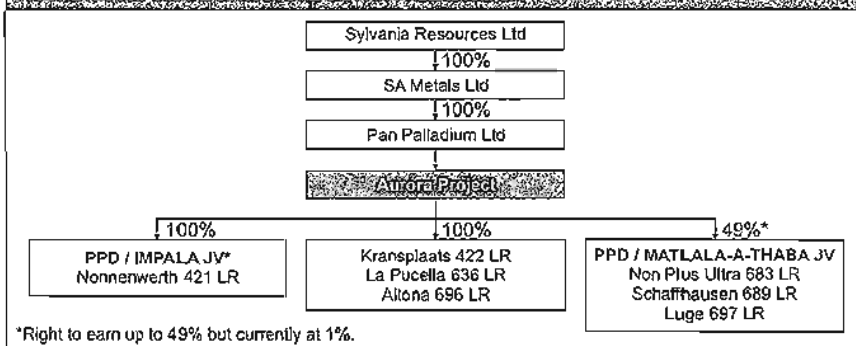
In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange

KEY FEATURES

Competent Person:	Mr. Andy Clay, M.Sc.(Geol.), M.Sc.(Min. Eng.), Dip.Bus.M., Pr.Sci.Nat., MSAIMM, FAusIMM, FGSSA, IOD, AAPG, CIMMP, Managing Director - Venmyn.
Key Technical Personnel:	Ms. Mpaai Motloung, B.Sc.Hons (Geol.), MGSSA, ASAIMM. Mr. John Sexton, BSc. (Maths), B.Com (Financial Acc.), MBL. Mr. Khalid Patel, BSc. Hons (Geog. and Environmental Science), MIAIA. Mr. Richard Tayelor, B.Sc. Hons (Geol.), MGSSA.
Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	This independent technical statement (statement) was prepared in order to present the prospectivity and indicative mineral resource estimates for the Aurora Project of Pan Palladium Limited (PPD), a wholly owned subsidiary of SA Metals, which Sylvania recently acquired. This serves as a technical basis for the appraisal of Sylvania's mineral assets. This technical statement has been based upon the company's exploration work and previous owners' recent and historical exploration programmes.
Sources of information:	Information was supplied to Venmyn by Sylvania and includes legal, corporate, and exploration results in the form of Mineral Resource Statements which includes geochemical data, 3D geological modelling, geological mapping of the project.
Personal Inspection:	A visit to the Aurora Project area was undertaken on the 4 th August 2009 by project team representatives Messrs. Andy Clay and Khalid Patel.
General Location:	The PPD's Aurora Project is situated in the Northern Limb of the Bushveld Igneous Complex (BIC), approximately 75 km north of Mokopane in the Limpopo Province of South Africa. The project consists of 7 farms, Nonnenwerth 421 LR, Kransplaats 422 LR; La Pucella 693 LR; Altona 696 LR; Non Plus Ultra 683 LR Ptn 1,2,3,4,5 & 6; Luge 687 LR (RE) and Schaffhausen 689 LR Ptn2.
Licence Status:	Prospecting rights for the Aurora Project are held under three different licences. The first is Nonnenwerth 421 LR, a PPD/Impala JV, with the licence no. 545/2006 which expires 29 th November 2011. The second, with licence no. 105/2006, presides over the farms Kransplaats 422 LR; La Pucella 693 LR and Altona 696 LR which are owned solely by PPD. The third licence, no. 01/2005, was granted under a JV with Matlala a Thaba, for prospecting on the farms Non Plus Ultra 683 LR, Luge 687 LR and Schaffhausen 689 LR. The licence was valid until 16 th March 2008 and an application for renewal has been granted (Figure 1) and expires on 16 th March 2011.
Climate:	The project area has warm to hot summers with moderate winters. It has an annual rainfall of between 577mm and 1,000mm. Average summer temperatures rise to 28°C and drop to 17°C. Average winter temperatures range from 19°C to 4°C.
Infrastructure and Accessibility:	Access to the site from the N1 is via a network of secondary roads. The major national route N11 lies to the west of the Project area.
Geological Setting and Deposit Type:	The BIC is the world's largest layered igneous intrusion; hosting an estimated 80% of the world's Platinum Group Elements (PGE) and substantial base metal deposits. It was intruded into Transvaal Supergroup rocks ca. 2,060Ma, largely along an unconformity between the Magaliesberg quartzite of the Pretoria Group and the overlying Rooiberg felsites. The BIC in its entirety covers an area of approximately 66,000km ² and is subdivided into the Northern, Eastern and Western limbs. The mineralisation in the northern limb is hosted by the platiniferous Platreef and Volspruit Reef. The former is at the base of the Main Zone/Upper Critical Zone boundary and the latter is in the Lower Zone; unlike the Merensky Reef and the UG2 Reef in the Western and Eastern Limbs which is hosted within the Critical Zone.



FIGURE 1: CORPORATE STRUCTURE OF PAN PALLADIUM SA



**INDEPENDENT TECHNICAL STATEMENT FOR THE
AURORA PROJECT PREVIOUSLY OF PPD
as at 2nd December 2010**



SUMMARY

This statement provides a review of the Aurora Project previously of Pan Palladium SA (Pty) Limited (PPD) situated in the Northern Limb of the BIC (Figure 2). PPD is a wholly owned subsidiary of SA Metals, a mining company recently acquired by Sylvania. The Aurora Project is made up of 7 farms, namely Nonnenwerth 421 LR; Kransplaats 422 LR; La Pucella 693 LR; Altona 696 LR; Non Plus Ultra 683 LR Ptn 1,2,3,4,5 & 6; Luge 687 LR (RE) and Schaffhausen 689 LR. Nonnenwerth 421 LR is being explored on the basis that Impala Platinum has a 25% economic interest at the Bankable Feasibility stage and the right to contribute capital on a pro-rata basis if the project is developed, while portions of Non Plus Ultra 683, Luge 687 LR and Schaffhausen 689 LR are held by a JV between PPD and Matlala-a-Thaba. The farms Kransplaats 422 LR, La Pucella 693 LR and Altona 696 LR are held under prospecting licence by PPD.

The primary economic horizon that forms the basis for exploration in this project is the Platreef. This reef contains lower grades of PGE and associated metals when compared to the traditional Merensky and UG2 Reefs in the Eastern and Western Limbs of the BIC.

Following the acquisition of the Project area by PPD, the Aurora Project has been subjected to intensive exploration drilling. Approximately 130 diamond core boreholes have been drilled across the project area, combined with field mapping, assaying, PPD's own airborne survey and a government aeromagnetic survey. This extensive exploration programme, carried out from 2003 to 2005, led to the estimation of inferred mineral resources determined by RSG Global (RSG) as at March 2005, shown in Table 1, at a cut-off of 0.5 g/t 2PGE + Au, of 133Mt at an average grade of 1.34g/t 2 PGE+Au, 0.05% Ni and 0.08%Cu.

HISTORY

Of the farms constituting the Aurora Project, only Nonnenwerth 421 LR had been subjected to meaningful historical exploration. JCI drilled one borehole on the farm Non Plus Ultra 683 LR, for which no collar data is available. Union Corporation drilled 8 boreholes on the farm Nonnenwerth 421 LR, for which no collar or assay data is available. The farm Nonnenwerth 421 LR was drilled by Genmin in the late 1980's and early 1990's. A total of 35 inclined holes were drilled to the basement and sampling was conducted on parts of these drill holes.

TABLE 1: SUMMARY OF RESOURCES FOR PAN PALLADIUM SA'S AURORA PROJECT

DATE	COMPANY	FARMS	CATEGORY	TONNAGE ('Mt)	PGE (g/t) (Pt+Pd+Au)	Ni (%)	Cu (%)	PGE CONTENT ('000oz)
2005	PPD	Nonnenwerth 421 LR, Kransplaats 422 LR, La Pucella 693 LR, Altona 696 LR	Inferred Resources	133.43	1.34	0.05	0.08	5,773

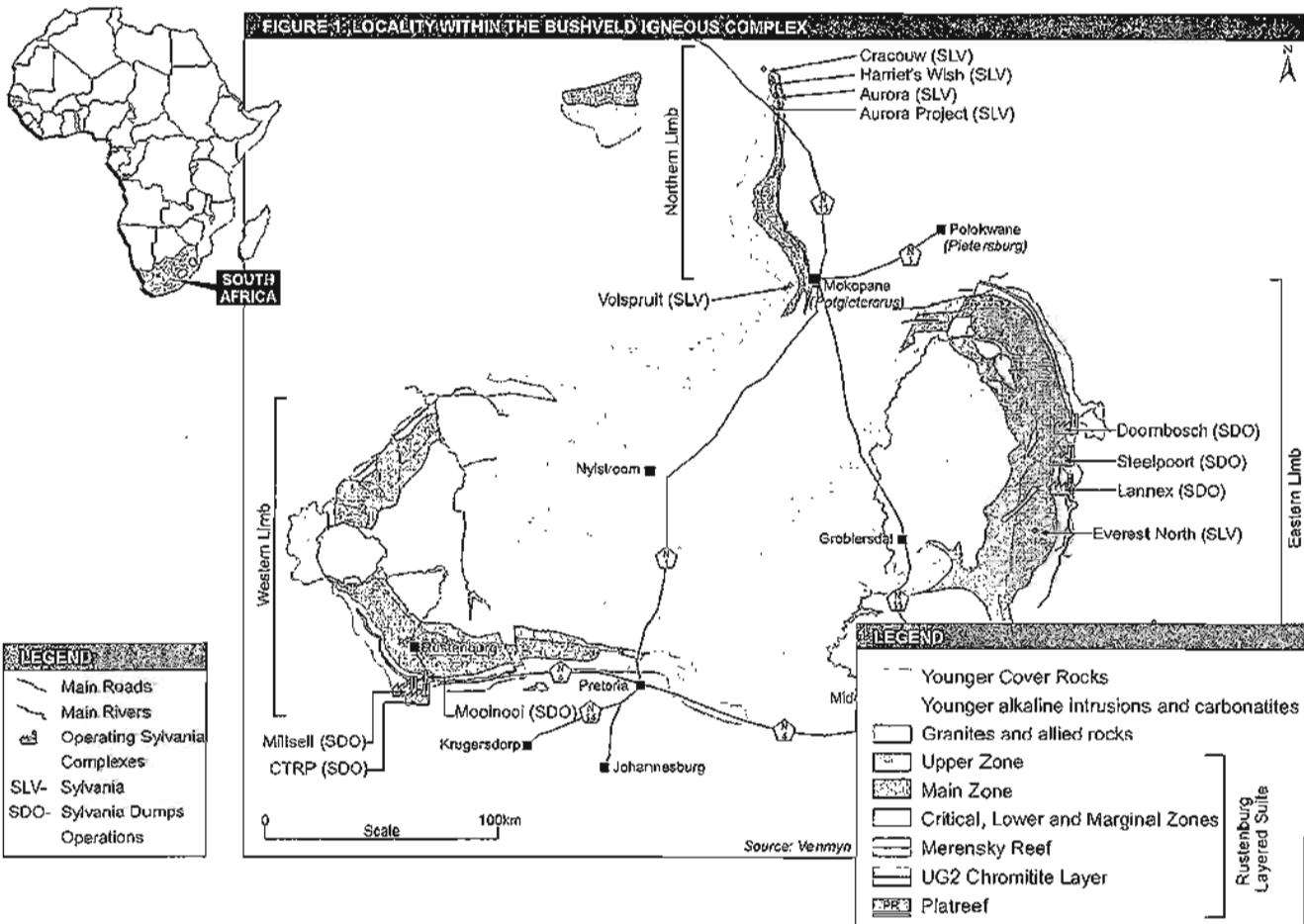
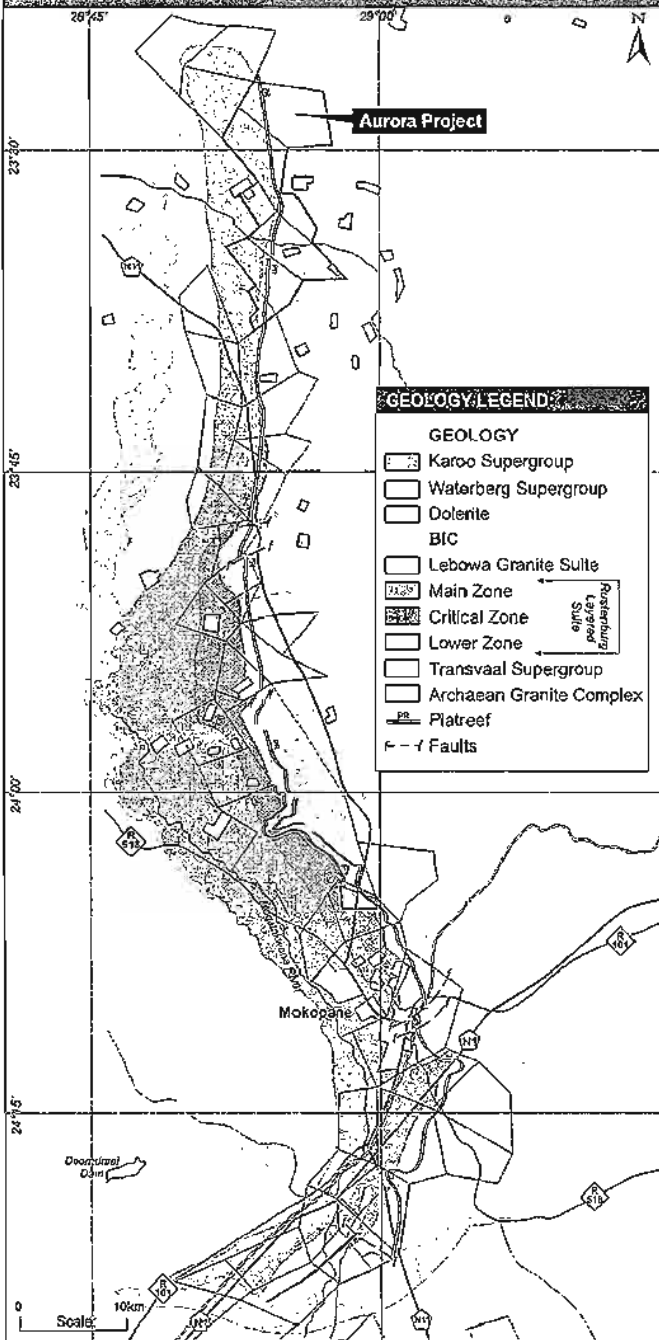


TABLE 2: HISTORICAL EXPLORATION ON AURORA PROJECT

FARM	DATE	COMPANY	NO. OF BOREHOLES	METERS DRILLED	SAMPLES ASSAYED
Non Plus Ultra 683 LR	Unknown	JCI	1	582	1
Nonnenwerth 421 LR	1974	Union Corporation	8	1,732	0
Nonnenwerth 421 LR	1989-1991	Genmin	35	10,083	7,797
Aurora Total			44	12,397	7,798



FIGURE 3 REGIONAL GEOLOGY OF THE NORTHERN LIMB OF THE BUSHVELD COMPLEX



The assays concentrated primarily on Ni and Cu, later PGE's were assayed for where these metals had elevated concentrations. Table 2 summarises the historical exploration for the Aurora Project.

PHYSIOGRAPHY

The site elevation increases from 1,100m in the west to 1,200m in the east, with the highest point in the north at 1,296m. The main soils are moderate to deep, black and red clay soils, with reddish-brown sandy loam soils to the north and east. The hilly areas have thin, highly leached red soils in the wetter areas, with exposed rock on the steeper slopes. The vegetation in the region is classified as Mixed Bushveld. The vegetation varies from a dense, short bushveld to an open tree savannah. Due to the fact that the site is developed into smallholdings, a number of alien plant species like bluegums and several garden plants occur.

The climate is mild throughout the year and can be classified as semi-arid. The area has summer from November to April and winter from May to October. In summer, the days are hot and generally sunny in the morning, with afternoon showers or thunderstorms. Daytime temperatures can rise to 38°C and night temperatures drop to around 15°C. The afternoons can be humid. In winter, days are dry, sunny and cool to warm, while evening temperatures drop sharply. Daytime temperatures generally reach 20°C and can drop to as low as 5°C at night.

GEOLOGICAL SETTING

The project area is underlain by basement Hout River granites and gneisses which are overlain by units correlated with the Upper Critical, Main and Upper Zones of the Rustenburg Layered Suite (RLS). The granite-RLS contact dips at approximately 60° to the west. The RLS units dip at angles varying from 30° to 60° to the west.

Recent re-analysis of the drilling data has suggested a Platreef-type horizon within the RLS succession at Aurora. A series of five zones has been delineated, albeit some of these only on a broad scale, to accommodate the observed stratigraphy. The Platreef equivalent horizon is termed Zone 3, which is characterised by large number of xenoliths composed of pyroxenite, norite, gabbronite and rare harzburgite and Archaean rocks.

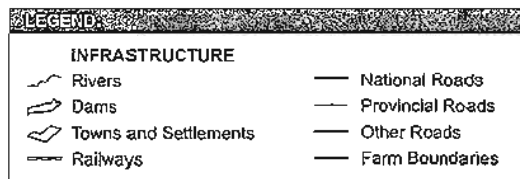
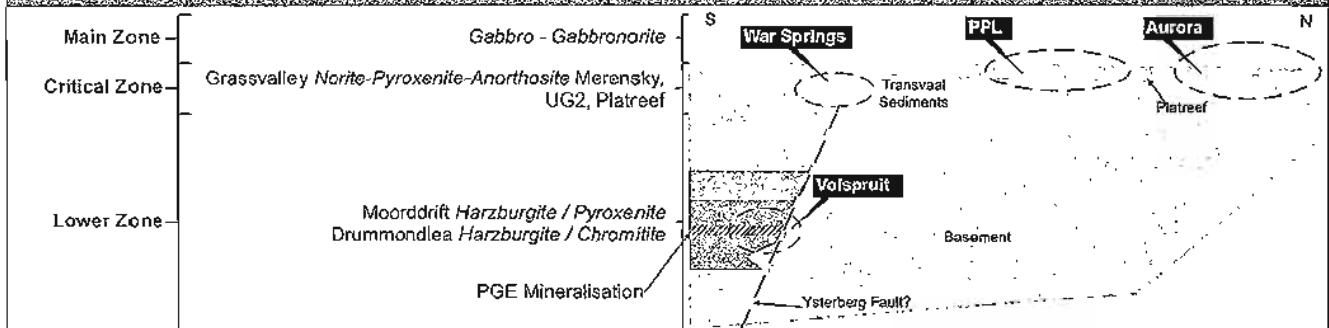


FIGURE 4 SCHEMATIC CROSS SECTION THROUGH THE NORTHERN LOBE OF THE BUSHVELD COMPLEX



**INDEPENDENT TECHNICAL STATEMENT FOR THE
AURORA PROJECT PREVIOUSLY OF PPD
as at 2nd December 2010**



The project area is underlain by basement Hout River granites and gneisses which are overlain by units correlated with the Upper Critical, Main and Upper Zones of the Rustenburg Layered Suite (RLS). The granite-RLS contact dips at approximately 60° to the west. The RLS units dip at angles varying from 30° to 60° to the west.

TABLE 3: RECENT EXPLORATION ON AURORA PROJECT UP TO 30 OCTOBER 2005

FARM	DATE	COMPANY	NO. OF BOREHOLES	METERS DRILLED	DRILLING COST (ZAR)	SAMPLES ASSAYED	ASSAY COST
Altona	2003	PPD	2	543	190,215	338	64,253
La Pucella	2003-2005		41	14328	5,722,378	13,599	2,550,908
Nonnenwerth	2004		12	8900	3,199,369	6,971	1,263,953
Non Plus Ultra	2005		6	1442	587,225	311	59,120
Kransplaats	2004		39	9845	4,139,958	7,836	1,488,077
Schaffhausen	2005		2	319	130,373	281	53,417
Aurora Total			102	35377	13,969,517	29,336	5,479,728

Recent re-analysis of the drilling data has suggested a Platreef-type horizon within the RLS succession at Aurora. A series of five zones has been delineated, albeit some of these only on a broad scale, to accommodate the observed stratigraphy. The Platreef equivalent horizon is termed Zone 3, which is characterised by large number of xenoliths composed of pyroxenite, norite, gabbro-norite and rare harzburgite and Archaen rocks.

RECENT EXPLORATION

Exploration by PPD's Aurora Project was carried out in two phases; the first including the farms Nonnenwerth 421 LR, La Pucella 693 LR and Altona 696 LR. The second phase included Kransplaats 422 LR, Non Plus Ultra 683 LR and Schaffhausen 689 LR.

The exploration programme was designed by incorporating the historical drilling carried out on Nonnenwerth 421 LR in the 1990's. Drilling, as part of the programme, was completed in 2004. 3D-geological models were constructed. The data acquired during the exploration programme. Relevant details of this drilling programme are shown in Table 3. Borehole locations are shown in Figure 5 and target areas during the exploration programme are also highlighted.

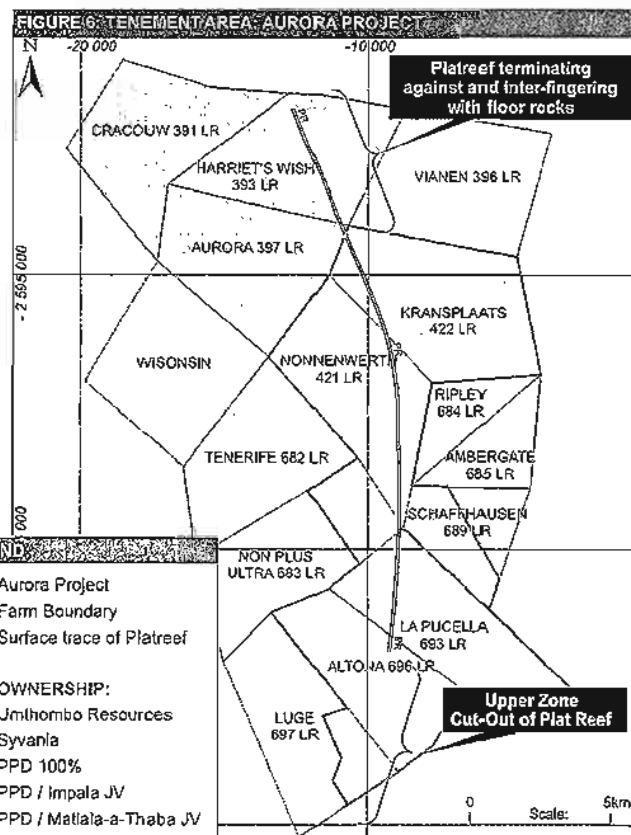
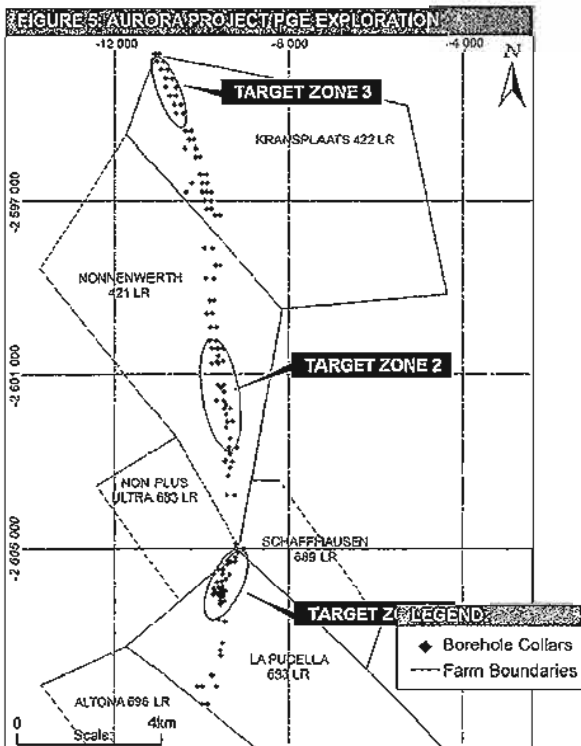
The geological investigation revealed that the Aurora Project is characterised by steep dipping basement contact which trends north-south parallel to the strike of the BJC rocks. The orebody dips at an average of 32° at La Pucella 693 LR and at an average of 45° at Nonnenwerth 421 LR. A number of east-west trending structural features and dykes have been

noted and confirmed by aeromagnetics. PGE mineralisation is hosted in gabbros and anorthosites, which is accompanied by significant concentrations of base metal sulphides dominated by chalcopyrite and pyrrhotite. The mineralogy is similar in all three farms, it was therefore concluded that there is consistency in the style of mineralisation between the three farms. The mineralisation was concluded to define a distinct northern facies of the Platreef in the Aurora area.

The second phase of this exploration programme, carried out on the farms Kransplaats 422LR, Non Plus Ultra 683 and Schaffhausen 689LR, was completed in March 2005. The relevant details are shown in Table 3. Extensive drill target modelling has been carried out but no new drilling has been undertaken in the past 6 months. Analysis of this data allowed for 3D geological modelling, grade-tonnage curve construction, thorough QA/QC, statistical analysis of data, and a mineral resource classification and estimation for Kransplaats.

ADJACENT PROPERTIES

Adjacent to the Aurora Project is the Great Australian Resources' Hacra Project, consisting of three farms (Cracouw 391 LR, Harriet's Wish 393 LR, Aurora 397 LR), which have also been acquired by Sylvania. The technical details of these farms are provided in their respective technical statement (Figure 6).



QUALITY CONTROL AND ASSURANCE

Extensive QA/QC was carried out on the borehole and assay data acquired for the Aurora Project by PPD. Assay results were compared to blanks and standards and for the farm Kransplaats 422 LR, statistical assessments were carried out on these analyses. The exploration geologist confirmed that full and adequate procedures had been adopted during the geological sampling programme.

KEY ENVIRONMENTAL ASPECTS

Venmyn received no documentation of environmental studies for the Aurora Project and can therefore not comment on the key environmental issues.

MINERAL RESOURCES STATEMENT

Mineral resources for the Aurora project are given in Table 4. Aurora Project has an estimated inferred mineral resource of 133Mt at a 2PGE + Au grade of 1.34g/t, 0.05% Ni and 0.08% Cu.

CONCLUSIONS

The best attribute to the Aurora Project is its size, as it comprises of a total of 7 farms. The extent of the Platreef has been confirmed during intensive exploration by PPD. The Aurora Project is in a stage of development that indicates potential economic extraction of PGE's and associated base metals and warrants further development. Further development will identify potential fatal flaws of the project but the studies done to date have not indicated any.

TABLE 4: PGE + Ni RESOURCE ESTIMATE FOR AURORA PROJECT AS AT 27th MARCH 2005

FARM	TYPE	TONNAGE (Mt)	2PGE + Au (g/t)	2PGE + Au ('000 oz)	Pt ('000oz)	Pd ('000oz)	Au ('000oz)	Ni (%)	Cu (%)	Ni (tonnes)	Cu (tonnes)
Kransplaats	Oxide	0.80	1.11	28	10	14	4	0.09	0.18	700	1,400
	Fresh	14.60	1.17	547	200	275	71	0.08	0.14	11,400	20,100
	TOTAL	15.40	1.16	575	211	289	75	0.08	0.14	11,400	20,130
Nonnenwerth	Oxide	1.73	1.28	71	23	39	10	0.06	0.10	1,000	1,700
	Fresh	46.12	1.36	2,016	646	1,080	289	0.07	0.11	30,600	50,500
	TOTAL	47.85	1.36	2,087	669	1,119	299	0.07	0.11	31,600	52,200
La Pucella and Allona	Oxide	6.78	1.41	309	100	164	45	0.04	0.06	2,400	4,100
	Fresh	64.20	1.37	2,829	907	1,518	405	0.04	0.05	22,800	34,500
	TOTAL	70.98	1.38	3,138	1,007	1,682	450	0.04	0.05	25,200	38,600
Aurora Project	Oxide	8.51	1.38	390	123	203	55	0.04	0.07	3,400	5,800
	Fresh	124.92	1.34	5,393	1,754	2,874	766	0.06	0.08	64,800	105,130
	TOTAL	133.43	1.34	5,773	1,877	3,077	821	0.05	0.08	68,200	110,930
Estimate by RSG Global using cut-off of 1g/t 2 PGE + Au to 300m											

ANNEX 6

NOTICE OF SCHEME MEETING

Sylvania Resources Limited ACN 091 415 968

By an order of the Supreme Court of Western Australia (**Court**) made on 18 January 2011 pursuant to section 411(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), a meeting of holders of ordinary shares in Sylvania Resources Limited ACN 091 415 968 will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005 (WST) on 2 March 2011 at 11.00am (WST).

The Court has also directed that Richard Rossiter act as chairman of the meeting or failing him Grant Button, and has directed the chairman to report the result of the meeting to the Court.

Business of the meeting

To consider and, if thought fit, pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

"That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between the company and the holders of its ordinary shares as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part is approved, with or without modification as approved by the Court."

Information on the resolution to be considered at the meeting

To enable you to make an informed voting decision, further information on the Scheme is set out in the Scheme Booklet of which this notice convening the meeting forms part. Terms used in this notice have the same meaning as set out in the Glossary in section 11 of the Scheme Booklet of which this notice forms part.

Voting at the Scheme Meeting

Registered holders of Sylvania Resources Shares can vote at the Scheme Meeting by:

- attending the meeting and voting in person, by attorney or, in the case of corporate shareholders, by corporate representative; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying the Scheme Booklet of which this notice forms part.

Further details of how registered holders of Sylvania Resources Shares can vote and arrangements for voting by holders of Sylvania Resources DIs are set out below.

Voting in person

Shareholders are asked to arrive at the venue 30 minutes prior to the time designated for the Scheme Meeting to allow for registration for the meeting. Please bring your meeting registration forms with you to facilitate admission to the meeting. The meeting registration form for the Scheme Meeting is the Proxy Form included with the Scheme Booklet of which this notice forms part.

Voting by attorney or corporate representative

Shareholders who have appointed an attorney or corporate representative to attend and vote at the Scheme Meeting should ensure that their attorney or corporate representative arrives at the venue 30 minutes prior to the time designated for the Scheme Meeting to allow for registration for the meeting. A person attending as an attorney should bring the original power of attorney or a certified copy, unless you have already provided a certified copy of the power of attorney to Sylvania Resources. A person attending as a representative of a corporate shareholder must present satisfactory evidence of his or her appointment to attend on behalf of that shareholder unless previously lodged with the Australian Registry.

Voting by proxy

A shareholder entitled to attend and vote at the Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on the resolution to be put to the Scheme Meeting and also to speak at the Scheme Meeting. The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed, and if the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Sylvania Resources shareholder.

If a proxy is not directed how to vote any item of business, the proxy may vote or abstain from voting, as that person thinks fit. If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote in the shareholder's behalf on the poll, and the Sylvania Resources Shares the subject of the proxy appointment will not be counted in computing the required majority.

Shareholders who return their Proxy Form(s) with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chairman of the Scheme Meeting, the company secretary of Sylvania Resources or any Sylvania Resources Director which do not contain a direction will be used to support the resolution to approve the Scheme.

Completed Proxy Forms must be:

- sent to the Australian Registry (using the reply paid envelope included with this Scheme Booklet) at Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia;
- faxed to 1800 783 447 from within Australia or +61 3 9473 2555 from overseas; or
- sent to Sylvania Resources' registered office at Unit 2, Level 1 Churchill Court, 331-335 Hay Street, Subiaco, WA 6008, Australia,

in each case so that they are received by no later than 11.00am (WST) on 28 February 2011. Proxy Forms received after this time will be invalid.

The Proxy Form must be signed by the shareholder or the shareholder's attorney. If an attorney signs a Proxy Form on your behalf, a certified copy of the power of attorney under which the Proxy Form was signed must be received by the Australian Registry at the same time as the Proxy Form, unless you have already provided a certified copy of the power of attorney to Sylvania Resources. Proxies given by corporations must be executed in accordance with the Corporations Act.

If you complete and return a Proxy Form, you may still attend the meeting in person, revoke the proxy and vote at the meeting.

Arrangements for voting by holders of Sylvania Resources DIs

Holders of Sylvania Resources DIs holders entitled to vote in relation to the Scheme at the Scheme Meeting and wishing to do so must complete a Form of Instruction. The SLV Custodian will then cast its votes at the Scheme Meeting by proxy as directed by the Forms of Instruction duly completed by the holders of Sylvania Resources DIs, and received by the SLV Custodian, in accordance with the instructions set out in the Form of Instruction.

Completed Forms of Instruction must be:

- sent to the United Kingdom Depository (using the reply paid envelope included with this Scheme Booklet) at Computershare Investor Services PLC, The Pavillions, Bridgwater Road, Bristol BS99 6ZY; or
- faxed to +44 (0)870 7036116,

in each case so that they are received by no later than 3.00am (GMT) on 26 February 2011 (being 96 hours prior to the commencement of the Scheme Meeting). Forms of Instruction received after this time will be invalid.

Sylvania Resources shareholders who are entitled to vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining eligibility to vote at the Scheme Meeting is 11.00am (WST) on 28 February 2011. Only those shareholders entered on the Sylvania Resources Share Register at that time will be entitled to attend and vote at the Scheme Meeting. A shareholder who holds any Excluded Shares will not be entitled to vote the Excluded Shares at the Scheme Meeting.

DI Holders entitled to vote

Only those holders of Sylvania Resources DIs entered on the Sylvania Resources DI Register at 7.00am (GMT) on 28 February 2011 will be entitled to complete a Form of Instruction directing the SLV Custodian how to vote at the Scheme Meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become effective the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is passed by the requisite majorities and the other conditions precedent to the Scheme are satisfied, Sylvania Resources intends to apply to the Court for approval of the Scheme.

CORPORATE DIRECTORY

Sylvania Resources Limited ACN 091 415 968	Unit 2, Level 1 Churchill Court, 331-335 Hay Street, Subiaco, Western Australia, 6008 Australia
Auditor	HLB Mann Judd Chartered Accountants Level 4, 130 Stirling Street, Perth, Western Australia, 6000 Australia
Legal adviser as to Australian law	Allen & Overy Level 27 Exchange Plaza, 2 The Esplanade, Perth, Western Australia, 6000 Australia
Legal adviser as to English law	Allen & Overy LLP, One Bishops Square, London E1 6AD, United Kingdom
Legal adviser as to Bermudian law	Conyers Dill & Pearman Limited Clarendon House, 2 Church Street, Hamilton, Bermuda
Competent Person	Venmyn Rand (Pty) Ltd First Floor, Block G, Rochester Place 173 Rivonia Road Sandton, 2146 South Africa
Independent Expert	Deloitte Corporate Finance Pty Limited Level 14, Woodside Plaza 240 St Georges Terrace Perth, Western Australia, 6000 Australia
Australian tax adviser	Deloitte Touche Tohmatsu Ltd Level 14, Woodside Plaza 240 St Georges Terrace Perth, Western Australia, 6000 Australia
Nominated advisor and broker	Ambrian Partners Limited Old Change House, 128 Queen Victoria Street, London EC4V 4BJ, United Kingdom

Australian Registry

Computershare Investor Services Pty Limited
Reserve Bank Building,
Level 2, 45 St George's Terrace,
Perth, Western Australia, 6000
Australia

United Kingdom Depositary

Computershare Investor Services PLC
The Pavilions,
Bridgwater Road,
Bristol BS99 6ZZ,
United Kingdom

Lodge your vote:

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



Proxy Form

 For your vote to be effective it must be received by 11.00 am (WST) on 28 February 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →

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	<p>Update your securityholding, 24 hours a day, 7 days a week: www.investorcentre.com.au</p>
<p><input checked="" type="checkbox"/> Review your securityholding</p> <p><input checked="" type="checkbox"/> Update your securityholding</p>	<p>Your secure access information is:</p> <p>SRN/HIN: 1999999999</p> <p> PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sylvania Resources Limited hereby appoint

the Chairman of the meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Scheme Meeting of Sylvania Resources Limited to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005 on 2 March 2011 at 11.00 am (WST) and at any adjournment of that meeting.

STEP 2 Items of Business



PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

1. Approval of Scheme of Arrangement

For	Against	Abstain
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /

SLV

126065A

Computershare +

**SYLVANIA RESOURCES LIMITED
(ACN 091 415 968)**

Computershare

All Correspondence to:
The office of the Depository
Computershare Investor Services PLC
The Pavilions, Bridgwater Road,
Bristol, BS99 6ZY



MR A SAMPLE
< DESIGNATION >
SAMPLE STREET
SAMPLE TOWN
SAMPLE CITY
SAMPLE COUNTY
AA11 1AA

999999

000001

Holder Reference Number

C0000000000

M A L



Form of Instruction - Scheme Meeting to be held on 2 March 2011

Kindly Note: This form is issued only to the addressee(s) and is specific to the unique designated account printed hereon. This personalised form is not transferable between different (i) account holders; or (ii) uniquely designated accounts. Computershare Investor Services PLC (the "Depository") and the Custodian accept no liability for any instruction that does not comply with these conditions.

Explanatory Notes:

1. Please indicate, by placing "X" in the appropriate space overleaf, how you wish your votes to be cast in respect of each of the Resolutions. If this form is duly signed and returned, but without specific direction as to how you wish your votes to be cast, the form will be rejected.
2. The 'Vote Withheld' option overleaf is provided to enable you to abstain on any particular Resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a Resolution.
3. Any alterations made in this form should be initialled.
4. The Explanatory Memorandum which accompanies and forms part of the Notice of Scheme Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in the Notice of Scheme Meeting.

**To be effective, all forms of instruction must be lodged at the office of the Depository at:
Computershare Investor Services PLC, The Pavilions, Bridgwater Rd, Bristol BS99 6ZY by 26 February 2011 at 3.00 am (UK time).**

All Named Holders:

MR A SAMPLE
< Designation >
Additional Holder 1
Additional Holder 2
Additional Holder 3
Additional Holder 4

SRN. C0000000000

Form of Instruction

Please use a black pen. Mark with an X inside the box as shown in this example.



C0000000000

M A L



I/We hereby instruct the Custodian "Computershare Clearing PTY Limited" to vote on my/our behalf at the Scheme Meeting of the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia, 6005 on 2 March 2011 at 11.00 am (WST) and at any adjournment thereof.

Ordinary Resolution

1 That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between the company and the holders of its ordinary shares as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part is approved, with or without modification as approved by the Court.

For Against Vote Withheld

Signature

Date

DD / MM / YY

In the case of joint holders, only one holder need sign. In the case of a corporation, the Form of Instruction must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director, secretary).



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S L V

