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This document has been drawn up in accordance with the AIM Rules and has been issued in connection with the application for the admission of the entire issued common share capital of Sylvania Platinum Limited, a company incorporated in Bermuda (**Sylvania Platinum**), on AIM. This document is not an approved prospectus for the purposes of section 85 of the Financial Services and Markets Act 2000 and the Prospectus Rules of the Financial Services Authority. This document does not constitute an offer or invitation to purchase any securities.

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Sylvania Platinum Limited

(Incorporated in Bermuda under the Companies Act 1981 of Bermuda with registration number 44512)

APPENDIX TO AIM SCHEDULE ONE ANNOUNCEMENT FURTHER INFORMATION ON SYLVANIA PLATINUM LIMITED IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM Nominated Adviser and Broker – Ambrian Partners Limited

It is expected that Admission will become effective and dealings for normal settlement in Sylvania Platinum Shares will commence on 24 March 2011.

This document should be read in its entirety. An investment in Sylvania Platinum involves a significant degree of risk, may result in the loss of the entire investment and may not be suitable for all recipients of this document. Investors should consider carefully the risk factors which are set out in Part II of this document. All statements regarding Sylvania Platinum's business should be viewed in light of these risk factors.

This Appendix has been prepared in accordance with Schedule One and the Supplement to Schedule One of the AIM Rules published by the London Stock Exchange. It includes, inter alia, equivalent information that would otherwise have had to be included in an AIM admission document and which is not currently public, that is which is not available at an address in the UK or Bermuda or at a website address accessible to users in the UK or Bermuda (collectively, the **Public Record**). The Public Record can be accessed freely at www.londonstockexchange.com and on Sylvania Resources' website at www.sylvanijaresources.com where this Appendix, which is dated 25 January 2011, will be available. This Appendix should be read in conjunction with the AIM Rules Schedule One pro forma announcement (together with any update thereto) to be made at least 20 business days prior to Admission (the **Announcement Form**) and the Public Record. This Appendix and the Announcement Form together constitute the **Announcement**.

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The content of this document has not been examined or approved by the Australian Securities and Investments Commission or the Bermuda Monetary Authority.

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DIRECTORS, SECRETARY AND ADVISERS

Directors	Richard David Rossiter Terrence Michael McConnachie Louis Michael Carroll Grant Michael Button	<i>Non-executive Chairman</i> <i>Chief Executive Officer</i> <i>Finance Director</i> <i>Executive Director</i>
Company Secretary	Codan Services Limited	
Assistant Company Secretaries	Louis Michael Carroll Grant Michael Button	
Registered Address	c/o Codan Services Limited, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	
Website	www.sylvaniareources.com (until the Implementation Date) and www.sylvaniaplatinum.com (after the Implementation Date)	
Nominated adviser and broker	Ambrian Partners Limited Old Change House, 128 Queen Victoria Street, London EC4V 4BJ, United Kingdom	
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 HM CX, Bermuda	
Competent Person	Venmyn Rand 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 and UK tax adviser (for the
purposes of the taxation comments in
paragraph 15 of Part III of this
Appendix)

Deloitte Touche Tohmatsu Ltd
Level 14, Woodside Plaza
240 St Georges Terrace
Perth, Western Australia 6000,
Australia

Australian Registrar

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

STATISTICS

Expected number of Sylvania Platinum Shares in issue at Admission	301,961,805
AIM Symbol	SLP
ISIN No. for the Sylvania Platinum Shares	BMG864081044

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Time and date of the Scheme Meeting	11.00 am (WST) on 2 March 2011
<i>If the resolution considered at the Scheme Meeting is approved:</i>	
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
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 a normal settlement basis	24 March 2011
Admission and dealings in Sylvania Platinum Shares commence on AIM	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 paragraph 13.1 of Part III of this Appendix. 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 AIM through RNS (the regulatory information service provider used by Sylvania Resources) and published on Sylvania Resources' website (www.sylvaniareources.com).

PART I

INFORMATION ON SYLVANIA PLATINUM LIMITED

1. Introduction

Sylvania Platinum was incorporated under the Bermuda Companies Act on 24 August 2010. Under the Scheme it is proposed that Sylvania Platinum will become the new holding company of Sylvania Resources, an Australian incorporated company whose shares were admitted to the official list of ASX on 9 February 2001 and admitted to trading on AIM on 21 July 2006. Sylvania Resources is a PGM producer with tailings retreatment operations and shallow mining exploration interests located in South Africa's PGM-rich Bushveld Igneous Complex.

2. Background to and Reasons for Admission

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 reasons for the redomicile are more particularly set out in section 2 (Recommendation of the Sylvania Resources Directors and other matters relevant to your vote) of the Scheme Booklet.

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 paragraph 9.1 of Part I; 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.

Following implementation of the Scheme, Sylvania Platinum will be the holding company of the Sylvania Resources Group, and the Sylvania Resources Group's principal activities will continue to be PGM production from tailings retreatment and near surface PGM exploration.

3. Sylvania Platinum Directors

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 Ambrian. As at the date of this Appendix, 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.

Details of the current Sylvania Platinum Directors, who are the same as the current Sylvania Resources Directors, are as follows:

Terence Michael 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.

Richard David 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.

Louis Michael Carroll, B Com, MAP, H. Dip. Corporate Law, H. Dip. Property Management, Dip Business Management (aged 65) – Finance Director and Assistant 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.

Grant Michael Button, CPA (aged 48) – Executive Director and Assistant Company Secretary

Mr Button was a director and company secretary of Sylvania Resources for 4 years until June 2007. He rejoined Sylvania Resources 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.

4. Strategy

Except as described elsewhere in this Appendix (in particular paragraphs 3 and 9 of this Part I), 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.

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.

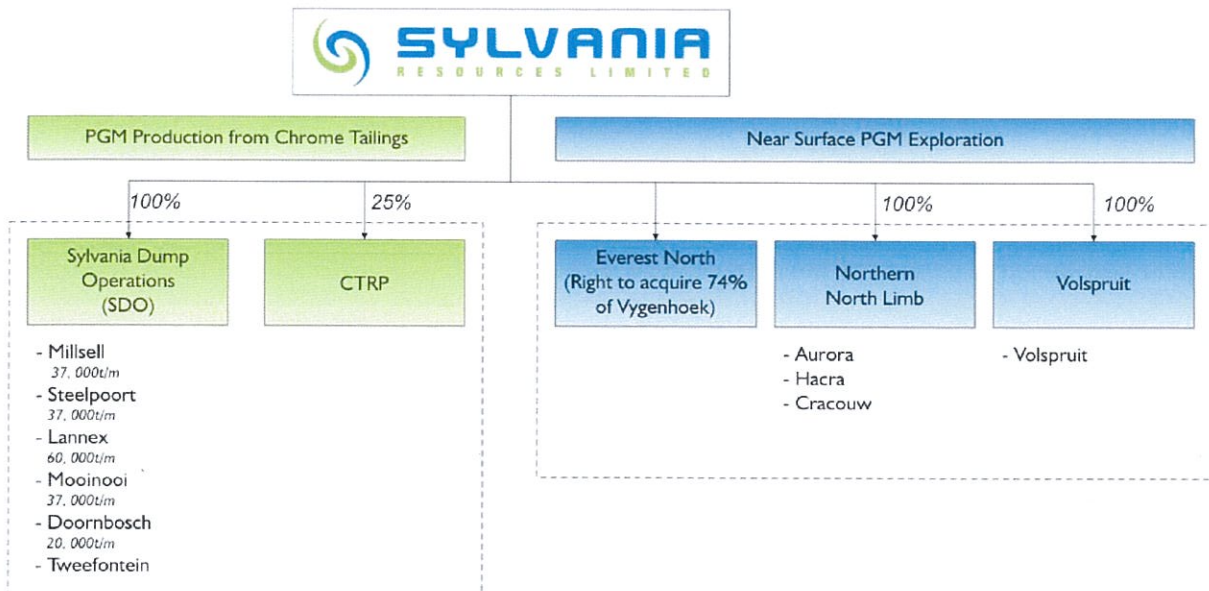
5. Business Operations

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 Volspruit 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 (the **Jubilee 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 "Volspruit Smelting and Refining Agreement" (the **Volspruit 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 Volspruit mine that is currently being developed by Sylvania Resources. For further details of the Volspruit project, please see paragraph 5.2 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.

5.1 PGM Production Business Unit

Sylvania Resources' PGM production currently comes from (i) the Sylvania Resources 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 Resources dump operations

Ownership

The Sylvania Resources 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 the date of this Appendix, 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).

As referred to in paragraph 3 of this Part I, 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.

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 Mooinooi. 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.

(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.

(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.

(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.

(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.

(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.

(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.

(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, Doombosch 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 material from Samancor Chrome where supplied.

Off-take agreements

Sylvania Metals has an off-take agreement with Impala Refining Services Limited 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 under way.

The exchange rate used in this paragraph 5.1(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.

5.2 **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.

6. Financial Information

The financial information set out below summarises historical financial information previously published together with unaudited financial information for the four months ended 31 October 2010 published for the purposes of the Scheme. Such financial information is contained in full with accompanying notes in sections 3 and 5 of the Scheme Booklet which can be found at www.sylvaniareources.com.

6.1 Historical financial information

Sylvania Resources' audited financial statements and annual reports for the financial periods ended 30 June 2008, 30 June 2009 and 30 June 2010 and the quarterly report for the period ended 30 September 2010 are available on Sylvania Resources' website at: www.sylvaniareources.com.

6.2 Unaudited financial information

Following a request from ASIC, the Scheme Booklet includes unaudited financial information for the four months to 31 October 2010.

The audited historical financial information in the tables in this paragraph 6.2 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 the Scheme Booklet.

The unaudited financial information in the tables in this paragraph 6.2 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

		Reviewed (Unaudited) 4 months ended 31 October 2010	Audited Year ended 30 June 2010	Audited Year ended 30 June 2009
	Notes	\$	\$	\$
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 (Unaudited) 31 October 2010	Audited	
	\$	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

Notes	Reviewed (Unaudited) 4 months ended 31 October 2010	Audited	
	\$	Year ended 30 June 2010 \$	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

6.3 Pro forma financial information

Section 5.5 of the Scheme Booklet sets out a pro-forma historical statement of financial position as at 31 October 2010 for Sylvania Platinum as if the Redomicile Proposal had been implemented at that date.

The pro-forma statement of financial position assumes that the Scheme will be approved by the shareholders of Sylvania Resources and reflects:

1. A\$8,988 of costs to incorporate Sylvania Platinum, incurred by Sylvania Resources.
2. A provision for the estimated cost of implementing the Redomicile Proposal, calculated to be A\$2.2 million, of which at 31 October 2010, costs of A\$78,205 had been incurred by Sylvania Resources.
3. Net assets of the Sylvania Group reducing by the above amounts.

7. Significant Change in Financial Position

As detailed at paragraph 5.1(i) of Part I, 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.

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. In the four months to 31 October 2010 Sylvania Resources suffered an exchange difference on translation of foreign operations of A\$7.4 million.

Other than as disclosed in this paragraph 7 or on the Public Record, there has been no significant change in Sylvania Resources' financial or trading position since 30 June 2010, being the date of the last audited financial statements of Sylvania Resources.

8. Current Trading and Outlook

The current trading environment and outlook for the remainder of the financial year is consistent with Sylvania Resources' previous guidance on production outlook. The dump operations continue to show steady growth and as previously announced to the market by Sylvania Resources 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 Part II.

Sylvania Resources published quarterly financial information on 29 October 2010 in respect of the period ending 30 September 2010 and will publish further quarterly information on or before 31 January 2011 in respect of the period ending 31 December 2010.

Save as disclosed in this Appendix or the Public Record, the Sylvania Platinum Directors are unaware of any trends, uncertainties, demands, commitments or events since the end of the last financial year to the date of this Appendix affecting trends in Sylvania Resources' production, sales and inventory, and costs and selling prices or that are reasonably likely to have a material effect on the Sylvania Platinum Group's prospects for the current financial year.

9. The Scheme and Admission

If the Redomicile Proposal is implemented and the Scheme comes into effect, Sylvania Platinum will become the ultimate parent company of the Sylvania Resources Group by way of a scheme of arrangement pursuant to part 5.1 of the Australian Corporations Act. The key features of the Scheme are set out below.

9.1 Shares

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 CHES 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 10 March 2011 (the first

trading day on ASX after the Effective Date). Normal trading of Sylvania Platinum Shares on ASX is expected to commence on 24 March 2011 (the fifth ASX trading day after the Implementation Date).

The cancellation of trading on AIM of the Sylvania Resources Shares is expected to take place on the Effective Date. Trading of Sylvania Platinum Shares on AIM, with holders of Sylvania Platinum DIs settling trades on AIM in CREST, is expected to commence on 24 March 2011 (the fifth AIM trading day after the Implementation Date). In the period between cancellation of trading on AIM of the Sylvania Resources Shares and commencement of trading on AIM of the Sylvania Platinum Shares, neither the Sylvania Resources Shares nor the Sylvania Platinum Shares will be admitted to trading on AIM.

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.

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 of the Scheme Booklet for further details.

Further information with regard to the Scheme is included in the Scheme Booklet available on Sylvania Resources' website at www.sylvaniaresources.com.

9.2 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 Australian Corporations Act to acquire any Sylvania Resources Options not cancelled under these arrangements.

(i) Summary of terms of Sylvania Platinum Options

A summary of the terms and conditions of the Sylvania Platinum Consideration Options and the Sylvania Platinum Employee Options are set out in paragraph 4 of Part III.

(ii) Sylvania Resources Options and Sylvania Platinum Options

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

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

10. 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.

11. 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.

12. Competent Person's Report

In connection with the proposed admission to trading of Sylvania Platinum Shares on AIM, Sylvania Platinum has commissioned a Competent Person's Report in respect of material assets and liabilities of Sylvania Resources. That report is available on the Sylvania Resources website (www.sylvaniaresources.com) before the Implementation Date and on the Sylvania Platinum website (www.sylvaniaplatinum.com) after the Implementation Date. A summary of the Competent Person's Report is set out in Annex 5 of the Scheme Booklet.

13. Regulatory Announcements

As at 25 January 2011, the information provided in this Appendix is to the best knowledge and belief of Sylvania Platinum (having taken all reasonable care to ensure that such is the case) in accordance with the facts and does not omit anything likely to affect the import of such information. Prior to Admission, shareholders of Sylvania Resources and Sylvania Platinum should review all announcements published on www.sylvaniaresources.com (until the Implementation Date) and www.sylvaniaplatinum.com (after the Implementation Date) for any information updates.

PART II

RISK FACTORS

1. Introduction

The risk factors which should be taken into account in assessing the Sylvania Platinum Group's activities and an investment in Sylvania Platinum include, but are not necessarily limited to, those set out below. Any one or more of these risks could have a material adverse effect on the value of any investments in Sylvania Platinum and the business, financial position or operating results of the Sylvania Platinum Group and should be taken into account when assessing the Sylvania Platinum Group's activities. The risks noted below do not necessarily comprise all those faced by the Sylvania Platinum Group and are not intended to be presented in any assumed order or priority. It should be noted that this list is not exhaustive and that other risk factors may apply.

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 paragraph 2 below. 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 paragraph 3 below.

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 affect 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 paragraph 3 of Part I, 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 AQPSA 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.

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 Australian Corporations Act to which Sylvania Resources is currently subject. It does, however, remain subject to some provisions of the Australian 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 Australian Corporations Act and currently available to Sylvania Resources shareholders. As set out in further detail in paragraph 14.2 of Part III, 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.

PART III

ADDITIONAL INFORMATION

1. Status

- 1.1 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 Australian Corporations Act on 12 November 2010 with ARBN 147 331 726.
- 1.2 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.
- 1.3 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.
- 1.4 The registered office of Sylvania Platinum is at c/o Codan Services Limited, Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and its principal place of business and place of management and control is in Bermuda. The telephone number for Sylvania Platinum is +1 (441) 295 5950. With effect from the Implementation Date, the website address of Sylvania Platinum and the Sylvania Platinum Group will be www.sylvaniaplatinum.com.
- 1.5 Sylvania Platinum intends to prepare its first accounts for the period from incorporation to 30 June 2011 and thereafter to prepare its annual accounts to 30 June each year (being the same date to which Sylvania Resources currently prepares its annual accounts).
- 1.6 Sylvania Resources' auditor for the period covered by the historical financial information referred to in paragraph 6.1 of Part I was HLB Mann Judd Chartered Accountants, Level 4, 130 Stirling Street, Perth, Western Australia, 6000, Australia (registered to carry out audit work by ASIC and the Institute of Chartered Accountants in Australia).
- 1.7 The Sylvania Platinum Directors confirm that, having made due and careful enquiry, Sylvania Resources has adhered to all legal and regulatory requirements involved in having its securities admitted to trading on ASX and AIM and, as far as they are aware, will continue to do so until the Effective Date which will be the last day of trading on ASX and the date of cancellation of trading on AIM of Sylvania Resources Shares.
- 1.8 The Sylvania Platinum Shares are in registered form and are denominated in US\$.

2. Share Capital

- 2.1 As at the date of this Appendix, Sylvania Platinum has two Sylvania Platinum Subscriber Shares issued. 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. 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.

- 2.2 The authorised and issued share capital of Sylvania Platinum as at 21 January 2011 (the latest practicable date before publication of this document) 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	US\$
2 Sylvania Platinum Subscriber Shares (to be repurchased by Sylvania Platinum and cancelled on completion of the Scheme)	0.20

- 2.3 If the Redomicile Proposal is implemented, and assuming that all Sylvania Resources Options are cancelled as described in paragraph 9.2 of Part I, 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 Appendix) 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 of the Scheme Booklet	-	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

- 2.4 Save as discussed in this Appendix or otherwise disclosed in connection with the Scheme:
- there are no acquisition rights and/or obligations over authorised but unissued capital, or an undertaking to increase the capital, of Sylvania Platinum;
 - no unissued share or loan capital of Sylvania Platinum is under option or is agreed conditionally or unconditionally to be put under option;
 - there are no outstanding convertible and exchangeable securities and warrants issued by Sylvania Platinum; and
 - Sylvania Platinum does not have in issue any shares which do not represent capital.

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.

3. Rights and Liabilities Attaching to Sylvania Platinum's Share Capital

The rights and liabilities attaching to Sylvania Platinum Shares and Sylvania Platinum Subscriber 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 and Sylvania Platinum Subscriber Shares is set out below.

Sylvania Platinum's bye-laws will be available on its website, www.sylvaniaplatinum.com, from 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.

3.1 Sylvania Platinum Shares

(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.

(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.

There are no conditions to admission to a general meeting, other than that only shareholders, or their representatives or proxies appointed in accordance with the Sylvania Platinum Bye-Laws, and Sylvania Platinum Directors are entitled to attend.

(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.

3.2 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. 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 of the Scheme Booklet.
- (iii) The expiry date in connection with each tranche of Sylvania Platinum Employee Options is set out in section 8.12 of the Scheme Booklet. 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 A\$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.

5. Rights and Liabilities Attaching to Sylvania Platinum DIs

5.1 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 SPL 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.

5.2 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 SPL 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 Sylvania Platinum bye-laws permit the holding of Sylvania Platinum Shares through Sylvania Platinum DIs under the CREST system. Sylvania Platinum has applied for the Sylvania Platinum DIs to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Sylvania Platinum Shares through the Sylvania Platinum DIs following Admission shall be capable of taking place within 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 SPL Custodian. The Sylvania Platinum Shares will be registered in the name of the SPL 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 SPL 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 SPL 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.

5.3 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.

5.4 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 SPL Custodian, will be entitled to vote at Sylvania Platinum meetings at the instruction of the holder of the Sylvania Platinum DIs.

5.5 Communication with holders of Sylvania Platinum DIs

Sylvania Platinum's United Kingdom Depositary 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.

6. Working Capital

The Sylvania Platinum Directors have no reason to believe that the working capital available to Sylvania Platinum or the Sylvania Platinum Group will be insufficient for at least 12 months from the date of Admission.

7. Directors' Interests in Share Capital

7.1 The interests of each Director (together with the interests of any member of his family (as defined in the AIM Rules)) in the Sylvania Platinum Shares on Admission are expected to be as follows:

Director	Expected no. of Sylvania Platinum Shares	Expected percentage of issued capital on Admission	Expected no. of Sylvania Platinum Employee Options
TM McConnachie	500,000	0.17%	1,750,000
RD Rossiter	1,032,000 ⁽¹⁾	0.34%	nil
LM Carroll	nil	nil	300,000
GM Button	300,000 ⁽²⁾	0.1%	nil

Notes:

(1) 1,000,000 of these Sylvania Platinum Shares will be held directly by Richard Rossiter and the remaining 32,000 Sylvania Platinum Shares will be held by his wife, Lee Rossiter.

(2) 250,000 of these Sylvania Platinum Shares will be held directly by Grant Button and the remaining 50,000 Sylvania Platinum Shares will be held by Grant Button as trustee for the Wilberforce Trust.

7.2 No Director nor any member of his family (as defined in the AIM Rules) has a related financial product (as defined in the AIM Rules) referenced to Sylvania Platinum Shares.

8. Additional Information on the Sylvania Platinum Directors

8.1 The directorships and partnerships of the Sylvania Platinum Directors, other than of Sylvania Platinum and its subsidiaries, held at present and within the five years preceding the date of this Appendix are as follows:

Name	Current Directorships/ Partnerships	Past Directorships/ Partnerships (within past 5 years)
TM McConnachie	Alumicor Intellectual Property (Pty) Ltd Alumicor Maritzburg (Pty) Ltd Alumicor SA Holdings (Pty) Ltd Kyan Assets Mining Corporation SA (Pty) Ltd Minerva Resources Limited	Danyland Mining SA (Pty) Ltd Dwyka Resources SA (Pty) Ltd Merafe Chrome and Alloys (Pty) Ltd Merafe Ferrochrome & Mining (Pty) Ltd Merafe Resources (Pty) Ltd

Name	Current Directorships/ Partnerships	Past Directorships/ Partnerships (within past 5 years)
	Nduzi Real Estate Projects (Pty) Ltd Summer Sun Trading 210 (Pty) Ltd	Micromin (Pty) Ltd Nyota Minerals Limited (formerly Dwyka Resources Limited) Ruukki Group plc
RD Rossiter	Falcon Mining Services Pty Limited Pan Palladium Australia Pty Ltd Realm Resources Limited (formerly Morning Star Holdings Australia Limited) Tellus Holdings Pty Limited	Alexander Mining Plc
LM Carroll	Central Lake Trading (Pty) 97 Ltd Dusoca Investments (Pty) Ltd Magnum Tantalite (Pty) Ltd Namibia Tantalite Investments (Pty) Ltd South Ridge Properties (Pty) Ltd Sullicur Investments (Pty) Ltd Tameka Shelf Company Four (Pty) Ltd Tantalite Valley Estates (Pty) Ltd Vanamin Limited	None
GM Button	Alamar Resources Limited Alphabet Street Properties 71 Ltd Daydreamer Pty Ltd Ferrum Crescent Limited (formerly Washington Resources Limited) Magnum Mining Exploration Limited Pan Palladium Australia Pty Ltd Realm Resources Limited (formerly Morning Star Holdings (Australia) Limited) Tantalite Valley Estates (Pty) Limited Tameka Shelf Company Four (Pty) Limited Wilberforce Pty Ltd	None

8.2 Remuneration:

(a) Remuneration

The Sylvania Resources Directors 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	Directors' fees
TM McConnachie	A\$435,300	A\$60,000
RD Rossiter	A\$285,768	A\$60,000
LM Carroll	A\$264,492	A\$60,000
GM Button	A\$267,912	A\$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 Appendix, but is subject to adjustment in the ordinary course.

(b) Terms of employment and termination payments

The current terms of employment for the Sylvania Resources directors are as follows:

Name	Duration of contract	Period of notice to terminate (in months)	Termination payments under contract
TM McConnachie	Fixed term until 31 December 2011	3	12 months
RD Rossiter	Indefinite	3	12 months
LM Carroll	Fixed term until 31 July 2011	6	12 months
GM Button	Fixed term until May 2011	3	12 months

As set out in paragraph 3 of Part I, 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.

8.3 None of the Sylvania Platinum Directors has:

- (a) any unspent convictions in relation to indictable offences;
- (b) been bankrupt or the subject of an individual voluntary arrangement;

- (c) except as disclosed above, been a director of any company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, or which has entered into a company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company at the time of or within the twelve months preceding such events;
- (d) been a partner of any firm which has been placed in compulsory liquidation or administration or which has entered into a partnership voluntary arrangement where such director was a partner at the time of or within the twelve months preceding such events;
- (e) had any assets belonging to him placed in receivership or been a partner of a partnership whose assets have been placed in receivership whilst he was a partner at the time of or within the twelve months preceding such events; or
- (f) been publicly criticised by any statutory or regulatory authority (including any recognised professional body), or even been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

9. Principal Holders of Securities

- 9.1 Other than Sylvania Subscriber Shares in issue referred to in paragraph 3.2 of this Part III, there are no interests in three per cent. or more of Sylvania Platinum's issued share capital as at 21 January 2011, being the last practicable date prior to the issue of this Appendix.
- 9.2 Other than the holdings of Sylvania Platinum Directors and their families which are set out at paragraph 7.1 of this Part III, the Sylvania Platinum Directors are aware, based on the share register of Sylvania Resources as at 21 January 2011 (being the last practicable date prior to the issue of this Appendix), of the following direct and indirect interests in three per cent. or more of Sylvania Platinum's issued share capital which are expected to be outstanding on Admission:

Sylvania Platinum Shareholder	Expected number of Sylvania Platinum Shares ⁽¹⁾	Percentage of issued capital expected at Admission
Rene Nominees (IOM) Limited <3830> ⁽²⁾	58,882,551	19.50%
K.B. (C.I.) Nominees Limited	37,610,332	12.46%
Nortrust Nominees Limited <MKK01> ⁽³⁾	29,280,250	9.70%
Apollo Nominees Limited <CRE>	11,264,800	3.73%
Chase Nominees Limited	10,551,020	3.49%
Chase Nominees Limited <CMBL>	9,259,358	3.07%

Notes:

- (1) These Sylvania Platinum Shares will be represented by Sylvania Platinum DIs.
- (2) Held as nominee for Africa Asia Capital Limited.
- (3) 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 holds a relevant interest in these shares.

- 9.3 Save as disclosed in paragraphs 7.1, 9.1 and 9.2 of this Part III, so far as Sylvania Platinum and the Sylvania Platinum Directors are aware, no persons are, at the date of this Appendix, directly or indirectly interested in three per cent. or more of the issued share capital of Sylvania Platinum.
- 9.4 The Sylvania Platinum Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of Sylvania Platinum.
- 9.5 The persons, including the Sylvania Platinum Directors, referred to in paragraphs 7.1 and 9.2 of this Part III, do not have any voting rights in respect of the issued share capital of Sylvania Platinum (issued or to be issued) which differ from any other holder of Sylvania Platinum Shares.
- 9.6 Save as otherwise disclosed in this Appendix or the Public Record, Sylvania Platinum is not directly or indirectly owned or controlled by any corporation or any person or foreign government.

10. Employees

- 10.1 Details of the employees of the Sylvania Resources Group for the period ended 31 December 2010 are as follows:

Location	Number of Employees
South Africa ⁽¹⁾	287
Australia	3
United Kingdom	1
Total	291

Notes:

- (1) 43 of these employees are currently working through a probationary period.

- 10.2 As described in paragraph 9.2 of Part I of this Appendix, Sylvania Platinum intends to issue certain Sylvania Platinum Options to its employees. As described in paragraph 10 of Part I of this Appendix, Sylvania Platinum does not currently have any employee incentive plans.

11. 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 (www.sylvaniareources.com) until the Implementation Date and on Sylvania Platinum's website (www.sylvaniaplatinum.com) 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.

Bermuda has no specific corporate governance regime applicable to Sylvania Platinum, however, the Sylvania Platinum Directors are subject to common law fiduciary obligations and similar statutory duties (including a duty to exercise certain care, diligence and skill) imposed on them pursuant to the Bermuda Companies Act.

12. Related Party Transactions

- 12.1 For details of related party transactions during the period covered by the historical financial information, please refer to note 20 in the "notes to the financial statements" contained in section 3.5 of the Scheme Booklet, and to the audited financial statements and annual reports available on Sylvania Resources website www.sylvaniaresources.com.

As disclosed at paragraph 2.1 of Part III of this Appendix, Grant Button holds one Sylvania Platinum Subscriber Share, issued to him on 14 December 2010. In accordance with the terms of the Sylvania Platinum Subscriber Shares, this share will be repurchased and cancelled immediately upon the issue of the Sylvania Platinum Shares in accordance with the Scheme.

13. Material Contracts

13.1 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) 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:

- the Court approves the Scheme in accordance with section 411(4)(b) of the Australian 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 Australian Corporations Act;
- approval for listing of Sylvania Platinum Shares on ASX, admission to trading 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.

13.2 Other material contracts

- (a) Please see paragraphs 5 and 5.1(i) of Part I for details of the Share Exchange Agreement, Samancor Service and Supply Agreement, the Sylvania Metals off-take agreement with Impala Refining Services Limited, the Jubilee Framework Agreement and the Volspruit Smelting and Refining Agreement.
- (b) In 2009 Sylvania Resources acquired Great Australian Resources Limited (now Great Australian Resources Pty Limited) and SA Metals (Pty) Limited by way of off-market takeover bids. Please refer to the bidder's statements (both of which were lodged on 3 July 2009) available on ASX's website www.asx.com.au.

13.3 Save as disclosed in paragraphs 13.1 and 13.2 above and any contracts details of which have been disclosed in the Public Record prior to the date of this Appendix, there are no other contracts (other than contracts entered into in the ordinary course of business) entered into by any member of the Sylvania Platinum Group which contain provisions under which any member of the Sylvania Platinum Group has any obligation or entitlement which is material to the Sylvania Platinum Group as at the date of this Appendix.

14. Summary of Certain Aspects of Bermudian Law

14.1 Introduction

If the Redomicile Proposal is implemented, Sylvania Resources shareholders and holders of Sylvania Resources DIs will hold shares in, or depositary 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 Australian 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 is set out in 14.2 below. 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 14.3 below.

14.2 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 (www.sylvaniaresources.com) before the Implementation Date and will subsequently be available on Sylvania Platinum's website (www.sylvaniaplatinum.com) 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 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 30 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 and AIM), sends its summarised financial statements to 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 of 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 DTR 5. 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: (A) 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 (B) 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.

14.3 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.

15. Taxation

The paragraphs below are extracted without material adjustment from a report prepared by Deloitte Touche Tohmatsu Ltd and comment on the general Australian and UK 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.

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.

15.1 Tax Residency of Sylvania Platinum

The tax outcomes set out in this paragraph 15 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.

15.2 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 (eg 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

(i) UK resident shareholders

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.

15.3 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 classified as 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 (ie 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 holders 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.

15.4 Taxation Consequences of Disposing of Sylvania Platinum Shares

(a) Australian taxation consequences

(i) Shareholders

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'.

(ii) 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.

(iii) 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.

15.5 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% of any consideration paid for their transfer, there is an exemption from SDRT which applies where shares represented by DIs are: (i) issued or raised by a body corporate that is not incorporated, and whose central management and control is not exercised, in the United Kingdom; (ii) 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 (iii) 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.

16. The Sylvania Platinum Group

16.1 Organisational structure

Sylvania Platinum is incorporated in Bermuda. If the Scheme becomes effective, Sylvania Platinum will replace Sylvania Resources as the ultimate holding company of the Sylvania Resources Group. The structure of the resulting Sylvania Platinum Group is set out in figure 1 of the summary of the Competent Person's Report contained in Annex 5 of the Scheme Booklet.

Set out below is a list of Sylvania Platinum's significant subsidiaries, their country of incorporation and Sylvania Platinum's ownership interest:

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding
			%

Sylvania Resources Limited	Australia	Ordinary	100
Twinloop Nominees (Pty) Ltd	Australia	Ordinary	100
Great Australian Resources Pty Ltd	Australia	Ordinary	100
SA Metals Pty Ltd	Australia	Ordinary	100
Platinum Mining Ventures Limited	Australia	Ordinary	100
Sylvania Holdings Limited	Mauritius	Ordinary	100
Aralon Holdings Limited	Mauritius	Ordinary	100
Sylvania Holdings SA (Pty) Ltd	South Africa	Ordinary	100
Sylvania South Africa (Pty) Ltd	South Africa	Ordinary	100
Sylvania Metals (Pty) Ltd	South Africa	Ordinary	100
Sylvania Minerals (Pty) Ltd	South Africa	Ordinary	100
Sylvania Mining (Pty) Ltd	South Africa	Ordinary	100
Great Australian Resources SA (Pty) Ltd	South Africa	Ordinary	100
Hacra Mining & Exploration Company (Pty) Ltd	South Africa	Ordinary	71
Pan Palladium SA (Pty) Ltd	South Africa	Ordinary	100

16.2 Information on holdings

There are no other undertakings in which Sylvania Platinum will, on Admission, hold a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

17. Legal and arbitration proceedings

17.1 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 AQPSA 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.

17.2 The Sylvania Platinum Directors are not aware of any other information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened), during the previous 12 months which may have, or have had in the recent past a significant effect on Sylvania Platinum or the Sylvania Platinum Group's financial position or profitability.

18. Third party consents

The report on taxation in paragraph 15 of this Part III is included, in the form and context in which it is included, with the consent of Deloitte Touche Tohmatsu Ltd who has authorised the contents in paragraph 15 of this Part III. In providing its report, Deloitte Touche Tohmatsu Ltd has relied upon certain facts, as set out in the Scheme Booklet, that have not been independently reviewed or verified by Deloitte Touche Tohmatsu Ltd.

19. General

19.1 Investments

Save as disclosed in this Appendix or the Public Record, there are no investments in progress and there are no future investments on which the Sylvania Platinum Directors have already made firm commitments which are significant to the Sylvania Platinum Group.

19.2 Exceptional factors

Save as disclosed in this Appendix or the Public Record, the Sylvania Platinum Directors are unaware of any exceptional factors which have influenced the Sylvania Platinum Group's activities.

19.3 Licences

Save as disclosed in this Appendix or the Public Record, the Sylvania Platinum Group is not dependent on patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to Sylvania Platinum's business.

19.4 Environmental issues

Save as disclosed in the Public Record, the Sylvania Platinum Directors are not aware of any environmental issues that may affect the Sylvania Platinum Group's utilisation of its tangible fixed assets.

19.5 Expenses

The costs, charges and expenses payable by Sylvania Platinum in connection with or incidental to the Scheme and Admission, including registration and stock exchange fees, legal and accounting fees and expenses, are estimated to amount to between A\$2 million and A\$2.2 million, excluding any VAT applicable thereon.

19.6 Fees

Save as disclosed in this Appendix, or as otherwise disclosed in the Public Record, no person (other than the Sylvania Platinum Group's professional advisers otherwise disclosed in this Appendix and trade suppliers) has received, directly or indirectly, from the Sylvania Platinum Group within the twelve months preceding the date of this Appendix, or entered into contractual arrangements (not otherwise disclosed in this Appendix or the Public Record) to receive, directly or indirectly, from the Sylvania Platinum Group on or after Admission, any of the following:

- (a) fees totalling £10,000 or more;
- (b) securities in the Sylvania Platinum Group with a value of £10,000 or more; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.

Dated: 25 January 2011

DEFINITIONS AND INTERPRETATION

DEFINITIONS

AS means the lawful currency of the commonwealth of Australia;

AAC has the meaning given in section 3.3(a) of the Scheme Booklet;

Admission means admission of the Sylvania Platinum Shares to trading on AIM in accordance with the AIM Rules;

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;

Ambrian means Ambrian Partners Limited, the nominated adviser and broker to Sylvania Platinum;

Announcement has the meaning given on page 1 of this Appendix;

Announcement Form has the meaning given on page 1 of this Appendix;

Appendix means this document;

AQPSA has the meaning given in paragraph 5.1 of Part I;

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 Corporations Act means the Corporations Act 2001 (Cth) of Australia;

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

BEE has the meaning given in paragraph (bb) of Part II;

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

Bushveld Igneous Complex means the Bushveld Igneous Complex in South Africa;

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

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

Competent Person means Venmyn Rand, First Floor, Block G, Rochester Place, 173 Rivonia Road, Sandton, 2146, South Africa;

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

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;

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 Australian 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);

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

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 of the Scheme Booklet;

Implementation Date means 17 March 2011, being 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 of the Scheme Booklet;

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;

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;

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

PGM means platinum group metals;

Public Record has the meaning given on page 1 of this Appendix;

R means South African Rand;

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 Australian 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 paragraph 5.1(i) of Part I;

Samancor Service and Supply Agreement has the meaning given in paragraph 5.1(i) of Part I;

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

Scheme Booklet means the scheme booklet dated 18 January 2011 issued by Sylvania Resources in connection with the Scheme available at www.sylvaniareources.com;

Scheme Consideration means, other than for Ineligible Foreign Holders who shall receive cash in accordance with section 8.11 of the Scheme Booklet, 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 Australian 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 Australian 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 Exchange Agreement has the meaning given in section 3.3(a)(i) of the Scheme Booklet;

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;

SPL Custodian means Computershare Company Nominees Ltd;

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

Sylvania Platinum means Sylvania Platinum Limited a company incorporated in Bermuda with registration number 44512 and registered as a foreign company under the Australian Corporations Act with ARBN 147 331 726;

Sylvania Platinum Bye-Laws means the bye-laws of Sylvania Platinum adopted pursuant to the Bermuda Companies Act available on Sylvania Resources' website (www.sylvaniareources.com) prior to the Implementation Date and Sylvania Platinum's website (www.sylvaniaplatinum.com) following the Implementation Date;

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, created under the laws of England and Wales, which confers a unit of beneficial ownership in a Sylvania Platinum Share registered in Sylvania Platinum's Share Register in the name of the SPL Custodian;

Sylvania Platinum Directors means the directors of Sylvania Platinum as at the date of this Appendix, whose names are set out in paragraph 3 of Part I;

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 the 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 the Scheme Booklet, the Independent Expert's Report and the summary of the Competent Person's Report set out in Annex 5 of the Scheme Booklet;

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, created under the laws of Bermuda, 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, created under the laws of Bermuda, 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 the Scheme Booklet, whose names are set out in section 3.4(a) of the Scheme Booklet;

Sylvania Resources DI means a depository 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 Depository;

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 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 Depository 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.

INTERPRETATION

1. Related entities

For the purposes of this Appendix, 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 Australian Corporations Act if the Australian Corporations Act were read so that:

- 1.1 references to bodies corporate included references to other entities;
- 1.2 a subsidiary of an entity included an entity that is controlled by the first entity for the purposes of section 50AA of the Australian Corporations Act;
- 1.3 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
- 1.4 an entity is a subsidiary of a trust if it would have been a subsidiary had the trust been a body corporate.

2. References to certain other words and terms:

In this Appendix:

- 2.1 any reference, express or implied, to any legislation in any jurisdiction includes:
 - (a) that legislation as amended, extended or applied by or under any other legislation made before or after the date of this Appendix;
 - (b) any legislation which that legislation re-enacts with or without modification; and
 - (c) any subordinate legislation made before or after the date of this Appendix under that legislation, including (where applicable) that legislation as amended, extended or applied as described in paragraph 2.1(a) above, or under any legislation which it re-enacts as described in paragraph 2.1(b) above;
- 2.2 words denoting persons include bodies corporate and unincorporated associations of persons;
- 2.3 references to an individual or a natural person include his estate and personal representatives;
- 2.4 unless stated otherwise, a reference to a Part, section, paragraph or page is a reference to a Part, section, paragraph or page of this Appendix;
- 2.5 a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Australia; and
- 2.6 a reference to \$, A\$ or to dollars is to Australian currency.

3. Rules of interpretation and construction

In this Appendix:

- 3.1 singular words include the plural and vice versa;
- 3.2 a word of any gender includes the corresponding words of any other gender;
- 3.3 if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- 3.4 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

the headings do not affect interpretation.