



20 October 2010

Companies Announcement Office  
ASX Limited  
Exchange Plaza  
2 The Esplanade  
PERTH WA 6000

Dear Sir/Madam

**NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM**

Please find attached our notice of General Meeting and Explanatory Memorandum which will be dispatched to shareholders by mail today.

Yours faithfully

**Sylvania Resources Limited**

A handwritten signature in blue ink that reads 'G. Button'.

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**Grant Button**  
**Director/Joint Company Secretary**

# **SYLVANIA RESOURCES LIMITED**

**ACN 091 415 968**

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## **NOTICE OF GENERAL MEETING**

**and**

## **EXPLANATORY MEMORANDUM**

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Date of Meeting: Tuesday, 23<sup>rd</sup> November 2010

Time of Meeting: 11.30am (WST)

Place of Meeting: Upstairs Function Room  
Subiaco Hotel  
465 Hay Street (Cnr Rokeby Road)  
Subiaco Western Australia 6008

This Notice of General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

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**SYLVANIA RESOURCES LIMITED**  
**ACN 091 415 968**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a General Meeting of shareholders of Sylvania Resources Limited ACN 091 415 968 ("**Company**" or "**Sylvania**") will be held at the Upstairs Function Room, Subiaco Hotel, 465 Hay Street (Cnr Rokeby Road), Subiaco Western Australia 6008 at 11.30am on Tuesday, 23 November 2010.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Meeting.

**AGENDA**

**RESOLUTIONS**

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**1. Ratification of issue of 25,000,000 Shares under 2009 Placement**

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and all other purposes, the allotment and issue of 25,000,000 Shares to M&G Recovery Fund on 17 December 2009 at an issue price of 40 pence (A\$0.72) per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum, be approved and ratified."*

The Company will disregard any votes cast on this resolution by any person who participated in the issue, and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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**2. Ratification of issue of 7,711,888 Shares in accordance with Share Exchange Agreement**

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.4 and all other purposes, the allotment and issue of 7,711,888 Shares to Africa Asia Capital Limited on 29 September 2010 in accordance with the Share Exchange Agreement and otherwise on the terms and conditions set out in the Explanatory Memorandum, be approved and ratified."*

The Company will disregard any votes cast on this resolution by any person who participated in the issue, and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### 3. Approval of issue of up to 51,170,663 Shares in accordance with Share Exchange Agreement

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and all other purposes, the allotment and issue of up to 51,170,663 Shares to Africa Asia Capital Limited in accordance with the Share Exchange Agreement and otherwise on the terms and conditions set out in the Explanatory Memorandum, be approved."*

The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### 4. Approval of issue of up to 60,000,000 Shares under Proposed Placement

**IMPORTANT NOTE** – *this Resolution 4 is only being proposed in the event that Resolution 3 is not passed by Shareholders. If Resolution 3 is passed by Shareholders, this Resolution 4 will not be proposed at the General Meeting.*

Only in the event that Resolution 3 is not passed by Shareholders, to consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and all other purposes, the allotment and issue of up to 60,000,000 Shares to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum, be approved."*

The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**BY ORDER OF THE BOARD**



Grant Button  
Company Secretary  
DATED: 15 October 2010

## **PROXY AND VOTING ENTITLEMENT INSTRUCTIONS**

### **PROXY INSTRUCTIONS**

Each Shareholder is entitled to appoint an individual or body corporate to act as proxy and attend and vote on their behalf. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes to which the Shareholder is entitled.

The proxy may, but need not, be a Shareholder.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company's office, **Sylvania Resources Limited, Unit 2, Level 1, 331 Hay Street, SUBIACO WA 6008, +61 8 9481 5044**, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

### **VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares 11.30am WST on Sunday, 21 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

# SYLVANIA RESOURCES LIMITED

## ACN 091 415 968

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the General Meeting of Shareholders to be held at the Upstairs Function Room, Subiaco Hotel, 465 Hay Street (Cnr Rokeby Road), Subiaco Western Australia 6008 at 11.30am on Tuesday, 23 November 2010.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Full details of the business to be considered at this Meeting are set out below.

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#### 1. Resolution 1 – 2009 Placement

As announced on 14 December 2009, the Company raised £10.0 million before expenses (approximately A\$17.8 million) by way of a placing by Ambrian Partners Limited of 25,000,000 Shares ("**Placement Shares**") to M&G Recovery Fund (a new institutional investor) at an issue price of 40 pence (A\$0.72) per Placement Share ("**2009 Placement**").

Under Listing Rule 7.1, the Company must not issue or agree to issue securities which exceed 15% of its securities on issue during the 12 month period prior to the date of issue or agreement, without shareholder approval. However, under Listing Rule 7.4, an issue of securities made without prior shareholder approval under Listing Rule 7.1 is treated as having been made with approval if the issue did not breach the 15% limit under Listing Rule 7.1 when made and shareholders subsequently approve it.

Accordingly, pursuant to Resolution 1 Sylvania is seeking ratification of Shareholders under Listing Rule 7.4 so that the Placement Shares will not count towards the 15% limit in respect of securities issued by the Company going forward.

In accordance with Listing Rule 7.5, the following details are provided to Shareholders:

- (a) the Company allotted and issued 25,000,000 Placement Shares on 17 December 2009;
- (b) the Placement Shares were issued at a price of 40 pence (A\$0.72) per Placement Share;
- (c) the Placement Shares were fully paid ordinary shares in the Company and rank equally in all respect with all other Shares of the Company on issue;
- (d) the Placement Shares were allotted to M&G Recovery Fund, a new institutional investor in the Company who is not a related party of the Company; and

- (e) the funds raised by the 2009 Placement were used as follows:
- (i) to elevate the Grass Valley project to JORC compliant status;
  - (ii) to bring forward the purchase of long lead items for the Tweefontein plant;
  - (iii) to complete the acquisition of the Lonmin dumps to provide additional feed for the Moinooi plant; and
  - (iv) for general working capital requirements.

The Directors recommend that Shareholders approve and ratify the issue of 25,000,000 Placement Shares.

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## 2. Resolutions 2 and 3 – Share Exchange Agreement

### 2.1 Share Exchange Agreement

(a) **Introduction**

As announced on 29 September 2010, Sylvania entered into an agreement to acquire the remaining 26% interest in Sylvania Metals Pty Ltd ("**Sylvania Metals**"), such that on completion Sylvania will own 100% of Sylvania Metals, which operates the Sylvania Dump Operations ("**SDO**").

The agreement is a share exchange agreement between Sylvania, who currently holds 74% of Sylvania Metals and Africa Asia Capital Limited ("**AAC**"), a SamancorCr Group company which recently acquired the 26% interest in Sylvania Metals previously held by Ehlobo Metals Pty Ltd, a black empowerment group ("**Share Exchange Agreement**").

In accordance with the Share Exchange Agreement, Sylvania will acquire the 26% interest in Sylvania Metals in consideration for:

- the immediate issue of 7,711,888 Shares ("**Execution Shares**"); and
- either a cash payment equivalent to the value of a further 51,170,663 Shares or in Sylvania's discretion and in compliance with the Listing Rules, the issue of up to a further 51,170,663 Shares, or a combination of cash and Shares ("**Further Consideration**").

Accordingly, the transaction proposed under the Share Exchange Agreement will involve the issue by Sylvania of a maximum of 58,882,551 Shares, which based on Sylvania's current issued capital, will upon issue comprise 19.5% of Sylvania's issued share capital as so enlarged. Any issue of Shares under the Share Exchange Agreement is subject to compliance with the Listing Rules (i.e. shareholder approval where required) and approval in accordance with the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* ("**FIRB Approval**") if such FIRB Approval is determined to be necessary.

(b) **Execution Shares**

As noted above, pursuant to the terms of the Share Exchange Agreement Sylvania agreed to issue 7,711,888 Shares immediately to AAC. These Execution Shares were allotted and issued to AAC on 29 September 2010. Pursuant to Resolution 2, the Company is seeking ratification of the issue of the Execution Shares under Listing Rule 7.4 (refer section 2.2 of the Explanatory Memorandum).

(c) **Further Consideration**

In addition to the issue of the Execution Shares, Sylvania is required to either:

- make a cash payment to AAC which is equivalent to the value of a further 51,170,663 Shares ("**Cash Payment**"); or
- in Sylvania's discretion and in compliance with the Listing Rules and subject to FIRB Approval if necessary, issue up to a further 51,170,663 Shares ("**Consideration Shares**") to AAC,

or make payment through a combination of Cash Payment and Consideration Shares, however always subject to the total payment (whether the quantum of the Cash Payment, the value of the Consideration Shares or a combination of both) not exceeding a maximum of US\$50 million.

(d) **Consideration Shares**

The Company wishes to exercise its discretion in accordance with the terms of the Share Exchange Agreement and issue the Consideration Shares to AAC rather than make any Cash Payment. Accordingly, pursuant to Resolution 3 the Company is seeking Shareholder approval of the issue of the Consideration Shares under Listing Rule 7.1 (refer section 2.3 of the Explanatory Memorandum).

The number of Consideration Shares to be issued to AAC will be 51,170,663 Shares, unless the "equivalent value" of those Consideration Shares exceeds US\$ 50 million, in which case the number of Consideration Shares to be issued to AAC will be reduced accordingly until their "equivalent value" is no more than US\$ 50 million. The "equivalent value" of the Consideration Shares will be calculated using the volume weighted average Share price over a 180 day period prior to the issue of the Consideration Shares.

If Resolution 3 is passed by Shareholders and FIRB Approval is obtained, if required, the Consideration Shares will be issued to AAC shortly following the General Meeting, at which time completion under the Share Exchange Agreement will occur and Sylvania will acquire the remaining 26% of Sylvania Metals.

(e) **Cash Payment**

In the event that Resolution 3 is not passed by Shareholders, Sylvania will not be able to issue the 51,170,663 Consideration Shares to AAC to satisfy the Further Consideration. Instead, Sylvania will be required to make the Cash Payment to AAC, or at its discretion and in compliance with the Listing Rules, issue any portion of the Consideration Shares which it is able to issue (in accordance with the Listing Rules) and satisfy the remainder of the Further Consideration by Cash Payment.

The Cash Payment is able to be made in one lump sum or alternatively, in instalments over a period of up to 13 months. However, completion under the Share Exchange Agreement (at which time Sylvania acquires the remaining 26% of Sylvania Metals) will not occur until Sylvania has paid such portion of the Cash Payment which is equivalent to the value of a further 28,750,000 Shares (i.e. in addition to the Execution Shares which have already been issued), calculated using the volume weighted average Share price over a 180 day period prior to making any Cash Payment. This is required to occur by 30 December 2010.

Therefore, in the event that Resolution 3 is not passed by Shareholders, Sylvania will be required to make a Cash Payment to AAC by 30 December 2010 of at least an amount equivalent to the value of 28,750,000 Shares (calculated using the volume weighted average Share price over a 180 day period prior to the date of the payment).

Accordingly, in the event that Resolution 3 is not passed by Shareholders, Sylvania is proposing Resolution 4 be passed such that Sylvania is able to raise the necessary capital to make the required Cash Payment to AAC by 30 December 2010 and acquire the remaining 26% of Sylvania Metals (refer section 3 of the Explanatory Memorandum). In the event that Resolution 3 is passed by Shareholders, Resolution 4 will not be necessary and accordingly, will not be proposed for approval at the General Meeting.

(f) **Additional directors**

As noted in the announcement of 29 September 2010, in accordance with the Share Exchange Agreement AAC was given the right to nominate two directors to the Board. It is anticipated that these directors will be appointed early in 2011, once completion under the Share Exchange Agreement has occurred (i.e. upon issue of the Consideration Shares or alternatively, upon Sylvania making the required Cash Payment), which is to occur by 30 December 2010 at latest.

## **2.2 Resolution 2**

As noted above, the Company issued 7,711,888 Execution Shares to AAC on 29 September 2010 in accordance with the terms of the Share Exchange Agreement.

Under Listing Rule 7.1, the Company must not issue or agree to issue securities which exceed 15% of its securities on issue during the 12 month period prior to the date of issue or agreement, without shareholder approval. However, under Listing Rule 7.4, an issue of securities made without prior shareholder approval under Listing Rule 7.1 is treated as having been made with approval if the issue did not breach the 15% limit under Listing Rule 7.1 when made and shareholders subsequently approve it.

Accordingly, pursuant to Resolution 2 Sylvania is seeking ratification of Shareholders under Listing Rule 7.4 so that the Execution Shares issued in accordance with the Share Exchange Agreement will not count towards the 15% limit in respect of securities issued by the Company going forward.

In accordance with Listing Rule 7.5, the following details are provided to Shareholders:

- (a) the Company allotted and issued 7,711,888 Execution Shares on 29 September 2010;
- (b) the Execution Shares were issued as part consideration for the acquisition of a 26% interest in Sylvania Metals in accordance with the Share Exchange Agreement and accordingly, there was no issue price as such. However, the deemed issue price for the Execution Shares was A\$0.765 per Share, which was the closing price of Shares as traded on ASX on the date of the Share Exchange Agreement;
- (c) the Execution Shares were fully paid ordinary shares in the Company and rank equally in all respects with all other Shares of the Company on issue;
- (d) the Execution Shares were allotted to AAC who is not a related party of the Company; and
- (e) no funds were raised by the issue of the Execution Shares as they were issued as part consideration for the acquisition of a 26% interest in Sylvania Metals in accordance with the Share Exchange Agreement.

The Directors recommend that Shareholders approve and ratify the issue of 7,711,888 Execution Shares.

## **2.3 Resolution 3**

As noted above, the Company wishes to exercise its discretion in accordance with the terms of the Share Exchange Agreement and issue the Consideration Shares to AAC to satisfy the Further Consideration.

Under Listing Rule 7.1, the Company must not issue or agree to issue securities which exceed 15% of its securities on issue during the 12 month period prior to the date of issue or agreement, without shareholder approval. The issue of the Consideration Shares would exceed Sylvania's 15% limit and therefore, pursuant to Resolution 3 it is seeking approval of Shareholders under Listing Rule 7.1 so that it may issue the Consideration Shares and also, to preserve the Company's capacity to issue further securities within the 15% limit going forward.

In accordance with Listing Rule 7.3, the following details are provided to Shareholders:

- (a) the maximum number of Consideration Shares to be issued is 51,170,663;
- (b) subject to obtaining FIRB approval if required, the Company proposes to allot and issue the Consideration Shares on or before 7 December 2010 and in any event, within 3 months of the date of this General Meeting;
- (c) the Consideration Shares will be issued as consideration for the acquisition of a 26% interest in Sylvania Metals in accordance with the Share Exchange Agreement and accordingly, there was no issue price as such. However, the deemed issue price for the Execution Shares was A\$0.765 per Share, which was the closing price of Shares as traded on ASX on the date of the Share Exchange Agreement;
- (d) the Consideration Shares will be allotted to AAC or its nominee (such nominee must be a member of the AAC corporate group) who is not a related party of the Company;
- (e) the Consideration Shares will be fully paid ordinary shares in the Company and, subject to paragraph (f) below, will rank equally in all respects with all other Shares of the Company on issue;
- (f) under the Share Exchange Agreement, AAC has undertaken, subject to common exceptions such as a takeover offer or share buy-back, not to sell any of the Consideration Shares for a twelve month period following issue, except with the agreement of Sylvania; and
- (g) no funds will be raised by the issue of the Consideration Shares as they will be issued as consideration for the acquisition of a 26% interest in Sylvania Metals in accordance with the Share Exchange Agreement.

The Directors recommend that Shareholders approve the issue of up to 51,170,663 Consideration Shares.

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## **3. Resolution 4 – Proposed Placement**

In the event that Resolution 3 is not passed by Shareholders, Sylvania will not be able to issue the 51,170,663 Consideration Shares to AAC to satisfy the Further Consideration. Instead, Sylvania will be required to make the Cash Payment to AAC, or at its discretion, issue any portion of the Consideration Shares which it is able to issue (in accordance with the Listing Rules) and satisfy the remainder of the Further Consideration by Cash Payment.

Accordingly, in the event that Resolution 3 is not passed by Shareholders, Sylvania is proposing to issue up to 60,000,000 Shares ("**Proposed Placement Shares**") under a placement to institutional and sophisticated investors ("**Proposed Placement**") to raise the necessary capital to make the required Cash Payment to AAC in accordance with the Share Exchange Agreement.

Under Listing Rule 7.1, the Company must not issue or agree to issue securities which exceed 15% of its securities on issue during the 12 month period prior to the date of issue or agreement, without shareholder approval. The issue of the Proposed Placement Shares would exceed Sylvania's 15% limit and therefore, pursuant to Resolution 4 it is seeking approval of Shareholders under Listing Rule 7.1 so that it may issue the Proposed Placement Shares and also, to preserve the Company's capacity to issue further securities within the 15% limit going forward.

In accordance with Listing Rule 7.3, the following details are provided to Shareholders:

- (a) the maximum number of Proposed Placement Shares to be issued is 60,000,000;
- (b) the Company proposes to allot and issue the Proposed Placement Shares on or before 30 December 2010, and in any event, within 3 months of the date of this General Meeting;
- (c) the Proposed Placement Shares will be issued at a price that is at least 80% of the average market price for Shares, as calculated over the 5 ASX trading days on which sales in Shares were recorded before the day on which the issue is to be made,
- (d) the Proposed Placement Shares will be allotted to one or more institutional and sophisticated investors, none of whom will be related parties of the Company;
- (e) the Proposed Placement Shares will be fully paid ordinary shares in the Company and rank equally in all respect with all other Shares of the Company on issue;
- (f) the funds raised by the issue of the Proposed Placement Shares will be used to fund the Cash Payment to AAC in accordance with the Share Exchange Agreement and fund the commissions and other costs associated with the Proposed Placement; and
- (g) the Company proposes to issue the Proposed Placement Shares in a single allotment, however reserves the right to issue the Proposed Placement Shares progressively.

The Directors recommend that Shareholders approve the issue of up to 60,000,000 Proposed Placement Shares.

**IMPORTANT NOTE** – Resolution 4 is only being proposed in the event that Resolution 3 is not passed by Shareholders. If Resolution 3 is passed by Shareholders, Resolution 4 will not be proposed at the General Meeting.

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## 4. Glossary of Terms

The following terms and abbreviations used in the Notice of Meeting and this Explanatory Memorandum have the following meanings:

"**2009 Placement**" has the meaning given in section 1 of the Explanatory Memorandum.

"**AAC**" means Africa Asia Capital Limited, a private company incorporated and registered in the Isle of Man with company number 122415C.

"**ASX**" means ASX Limited.

"**Board**" means the board of Directors.

"**Cash Payment**" has the meaning given in section 2 of the Explanatory Memorandum.

"**Company**" and "**Sylvania**" means Sylvania Resources Limited, ACN 091 415 968.

"**Consideration Shares**" has the meaning given in section 2 of the Explanatory Memorandum.

"**Corporations Act**" means the Corporations Act 2001 (Commonwealth).

"**Directors**" means the directors of the Company, from time to time.

"**Execution Shares**" has the meaning given in section 2 of the Explanatory Memorandum.

"**Explanatory Memorandum**" means this explanatory memorandum.

"**FIRB Approval**" has the meaning given in section 2 of the Explanatory Memorandum.

"**Further Consideration**" has the meaning given in section 2 of the Explanatory Memorandum.

"**General Meeting**" or "**Meeting**" means the general meeting of Shareholders to be held at the Upstairs Function Room, Subiaco Hotel, 465 Hay Street (Cnr Rokeby Road), Subiaco Western Australia 6008 at 11.30am on Tuesday, 23 November 2010 or any adjournment thereof.

"**Listing Rules**" means the official listing rules of ASX.

"**Notice of Meeting**" means the notice of the Meeting which accompanies the Explanatory Memorandum.

"**Placement Shares**" has the meaning given in section 1 of the Explanatory Memorandum.

"**Proposed Placement**" has the meaning given in section 3 of the Explanatory Memorandum.

"**Proposed Placement Shares**" has the meaning given in section 3 of the Explanatory Memorandum.

"**Resolution**" means a resolution in the Notice of Meeting.

"**SDO**" means the Sylvania Dump Operations, operated by Sylvania Metals.

"**Share Exchange Agreement**" means the agreement dated 28 September 2010 between Sylvania and AAC, as detailed in section 2 of the Explanatory Memorandum.

"**Shareholders**" means registered holders of Shares.

"**Shares**" means fully paid ordinary shares in the capital of the Company.

"**Sylvania Metals**" means Sylvania Metals Pty Ltd, a private company incorporated and registered in the Republic of South Africa with company number 2006/010895/.

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**SYLVANIA RESOURCES LIMITED**  
**ACN 091 415 968**

**PROXY FORM**

Sylvania Resources Limited, Unit 2, Level 1, 331 Hay Street, Subiaco WA 6008, Facsimile +61 8 9481 5044

I/We \_\_\_\_\_

of address: \_\_\_\_\_

being a shareholder/(s) of Sylvania Resources Limited ("**Company**") and entitled to

\_\_\_\_\_ shares in the Company

hereby appoint \_\_\_\_\_

or failing him/her/it \_\_\_\_\_

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the general meeting of Company to be held at the Upstairs Function Room, Subiaco Hotel, 465 Hay Street (Cnr Rokeby Road), Subiaco Western Australia 6008 at 11.30am on Tuesday, 23 November 2010 and at any adjournment thereof in respect of \_\_\_\_\_ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ]%. (An additional proxy form will be supplied by the Company on request where a shareholder wishes to appoint more than 1 proxy).

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his/her/its discretion.

I/we direct my/our proxy to vote as indicated:

<b>RESOLUTION</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1. Ratification of issue of 25,000,000 Shares under 2009 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of issue of 7,711,888 Shares in accordance with Share Exchange Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of issue of up to 51,170,663 Shares in accordance with Share Exchange Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of issue of up to 60,000,000 Shares under Proposed Placement**	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**\*\*IMPORTANT NOTE** – this Resolution 4 is only being proposed in the event that Resolution 3 is not passed by Shareholders. If Resolution 3 is passed by Shareholders, this Resolution 4 will not be proposed at the General Meeting and your vote will be of no force or effect.

