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SYLVANIA ANNOUNCES TERMINATION OF MERGER IMPLEMENTATION AGREEMENT

On 30 June 2009, Sylvania Resources Limited (**Sylvania**) (SLV: ASX) and Ruukki Group plc (**Ruukki**) (RUG1V: OMX Helsinki) announced that they had entered into a merger implementation agreement (**Merger Implementation Agreement**) pursuant to which Ruukki would acquire, subject to satisfaction of certain conditions, all of the issued and to be issued share capital of Sylvania under an Australian law governed scheme of arrangement between Sylvania and its shareholders (the **Sylvania Scheme**).

Due to difficulties experienced with the implementation of the merger, Sylvania today announces that the Merger Implementation Agreement has been terminated by mutual agreement and the Sylvania Scheme will not proceed. There is no break fee payable by either party in respect of termination of the Merger Implementation Agreement and each party will bear its own costs associated with the Sylvania Scheme.

Sylvania, is continuing to pursue its long term strategic goal of gaining access to downstream platinum processing capacity in order to expand its low cost tailings retreatment and near surface platinum group metal (PGM) mining business model. Specifically, Sylvania is seeking to treat low grade PGM concentrates which cannot be economically processed by existing AC smelters, thereby liberating value from a range of PGM resources such as those recently acquired by Sylvania through its acquisitions of Great Australian Resources Limited and SA Metals Limited.

Sylvania and Ruukki are therefore continuing to evaluate alternative possibilities for cooperation in the PGM business. These discussions are at a preliminary stage. Future announcements will depend on progress

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