

CTRP COMPLEX



INDEPENDENT METALLURGICAL STATEMENT FOR THE CTRP COMPLEX as at 2nd December 2010

Prepared in the format of a short form SAMREC
compliant Technical Statement.

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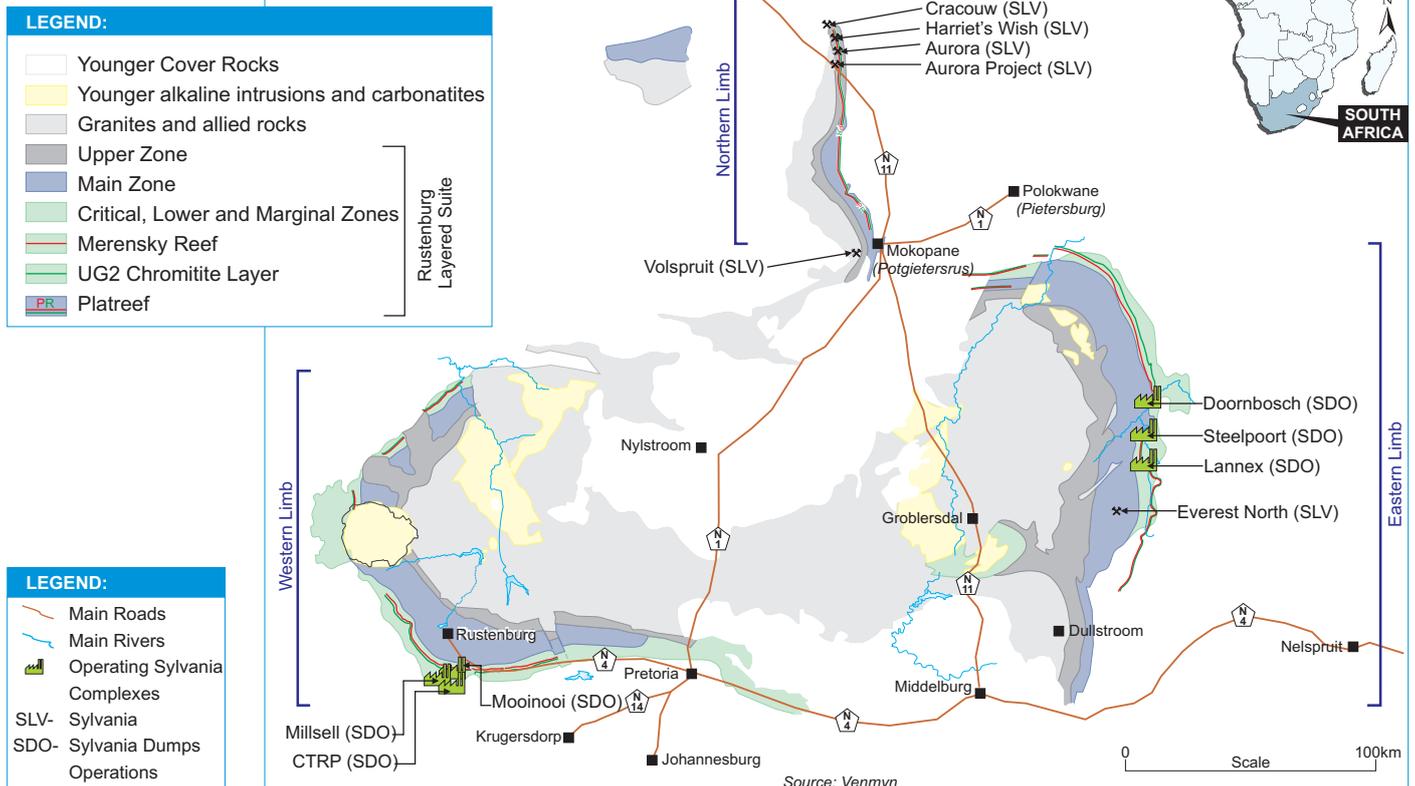


In recognition of the AIM note for mining and oil and gas companies of the London Stock Exchange.

KEY FEATURES

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Effective Date:	2 nd December 2010.
Prepared For:	Sylvania Resources Limited.
Purpose:	Independent Competent Person's Report for AIM.
Sources of Information:	Information was supplied to Venmyn by Sylvania, including legal, corporate, financial and technical reports in the form of metallurgical production and mass balance results.
Personal Inspection:	A site visit to the CTRP Complex was undertaken on the 31 st July 2009 by the project team representatives.
Location:	The facility is located 4km east of the town of Kroonandaal, in the North West province in South Africa, 4km south of the major national N4 highway (see Figure 1).
Infrastructure and Accessibility:	Access to the site is via a tarred road connected directly to the major national N4 highway. The national railway grid is in close proximity to the facility although no sidings are allocated for use for this project.
Business Synergies and Strengths:	Sylvania has a 25% attributable equity stake in this project, which is operated by Aquarius Platinum Corporate Services (AQPCS). The CTRP was the first plant to be developed as part of Sylvania's business plan. Sylvania's development of a combined CWP and PRP for the re-treatment of chrome tailings dumps and current risings from chromite washing plants has been incorporated into a business combination with Samancor Chrome.
Process Plant Characteristics:	Approximate Prill Split: Pt = 61.0%; Pd = 22.0%; Rh = 16.0%; Au = 0.5%. Treats Xstrata and Bayer LG6 material.

FIGURE 1: LOCALITY WITHIN THE BUSHVELD IGNEOUS COMPLEX



INTRODUCTION

Sylvania announced on the 10th March 2004 that it had entered into an agreement to acquire a 25% interest in a Consortium known as RK1, which encompassed the CTRP led by AQPCS. This CTRP undertook to treat chromite tailings through a purpose built plant on Aquarius' Kroondal Mine in order to extract the PGE's. The project is owned by a three-member consortium, led by AQPCS, a wholly-owned subsidiary of Aquarius; Ivanhoe, and Sylvania. Both Sylvania and Ivanhoe have an interest of 25% each whilst Aquarius has an interest of 50% in the project. AQPCS is the operator and manager of the CTRP.

Significant tonnages of old dumps and current tailings streams derived from the beneficiation processes employed by chromite mines located close to Kroondal are retreated to recover a PGE concentrate at the CTRP. The feed sources for the CTRP include the Xstrata and Lanxess chrome tailings, including both current risings and historical dumps.

The feed to the CTRP complex is satisfied by several different mechanisms. These include: -

- a pipe feeding a slurry waste stream containing tailings from the nearby chrome mines which, in the absence of the CTRP Complex, would have been discarded directly to current TSF. Instead, the CTRP Complex will retreat and recover a portion of the PGE's from the waste stream and return the tailings material to a new onsite TSF; and
- a road haulage scheme whereby back loaded trucks carry mined dump material from the historic tailings dumps. This material is also fed directly into the feed bins.

AQPCS has been contracted to operate the project and earns a

management fee for services provided in this regard. Given that AQPCS is in direct control of the feed sources of the CTRP from it's own mining operations, the operation is atypical of a mineral resources sector project in that, by its very nature, the project relies upon the historical and current production from mineral assets which are under the jurisdiction of another entity, namely Aquarius.

As such, CTRP essentially does not own the mineral resources that are treated. The value in the project is underpinned by the interest in the consortium.

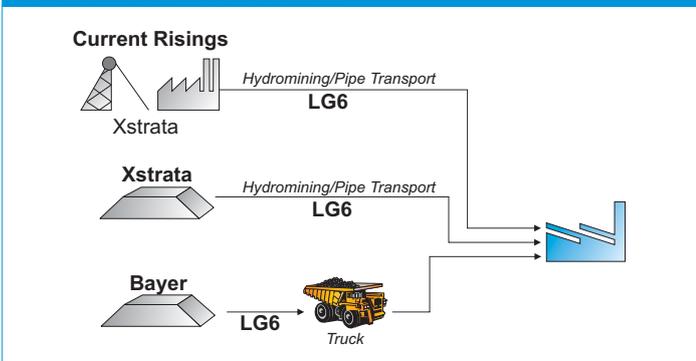
GEOLOGICAL SETTING

The BIC is a layered igneous intrusion located in South Africa spanning over 66,000km². The BIC contains some of the richest ore deposits in the world, including substantial resources of PGE's, such as platinum, palladium, gold, osmium, iridium, rhodium, and ruthenium, together with chromium, titanium and vanadium. The BIC holds more than 80% of the world's resources of these minerals. The BIC is divided into an eastern, western and northern lobe formed around 2bn years ago. The fact that the mineral horizons outcrop almost entirely around the complex makes its accessibility unique. It is believed that multiple magma injections, coupled with differential crystallisation resulted in the layered nature of the lithology. The simplified stratigraphy and nomenclature for the chromite seams of economic interest is shown in Figure 4.

Historically, the world's chromite demand has been primarily satisfied by South African companies exploiting the LG6 chromite seam. However, over time production from the MG's has expanded. The PGE production was primarily from the Merensky Reef but the UG2 layers became very important from 1995 when a process to reduce the chrome content in UG2 PGE concentrates was developed.

The PGE content of the chromite seams has always been considered to be too low and chrome contaminated for them to be exploited for their PGE contents. However, these PGE's have conveniently been concentrated in the tailings of the chrome mines which exploit these reefs. The CTRP and subsequent Sylvania CWP/PRP developments have revolutionised this thinking.

FIGURE 2: WESTERN CHROME MINES



GEOLOGICAL SETTING

FIGURE 3: REGIONAL GEOLOGY OF THE WESTERN LIMB OF THE BIC SHOWING SYLVANIA'S OPERATIONS

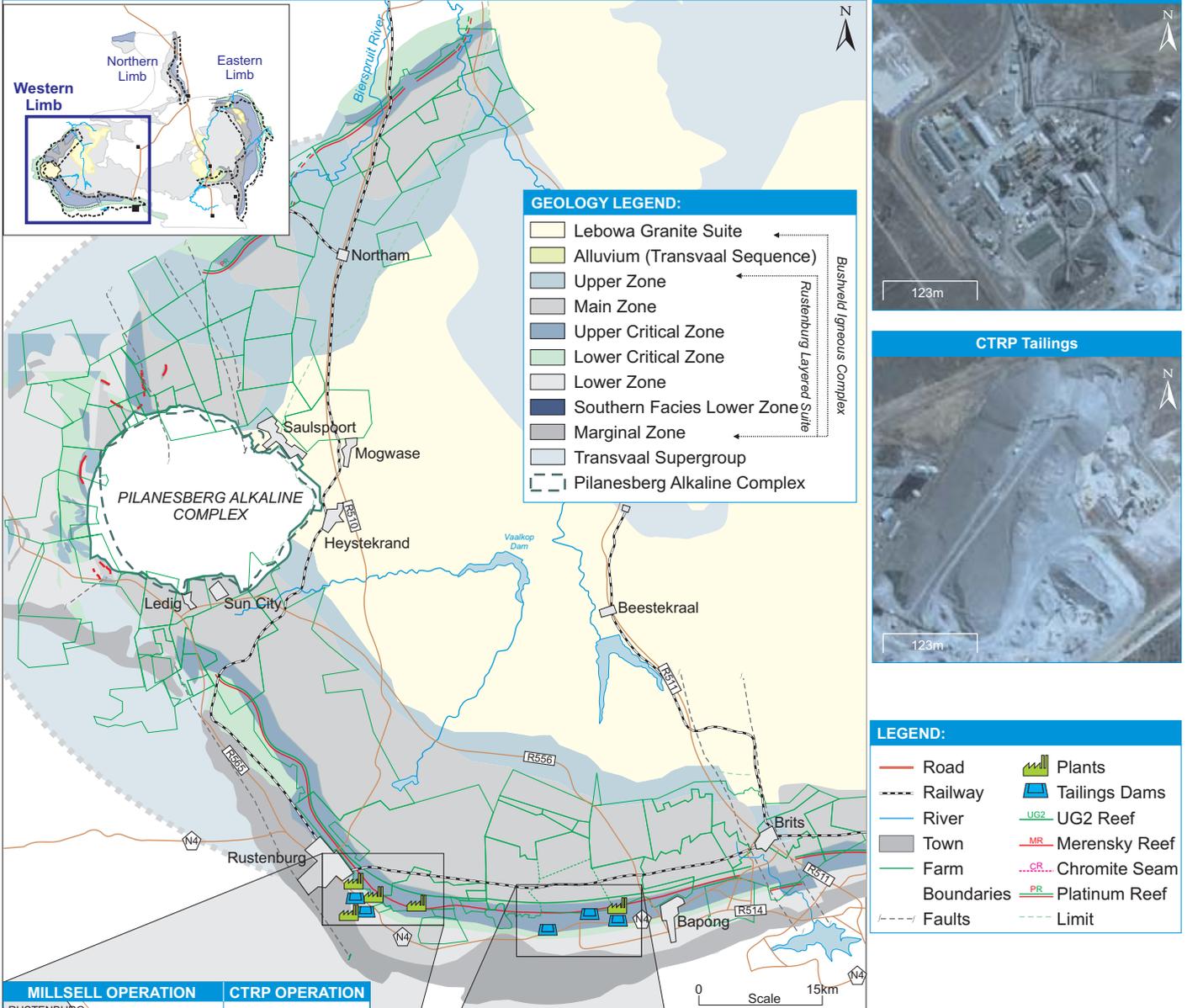
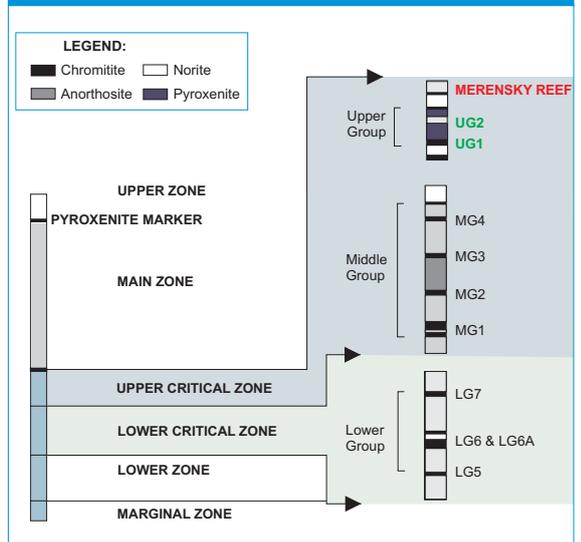


FIGURE 4: RUSTENBURG LAYERED SUITE



HISTORY

Construction of the CTRP Complex began in 2004 with commissioning being completed in December of 2004. The first concentrate was produced ahead of schedule in January 2005. The CTRP was originally expected to treat 240,000tpa chromite tailings with an average grade of 4.0g/t with a life of 12 years, producing up to 28,000 oz 4PGE's per year, this is not a forward looking statement. The successful operation of the CTRP pioneered the technology and concept that chromite rich low grade PGE tailings could be re-treated. This operation paved the way for the subsequent Samancor Chrome and Sylvania Tailings Retreatment Agreement in 2006 which facilitated the original Sylvania business model to construct additional CWP and PRP plants for PGE concentrate production.

MINERAL RESOURCES AND MINERAL RESERVES

The CTRP Complex is a standalone processing plant, supplied with tailings from the Xstrata and Lanxess chrome tailings as well as other nearby suitable sources, including both current risings and historical dumps. As such it has no mineral resources or mineral reserves.

MINERAL PROCESSING PLANT

Location

The facility is situated 4km east of the town of Kroonddaal, in the North West province in South Africa, 4km south of the major national N4 highway. The CTRP is located on the Aquarius Kroonddaal Mine site and is accessed via a tarred road connected directly to the major national N4 highway.

Process Flow Description

The CTRP Complex can best be described as a mineral processing plant which processes chromite tailings from nearby chrome mines to produce PGE's in the form of a concentrate which is consequently sold via off-take agreements to RPM and IRS. The CTRP was the original plant which successfully recovered PGE's from chromite tailings and is very similar in design and operating characteristics to the subsequent PRP plants constructed by Sylvania on both the eastern and western limbs of the BIC.

Test work and experience from the CTRP plant indicated that PGE's are concentrated in the finer fractions at values that can be recovered by conventional flotation methods to produce a saleable concentrate. The concentration step incorporates a thickening process followed by pumping to a holding/surge tank which feeds into banks of rougher flotation cells. The rougher concentrates then go through a sequence of cleaner cells that can be configured for several stages of cleaning depending on feed constituents, flotation times and experience. Final concentrates are thickened before going to a holding tank. A load-out station then delivers concentrates to road tankers for transport to a smelting facility. Rougher tailings are pumped to a TSF on the property. With a head grade of 4.2g/t a metallurgical recovery of 27% was achieved.

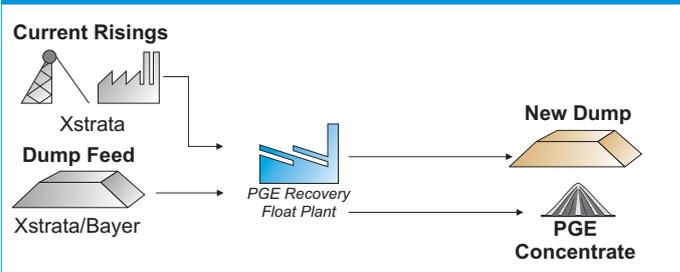
CONTROL AND RECORD KEEPING

Metal accounting at the current plants is undertaken at various stages during processing of the current risings and historical Samancor Chrome dump material. Depending on the type of sample taken and point within the process stream, these samples range from daily to monthly assays. Modern instrumentation has been installed with various levels of sophistication so that the controlling and monitoring is performed by means of a supervisory control facility. These facilities are located in the main control room of the complex. Commands are given by human intervention through an operator interface i.e. personnel computer, linked to the central processing units.

PLANT OPERATION

The complex will be operated on a continuous basis, 24 hours a day, 7 days a week, 365 days a year. The CTRP currently employs 18 people including contractors.

FIGURE 5: CTRP PROCESS FLOW



CTRP PGE CONCENTRATE HOLDING TANKS



MATERIAL AGREEMENTS

Off-Take Agreements

On 15th April 2004, RPM and the Consortium concluded an agreement whereby the Consortium agreed to sell to RPM 75% of the 4PGE's contained in concentrate as produced by the Consortium. The RPM Off-take Agreement endures for the life of the production of PGE tailings by Xstrata and Lanxess dumps on the properties situated on the Farm Kroonddaal 304 JQ. The Consortium has warranted to RPM that it is the sole and exclusive owner of all the concentrate sold to RPM and has comprehensively indemnified RPM in relation to a breach of such warranty. In terms of the RPM Off-take Agreement, the parties may not undergo a change of control without the prior written consent of the other parties.

On 3rd March 2004, IRS and the Consortium concluded an agreement whereby the Consortium agreed to sell to IRS approximately 90 dry metric tonnes per month of floatation concentrate to be delivered by the Consortium in sealed road tankers as slurry to the mineral processors of IRS. The IRS Off-take Agreement endures until the current tailings and dumps being processed by the Consortium and delivered as concentrate are exhausted.

HISTORIC PRODUCTION

The CTRP Complex has been operating at steady state since the 2006 financial year apart from stoppages. CTRP was designed to process 20,000tpm of combined dump material and current risings. From the yearly financial reports of the CTRP production, presented on the Aquarius website, PGE production varies with head grade but ranges from approximately 3,000oz to just less than 9,000oz contained of 4PGE's.

SOURCES OF INFORMATION

Information supplied by Sylvania includes:-

- Sylvania Resources AIM admissions document;
- Sylvania management accounts plan 2011;
- results of a Sylvania mass balance and process flow test work; and
- relevant contractual and legal agreements.

During a site visit on 31st July 2009, relevant knowledge was obtained on the complex.