



**For immediate release**

**3 June 2011**

**Sylvania Platinum Limited**  
**(“Sylvania Platinum”, “Sylvania” or the “Company”)**  
**(ASX: SLP, AIM: SLP)**

**Sylvania and Aquarius SA Agreement to Assess Everest North UG2  
Platinum Deposit, South Africa**

**Highlights**

- Agreement with Aquarius Platinum (South Africa) (Pty) Limited (“AQPSA”) relating to PGM bearing ore at Vygenhoek Prospecting Area (“Everest North”)
- Feasibility Committee formed to:
  - Examine and update existing feasibility study for processing of PGM bearing ore produced at Everest North
  - Apply for mining Licence
- Joint Venture (“JV”) to subsequently be formed
  - Ore to be processed through AQPSA’s Everest South Metallurgical Plant
  - AQPSA will make available a minimum of 27 000 tons per month of processing capacity
  - PGM concentrate expected to be sold to Impala Refining Services
  - Mining and processing costs to be carried by the Joint Venture

Sylvania Platinum, the low cost Platinum Group Metal producer, today announces that it has entered into an agreement with Aquarius Platinum (South Africa) (Pty) Limited (“AQPSA”), a wholly owned subsidiary of Aquarius Platinum Limited, the world’s fourth largest primary platinum producer, to examine the feasibility of extracting and processing ore from the Everest North deposit.

Following a six month exclusivity period, calculated from 1 June 2011, a Feasibility Committee (the “Committee”) will review and update the existing feasibility study. The Committee will specifically look at demonstrating the viability of mining for PGMs at Everest North and thereafter treating and concentrating the PGMs at the Everest South Metallurgical Plant to produce saleable PGM concentrate. The Committee shall also compile an application for a Mining Right for Everest North.

Sylvania shall bear all costs related to independent third party experts employed to assist with achieving the objectives of the Committee.



AQPSA and Sylvania will, in the event that the Committee determines that mining for PGMs at Everest North is viable, agree on the conclusion of a Joint Venture Agreement to form an unincorporated joint venture, in which AQPSA and Sylvania will each hold an undivided 50% share (“**Joint Venture**”), to implement the project. Conclusion of the Joint Venture will be conditional on obtaining approvals from the Boards of Sylvania and AQPSA and obtaining all relevant regulatory approvals. The Joint Venture will have a management committee with equal representation by the parties, to manage and oversee the implementation of the project.

Sylvania will, on the date of the granting by the Department of Mineral Resources of a New Order Mining Right to AQPSA and AQPSA contributing this right to the Joint Venture, pay AQPSA an amount of R6 million in cash.

The Joint Venture shall appoint AQPSA as contract miner to carry out all mining at Everest North, for and on behalf of the Joint Venture, on terms and conditions to be agreed upon between the parties and recorded in the Feasibility Study, which terms and conditions shall be reduced to writing and recorded in a contract mining agreement to be concluded between the Joint Venture and AQPSA.

It is intended that PGM bearing ore produced by the Joint Venture shall be processed through the Everest South Metallurgical Plant and AQPSA shall be entitled to receive from the Joint Venture the costs of the production of PGM concentrate at the Everest South Metallurgical Plant, which costs will be determined in the Feasibility Study. AQPSA will make available to the Joint Venture, a minimum of 27 000 tons per month of its processing capacity at the Everest South Metallurgical Plant, at the aforementioned cost of processing that tonnage. All PGM concentrate produced from mining by the Joint Venture at Everest North shall be sold by the Joint Venture, in accordance with a Concentrate Off-Take Agreement, still to be concluded.

The costs of the mining by the Joint Venture and the costs of the processing at the Everest South Metallurgical Plant will be carried by the Joint Venture and accordingly, the parties will contribute to those costs and share in the profits of the Joint Venture in accordance with their participation interest in the Joint Venture from time to time, which will initially be 50% each.

Terry McConnachie, the Sylvania CEO, commented “Today’s agreement with a world-renowned platinum producer will allow us to successfully exploit significant value from the Vygenhoek Prospecting Area. While we are effectively giving away half of our ore resource the advantage to Sylvania is a vastly reduced capex bill and thus increased IRR and NPV. The area has further resource potential for Platinum Group Metals and we are delighted that by signing this JV we are now in a position to re-examine the feasibility study with our new partners, Aquarius Platinum.”

**ENDS**

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