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**27 February 2012**

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

**Potential Disposal of Bushveld Magnetite Iron Ore Assets**

The directors of Sylvania Platinum Limited, the low cost producer and developer of platinum group metals ("**PGM**"), today announce that the Company is progressing with its intention to dispose of its iron ore assets, as initially announced to the market in 2011.

The iron assets, located on the Bushveld complex, South Africa, are currently held by the Company's wholly-owned subsidiaries, SA Metals Ltd (formerly Pan Palladium Limited) ("**SA Metals**") and Great Australia Resources Ltd ("**GAU**") which were acquired by the Company in September 2009. The Board proposes to divest the iron ore assets in a way that will:

- allow shareholders to realise value for the iron ore assets independently; and
- allow the Company to focus solely on the production expansion from its PGM tailings dumps, and the development of the Northern Limb PGM and base metal surface mining operations. Sylvania currently has five PGM tailings dumps in operation

The Directors of Sylvania are currently in discussions with an AIM listed company (the "**Purchaser**") which would acquire the iron ore assets from Sylvania and issue equity to Sylvania as payment for the assets. Although there can be no certainty that any purchase will be agreed, if such a purchase was finalised, upon completion, the Directors intend to distribute the shares in the Purchaser to Sylvania's shareholders as a dividend in specie which would result in the Sylvania shareholders holding the majority of the shares in the Purchaser. Such a transaction would require regulatory and shareholder approvals and be subject to due diligence by both parties and formal documentation being negotiated.

The Board believes that selling the iron ore assets to another entity and returning shares in the Purchaser to Sylvania shareholders is the optimal means to deliver value to shareholders and allow the Company to focus on reaching its production targets and development goals.

**Ends**

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