30 June 2009

RUUKKI GROUP AND SYLVANIA RESOURCES ANNOUNCE PROPOSAL TO MERGE TO CREATE AN INTEGRATED MINE TO METALS PGM AND FERROCHROME COMPANY

Ruukki Group plc, a company incorporated in Finland, ("**Ruukki**") (RUG1V: OMX Helsinki) and Sylvania Resources Limited ("**Sylvania**") (SLV: ASX) today announce that they have entered into a merger implementation agreement pursuant to which Ruukki will 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**"). Under the Sylvania Scheme each Sylvania Shareholder will receive 1 Ruukki share for every 1.81 Sylvania shares held on the Sylvania Scheme record date.

The Sylvania Scheme is not conditional on the success of Sylvania's off market takeover offer for all of the ordinary shares in SA Metals Limited (SXM: ASX) ("**SA Metals**") nor its off market takeover offer for all of the ordinary shares in Great Australian Resources Limited (GAU: ASX) ("**Great Australian Resources**" or "**GAU**") however it is conditional on the closing of those takeover offers [1].

Accordingly, the Sylvania Scheme will be put to Sylvania shareholders after the offers for SA Metals and GAU have both closed (regardless of the level of acceptances). Assuming the conditions of those offers are satisfied, SA Metals shareholders and GAU shareholders who accept the respective Sylvania takeover offers will receive Sylvania shares and will then have the opportunity to consider and vote on the Sylvania Scheme as Sylvania shareholders.

Transaction Highlights

- The Sylvania Scheme has been unanimously recommended by the Ruukki independent directors and by each of the independent directors of Sylvania (being each of the directors of Sylvania other than Terry McConnachie who is also a director of Ruukki) in the absence of a superior proposal and subject to confirmation from the independent expert that the Sylvania Scheme is in the best interests of Sylvania shareholders.

- The offer of 1 Ruukki share for each 1.81 Sylvania shares based on the Ruukki share price of EUR2.24 on the NASDAQ OMX Helsinki Ltd and a EUR:GBP exchange rate of 1.1758 on 29 June 2009 equates to an implied offer value of GBP1.05 per Sylvania share:

  - a premium of 28% to the Sylvania share price of GBP0.82 on 29 June 2009;

  - a premium of 36% to the Sylvania share price of GBP0.77 on 23 June 2009, the day prior to Sylvania's statement regarding press speculation; and

[1] On 11th May 2009 Sylvania announced its intention to make two off market takeover offers for all the ordinary shares in SA Metals and Great Australian Resources respectively. On 11th June 2009 GAU recommended the takeover offer made by Sylvania for consideration comprising 1 Sylvania share for every 12 GAU shares held by GAU shareholders. On 12th June 2009 SA Metals recommended the takeover offer made by Sylvania for consideration comprising 1 Sylvania share for every 10 SA Metals shares held by SA Metals shareholders.

[2] Assumes Sylvania acquires 100% of SA Metals and Great Australian Resources.

- a premium of 44% to the Sylvania 30 day volume weighted average price prior to 29 June 2009 of GBP0.73 per share.

- Based on the closing price of Ruukki on the NASDAQ OMX Helsinki Ltd on 29 June 2009 of EUR2.24 per share, the Sylvania Scheme value is approximately EUR268 million[2].

- Once completed, the management team will consist of a combination of the executive management teams of Ruukki and Sylvania with current Ruukki CEO Alwyn Smit continuing in this role and Sylvania CEO Terry McConnachie assuming the role of Chief Executive Ruukki Minerals: PGM.

Details of the conditions of the Sylvania Scheme are included in Appendix I to this announcement.

Enlarged Group Strategy

The combination of Ruukki and Sylvania will create an integrated, mine to metals platinum group metals ("**PGMs**") and ferrochrome company (the "**Enlarged Group**").

The strategic rationale for the creation of the Enlarged Group includes:

- Creating an integrated producer and processor of PGMs and ferrochrome.

- Expanding existing profitable production by accessing:

  - previously uneconomic high chrome low grade material in tailings dumps and current risings; and
  - conventional ore deposits.

- Applying the direct current ("**DC**") furnace technology which was co-developed with Mintek, South Africa's national mineral research organisation, and is currently available at Mogale Alloys.

- Allowing the development of an alternative smelting and refining route to that currently available via the platinum majors.

- Combining operational, technical and marketing expertise from across the PGM and ferrochrome industries.

The Enlarged Group would retain the name Ruukki Group plc.

Commenting on the agreement with Sylvania, Alwyn Smit, CEO of Ruukki, stated: *"This transaction, following on from our recent acquisition of 84.9% of Mogale Alloys, represents a very significant step towards the realisation of our strategy to develop a fully integrated mine to metals PGM and ferrochrome business. The transaction with Sylvania is not conditional on the success of its offers for Great Australian Resources and SA Metals, however Ruukki is fully supportive of the offers and believes the two companies represent a strong fit with our strategic objectives."*

Non-executive Chairman of Sylvania, Richard Rossiter stated: "*The acceleration of our growth strategy and this proposed merger significantly enhances Sylvania's ability to target additional resources and maintain its low cost producer status.*"

Details of the Sylvania Scheme

- The Sylvania Scheme will be carried out by way of an Australian law governed scheme of arrangement pursuant to which eligible Sylvania shareholders will exchange 1.81 Sylvania shares owned on the Sylvania Scheme record date for each Ruukki share received.

- The Sylvania Scheme, in the absence of a superior proposal and subject to confirmation from an independent expert that the Sylvania Scheme is in the best interests of Sylvania's shareholders, has been recommended by the independent directors of Sylvania. The Sylvania Scheme has also been unanimously recommended by the independent Board of Directors of Ruukki.

- On completion of the Sylvania Scheme, Sylvania will become a wholly-owned subsidiary of Ruukki. Assuming that Sylvania acquires 100% of Great Australian Resources and SA Metals, Ruukki will have approximately 381 million shares issued and outstanding of which:

  - 68.6% will be held by existing Ruukki shareholders; and
  - 31.4% will be held by Sylvania shareholders.

- Full details of the Sylvania Scheme will be included in a Scheme Booklet including a Notice of Meeting, Explanatory Statement and independent expert's report to be filed and lodged with the regulatory authorities and mailed to Sylvania shareholders in accordance with applicable securities legislation, expected to be in December 2009.

- For the Sylvania Scheme to become effective a resolution in favour of the Sylvania Scheme must be passed at a court convened meeting of Sylvania's shareholders. The resolution must be passed by a majority in number of Sylvania's shareholders present and voting (in person or by proxy) and by 75% of the votes cast on the resolution.

- The Sylvania Scheme also requires approval by two thirds of the votes cast and shares represented at Ruukki's extraordinary meeting of shareholders to be held on or about October 2009.

- In addition to shareholder approval by Sylvania's shareholders, the Scheme is conditional upon, among other things, all necessary regulatory approval having been obtained. However, the Scheme is not conditional upon the outcome of the offers by Sylvania for SA Metals and Great Australian Resources completing, and each of these offers will be consummated as separate transactions.

- A break fee of AUD3.0m is payable to either party under certain circumstances if the Sylvania Scheme does not proceed.

- The Sylvania Scheme is currently expected to close no later than 30th April 2010.

Conference Call for Analysts

A conference call hosted by Alwyn Smit, CEO of Ruukki and Richard Rossiter, Chairman of Sylvania will be held on 30 June 2009 at 09.00 UK time (10.00 South Africa, 11.00 Finland, 16.00 Perth, 18.00 Sydney) to talk through the transaction and its strategic rationale.

The conference call can be accessed on the following numbers:

UK National	0871 700 0345 & 0870 043 6302
UK Standard International	+44 1452 555 566
Australia	1800 020 199
Finland	0800 112 363
South Africa	0800 980 759

The conference ID number is: 17914321

About Ruukki

Ruukki is a company incorporated in Finland which specialises in industrial refining of specialised natural resources within two areas: wood processing and minerals. The minerals business has mining and mineral processing operations in South Africa, Turkey and Germany. The wood processing business has a strong presence in the northern part of Finland.

Ruukki aims to become an integrated mine to metals PGM and ferrochrome company. Accordingly, on 7th May 2009, Ruukki announced that its Board had resolved to initiate the process to divide its wood processing and minerals businesses, ultimately resulting in two separately listed companies during 2010. The separation of the wood processing and minerals businesses will commence after completion of the Scheme.

On 25th May 2009, Ruukki announced the acquisition of 84.9% of Mogale. The acquisition of Mogale was a cornerstone transaction in Ruukki's expansion into South Africa and a major step towards its objective of expanding its existing mineral processing operations. Mogale's production facilities are located in South Africa, in the vicinity of Johannesburg. It has a total of 96 MVA smelting capacity with four furnaces. Mogale produces silico manganese, ferrochrome and stainless steel alloy and has a combined annual capacity of approximately 100,000 tonnes.

Ruukki's shares are listed on NASDAQ OMX Helsinki Ltd.

Standard Bank plc is acting as financial advisor to Ruukki in relation to Ruukki's offer for Sylvania.

About Sylvania

Sylvania is a PGM producer with tailings retreatment operations and shallow mining exploration interests located in South Africa's PGM rich Bushveld Igneous Complex.

Sylvania's interests comprise:

- a 74% interest in Sylvania Metals (Pty) Limited, which treats chrome tailings from Samancor Chrome (Pty) Limited's mines on the western and eastern limbs of the Bushveld Igneous Complex;

- a 25% interest in a Chrome Tailings Retreatment Project at Kroondal on the western limb of the Bushveld Igneous Complex, managed by Aquarius Platinum Limited; and

- an exploration project in the eastern limb of the Bushveld Igneous Complex.

The nature of Sylvania's business makes it less dependent on, and demanding of, scarce national resources, such as power and water. In addition, its deposition of retreated tailings is to the highest and most modern standards, with consequent long-term benefits for the environment.

On 11th May 2009 Sylvania announced its intention to make two off market takeover offers for all the ordinary shares in SA Metals and Great Australian Resources respectively. On 11th June 2009, GAU announced that Sylvania had revised its offer for GAU and is now offering increased consideration comprising 1 Sylvania share for every 12 GAU shares held by GAU shareholders. On 11th June 2009 GAU recommended the takeover offer made by Sylvania for consideration comprising 1 Sylvania share for every 12 GAU shares held by GAU shareholders. On 12th June 2009 SA Metals recommended the takeover offer made by Sylvania for SA Metals for consideration comprising 1 Sylvania share for every 10 SA Metals shares held by SA Metals shareholders.

Sylvania is currently entitled to a:

- 12.55% relevant interest in SA Metals; and

- 19.90% relevant interest in Great Australian Resources.

Sylvania is listed on the Australian Securities Exchange ("**ASX**") and AIM in London.

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Summary of Merger Implementation Agreement

Ruukki and Sylvania have entered into a Merger Implementation Agreement dated 30 June 2009 ("**MIA**") setting out each parties' obligations in connection with the implementation of the Sylvania Scheme. The MIA sets out the rights and obligations of Sylvania and Ruukki in relation to the Sylvania Scheme. A copy of the MIA will be contained in the Scheme Booklet to be provided to Sylvania shareholders prior to the meeting of Sylvania shareholders to vote on the Sylvania Scheme.

A summary of the principal terms and conditions of the MIA are set out below.

Structure of Sylvania Scheme

Sylvania and Ruukki have agreed to merge by means of a members' scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth). Sylvania has agreed to propose the Sylvania Scheme on and subject to the terms and conditions of the MIA.

Conditions Precedents

Implementation of the Sylvania Scheme is conditional upon (among other things):

- Sylvania shareholder approval in accordance with the Corporations Act;
- Ruukki shareholder approval;
- the Independent Expert issuing a report concluding that the Sylvania Scheme is in the best interests of Sylvania shareholders and the Independent Expert not changing its conclusion or withdrawing its report prior to the Sylvania shareholder meeting;
- the approval of the Sylvania Scheme by the Court;
- the offer periods for each of the Sylvania takeover offers for Great Australian Resources and SA Metals having closed;
- obtaining necessary regulatory consents and approvals (including ASIC, ASX, FIRB, South African Competition Act);
- no court or regulatory authority having issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Sylvania Scheme and no such order, decree, ruling, other action or refusal being in effect;
- the Ruukki Shares to be issued pursuant to the Sylvania Scheme having been approved for official quotation on the OMX;
- the OMX agreeing to admit the Ruukki shares to be issued pursuant to the Sylvania Scheme to trading in accordance with the rules of the OMX subject only to registration of those shares to the Finnish Trade Register and/or the Sylvania Scheme becoming effective;
- the MIA not having been terminated; and
- no "Prescribed Event" or "Material Adverse Change" (each being defined in the MIA) occurring in relation to either party.

The parties are required to use reasonable endeavours to satisfy the conditions.

Implementation

On the Implementation Date (as defined in the MIA) all of the Sylvania shares will be transferred to Ruukki and as soon as possible or within three Business Days of the Implementation Date one new Ruukki Share for every 1.81 Sylvania shares held on the Record Date (as defined in the MIA) will be issued to a Global Custodian who will hold such shares on behalf of the Sylvania shareholders (who were registered on the Record Date).

Ruukki shares will not be issued as consideration to Sylvania shareholders if the laws of their country of residence do not permit the issue of Ruukki shares. Ruukki will issue the shares to which the foreign shareholder would otherwise become entitled to a nominee appointed by Ruukki who will sell the shares and pay the foreign shareholder the proceeds received after deducting any applicable brokerage, taxes and charges.

Termination

The MIA can be terminated by either party if (among other things):

- the Sylvania Scheme is not effective before 30 April 2010 or such other date agreed by the parties ("**End Date"**);
- there is a breach by the other party of any material clause or warranty;
- there is a Prescribed Event (as defined in the MIA) or a Material Adverse Change (as defined in the MIA) for the other party;
- Sylvania shareholders or the Court fail to approve the Sylvania Scheme;
- a court or other regulatory authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Sylvania Scheme;
- the Independent Expert opines that the Sylvania Scheme is not in the best interests of Sylvania shareholders;
- the other party or any of their related bodies corporate becomes insolvent;
- Ruukki's auditor advises that it will be unable at the relevant time to provide certain statements that the provisions of the Finnish Companies Act have been complied with ("**Auditor's Statements**");
- any of the conditions precedent are not satisfied or waived, and the parties are unable to reach agreement to proceed by way of alternative means or methods, to extend the relevant time for satisfaction of the condition precedent or to adjourn or change the date of an application to the court, or to extend the End Date.

Ruukki may terminate the MIA if (amongst other things) any Independent Director of Sylvania publicly changes or withdraws or adversely modifies his recommendation of the Sylvania Scheme; publicly recommends to Sylvania shareholders any Competing Transaction (as defined in the MIA); or otherwise makes a public statement indicating that he no longer supports the Sylvania Scheme.

Exclusivity

During the exclusivity period:

- Sylvania must ensure that neither it, its related bodies corporate nor any of its representatives directly or indirectly solicits, invites, facilitates, encourages or initiates any enquiries, negotiations or discussions or communicates any intention to do any of these things with a view to obtaining any offer, proposal or expression of interest with any person in relation to a competing transaction.

- Sylvania must ensure that neither it, its related bodies corporate or any of its representatives negotiates or enters into or participates in negotiations or discussions regarding a competing proposal (subject to the fiduciary duties exception specified below).

- Sylvania must promptly inform Ruukki if it or any of its related bodies corporate or representatives: receives any unsolicited approach with respect to any competing transaction and must disclose to Ruukki the fact that such an approach has been made and the general nature of the approach; receives any request for information relating to Sylvania or any of its related bodies corporate or any of their businesses or operations or any request for access to the books or records of Sylvania or any of its related bodies corporate, which Sylvania has reasonable grounds to suspect may relate to a current or future competing transaction and provides any information relating to Sylvania or any of its related bodies corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future competing transaction (subject to the fiduciary duties exception specified below).

- The above no talk restriction and the obligations to provide notice to Ruukki of an unsolicited approach, do not apply to the extent that they restrict Sylvania or the Board of

Sylvania from taking or refusing to take any action with respect to a bona fide competing transaction (which was not solicited, invited, facilitated, encouraged or initiated by Sylvania) provided that the Sylvania Board has determined acting in good faith and acting reasonably and after consultation with its nominated financial adviser that such a bona fide competing transaction could reasonably be considered to become a superior proposal and having taken legal advice, it forms the view that to fail to respond to such a bona fide competing transaction would be reasonably likely to constitute a breach of the Sylvania Board's fiduciary or statutory obligations.

The exclusivity period noted above is the period from the date of the MIA to the earliest of the termination of the MIA in accordance with its terms, the fifth business day following the record date and 30 April 2010.

Break Fee / Reimbursement of Costs

Sylvania must pay Ruukki a break fee of AUD3,000,000 if (among other things):

- on or before the End Date a competing transaction completes or a competing transaction is recommended by any Sylvania Independent Director;
- any Sylvania Independent Director fails to recommend the Sylvania Scheme or withdraws or varies his recommendation or otherwise makes a public statement that he no longer supports the merger except if a Sylvania Independent Director withdraws or varies his recommendation or otherwise makes a public statement that he no longer supports the merger following the receipt of the Independent Expert's report where that report states that in the opinion of the Independent Expert the Sylvania Scheme is not in the best interests of Sylvania shareholders (provided that the break fee is reduced to AUD1,500,000 if the Independent Expert is of the opinion that the Sylvania Scheme is not fair but is reasonable and in the best interests of Sylvania shareholders);
- a Prescribed Event or Material Adverse Change occurs, the prevention of which was within the control of Sylvania and Sylvania has failed to rectify the Prescribed Event or Material Adverse Change within 10 business days after receipt of notice from Ruukki requiring them to do so;
- Sylvania breaches the exclusivity provisions set out above; or
- Ruukki terminates the MIA due to a material unremedied breach of the MIA by Sylvania.

Ruukki must pay Sylvania a break fee of AUD3,000,000 if:

- Sylvania terminates the MIA due to a material unremedied breach of the MIA by Ruukki (provided that the break fee is reduced to AUD1,500,000 if the Auditor’s Statements are not obtained as a result of a breach by Ruukki of its obligations under the MIA to do all things necessary to procure the auditor to provide such statements);
- the Sylvania Scheme has not been implemented by 30 April 2010 as a direct result of the material breach by Ruukki of certain clauses of the MIA;
- a Prescribed Event or Material Adverse Change occurs, the prevention of which was within the control of Ruukki and Ruukki has failed to rectify the Prescribed Event or Material Adverse Change within 10 business days after receipt of notice from Sylvania requiring them to do so.

Representations and Warranties

Mutual representations and warranties have been given by each party including in relation to corporate capacity, authorisation and the accuracy of information provided to the other party as part of the scheme documentation.