

## ASX ANNOUNCEMENT

13 October 2008



### JOINT VENTURE AGREEMENT INLICE AND ALTINTEPE GOLD PROJECTS, TURKEY

#### Highlights:

- Joint Venture terms agreed with Stratex International allowing Syrah to earn up to 70% ownership of the Altıntepe and Inlice gold projects in Turkey.
- Altıntepe and Inlice are advanced gold projects with combined oxide resources of 570,618 ounces. Altıntepe and Inlice have good potential for heap leach processing and early cash flow.
- Altıntepe has an oxide gold resource of 472,318 ounces using a 0.2 g/t cut-off grade. The project has scope to support a heap leach operation producing 40,000 to 50,000 ounces per annum. The resource is contained within multiple, near-surface deposits able to be mined with conventional open pit mining at low waste:ore strip ratios.
- Altıntepe has strong exploration upside to increase the resource inventory.
- Inlice has an oxide resource of 98,300 oz and has potential for a low capex, short mine life operation.
- Syrah will complete a Scoping Study in Year 1 of the joint venture program.
- The Syrah earn-in is via equity, cash and work commitments.
- Syrah has a 35 day exclusive due diligence period.



*Altıntepe & Inlice Project location, Turkey*

Syrah Resources (ASX:SYR) is pleased to announce that it has reached agreement with Stratex International PLC (AIM:STI) regarding a joint venture on the Inlice and Altintepe gold projects in Turkey. Syrah has an exclusive 35 day period to finalise due diligence for the agreement. Syrah can earn up to 70% of the two projects via equity, cash payments and work commitments.

Stratex is an AIM-listed exploration company with a successful exploration record in Turkey. Stratex owns 100% of Inlice and Altintepe, and has increased the resource inventory at both projects in a short timeframe.

Advanced oxide gold resources have been delineated at Inlice and Altintepe. Both projects have a high quality drilling database comprising 100% diamond drilling, and are ready for scoping study appraisal. Syrah will commit to a joint venture work program involving early assessment of mine development options for the two projects.

The **Altintepe** gold project is near Fatsa (population ~120,000 people) on the northeastern, Black Sea coast of Turkey. At Altintepe, Stratex has reported a total oxide gold resource of 13.1 Mt at 1.12 g/t for 472,318 ounces of contained gold at a cut-off grade of 0.2 g/t. The resources are contained within multiple, near-surface ore deposits. Diamond drilling totaling 4,752.5m has been completed at the project.

Three deposits: Kayatepe, Çamlık East and Extension Ridge hold potential to deliver average mineable ore grades of approximately 1.5 g/t at low strip ratios.

At the Kayatepe deposit, significant oxide drill intercepts reported by Stratex include:

- Drill hole KT-DD-12 82.3m grading 2.43 g/t
- Drill hole KT-DD-5 91.0m grading 1.34 g/t in oxide
- Drill hole KT-DD-6 54.9m grading 2.38 g/t, including 21.2m grading 3.55 g/t in oxide

The total oxide gold resource for Altintepe at a cut-off grade of 0.2 g/t Au, as reported by Stratex on 10 September 2008, now stands at:

Category	Tonnes t	Au Grade g/t	Cont. Au Oz
Measured	287,333	1.78	16,453
Indicated	9,287,370	0.87	259,661
Inferred	3,523,434	1.73	196,204
Total	13,098,137	1.12	472,318

***Altintepe –Total Resource Estimate at 0.2 g/t Cut-Off, using SG of 2.14t/m<sup>3</sup>***

The Altintepe project holds strong potential for the development of a heap leach project with production capability of 40,000 to 50,000 ounces of gold per annum over a 4 to 5 year mine life. Preliminary carbon-in-leach (CIL) bottle roll testwork has been completed on all of the main ore zones at the project, showing good gold recoveries that indicate amenability to heap leach processing.



*The Kayatepe gold deposit, Altintepe (hill at centre)*

Grid power is available and road access is excellent. The project is located on two Operating Licences covering 1,651 hectares.

Exploration potential at Altintepe remains strong as indicated by recent Stratex exploration results at the Extension Ridge deposit, where channel sampling provided economic grades in wide intervals of oxide mineralisation.

The **Inlice** project is an epithermal deposit 40km from Konya (population ~1 million people) in the central Anatolia region of Turkey. The prospect was the first of twenty-plus hydrothermal alteration zones discovered by Stratex in the Konya Volcanic Belt.

The total oxide resource for Inlice at a cut-off grade of 0.1 g/t Au, as reported by Stratex on 4 July 2008, comprises 98,300oz of contained gold. The resource estimate includes 0.94 Mt of 'in situ' mineralisation at 2.29 g/t and 1.35 Mt of talus mineralisation at 0.65 g/t. In situ mineralisation is contained within the 'Ana Zone', a steeply dipping silica lense up to 30m width, with economic grades occurring over a strike length of approximately 600m. The talus resource is located immediately adjacent to the Ana Zone.

Stratex have completed 8,979m of diamond drilling at Inlice and on 4 July 2008 reported the following oxide gold resource:

		<b>Tonnes</b>	<b>Grade</b>	<b>Cont. Au</b>
		<b>t</b>	<b>g/t</b>	<b>oz</b>
<b>In situ Mineralisation</b>	Measured	327,036	2.90	31,000
	Indicated	307,331	2.06	20,000
	Inferred	310,128	1.89	19,000
	Subtotal	944,495	2.29	70,000
<b>Talus Mineralisation</b>	Indicated	205,673	1.06	7,000
	Inferred	1,141,301	0.58	21,300
	Subtotal	1,346,974	0.65	28,300

***Inlice Total Oxide Resource Inventory at 0.1 g/t Cut-Off***

The resource at Inlice requires minimal further definition drilling prior to Scoping Study appraisal. Preliminary CIL bottle roll metallurgical testwork has indicated gold recoveries above 92%, indicating that the mineralisation is likely to be amenable to heap leach processing.

Inlice is close to infrastructure and represents an opportunity for fast track development of a small heap leach mine.

The project comprises three Exploration Licences covering 4,300 hectares.

Syrah Resources will investigate both joint and standalone development of the Inlice and Altintepe gold projects. The Company will aim to complete a Scoping Study within the first year of the joint venture.



*Silica vein outcrop, Inlice Project*

## **Turkey**

Turkey is a thriving democracy which is an associate member of the European Union. It is a highly prospective country with a recent strong record of gold exploration success and a pipeline of new development projects under appraisal and development. Turkey has recently improved mining legislation and there is strong government support for the mining industry.

Heap leach processing of gold has been established in Turkey via the successful commissioning of the 200,000oz pa Kisladag mine by Eldorado Gold. Anatolia Minerals has also commenced construction of a large heap leach operation at its Copley project.

## **Terms**

Syrah has a 35 day exclusive due diligence period and will pay a non-refundable deposit of US\$50,000.

Syrah will issue Stratex with 4.5 million Syrah shares and pay US\$100,000 on signing of the Joint Venture Agreement. To earn 51% of the two projects, Syrah must complete work commitments of US\$500,000 in the first year and US\$1,000,000 in the second year. Syrah will also make annual payments of US\$100,000 on the first two anniversaries.

Syrah can earn 70% ownership in the two projects by funding the completion of a feasibility study and by issuing Stratex a further 3 million shares.

At end July 2008 Syrah had \$2.64 million in the bank and is well funded to progress the agreed joint venture commitments.

**Alistair Campbell**  
**Managing Director**  
**Syrah Resources Ltd**

*The information in this report relating to exploration, geology and resource estimates was sourced from public reports issued by Stratex International PLC to the London Stock Exchange. The resource estimates for the Inlice and Altintepe projects have been publicly reported by Stratex International PLC in announcements made on 4 July 2008 and 10 September 2008.*

*In the announcements to the AIM stock exchange, Stratex International have made Competent Person statements referring to the JORC compliance of the resource estimates.*

*The AIM stock exchange announcements and detailed information regarding Stratex International PLC and the Inlice and Altintepe gold projects can be sourced from the Stratex website at [www.stratexinternational.com](http://www.stratexinternational.com).*

*The information in this report as it relates to exploration results was reviewed by Mr Tom Eadie, FAusIMM, who is a Competent Person and Chairman of Syrah Resources Limited. Mr. Eadie has more than 20 years experience in the activities being reported on and consents to the inclusion of this information in the form and context in which it appears in this report.*

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