



ASX ANNOUNCEMENT

28 October 2008

Quarterly Activities Report For the Period Ending 30 September 2008

Highlights:

- **Joint Venture with Stratex International:**
 - Syrah to earn up to 70% the Altintepe and Inlice gold projects in Turkey.
 - Advanced gold projects with combined oxide resources of 570,618 ounces.
 - Syrah due diligence in progress.
- **Further copper intercepts at the White Lead prospect, Lyndhurst in South Australia.**
- **Best drill intercepts of 6m @ 1.50% Cu, 6m @ 1.04% Cu and 4m @ 1.04% Cu.**
- **Norfolk project tenements in northwest Qld granted.**
- **Levuka South tenement in northwest Qld granted.**

Syrah Resources (ASX:SYR) today released its September quarterly activities report. The highlight of the quarter was the joint venture agreement reached with Stratex International PLC where Syrah can earn up to 70% of Inlice and Altintepe gold projects in Turkey. This agreement is the culmination of focused and sustained investigation of gold projects in Turkey, and delivers on Syrah's strategy of finding an advanced resource project with potential for near term production and cash flow.

The other highlight for the quarter was further copper intercepts from a 60 hole RAB drilling program at Lyndhurst in South Australia. The drilling has delineated numerous zones of copper mineralisation. Review of the drilling results is in progress.

Joint Venture on Inlice and Altintepe Gold Projects, Turkey

On 13 October 2008 Syrah announced that it had reached agreement with Stratex International PLC (AIM:STI) regarding a joint venture on the Inlice and Altintepe gold projects in Turkey. Syrah can earn up to 70% of the two projects via equity, cash payments and work commitments.

Stratex owns 100% of the Inlice and Altintepe projects and has delineated advanced oxide gold resources at both projects.

At **Altintepe**, near Fatsa on the northeastern, Black Sea coast of Turkey, 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. 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.



Figure 1: View to Kayatepe deposit, Altintepe



Figure 2: Inlice project area

The total oxide gold resource for Altintepe, as reported by Stratex on 10 September 2008, now stands at:

Category	Tonnes (t)	Au (g/t)	Cont. 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

Table 1: Altintepe -Total oxide resource estimate at 0.2 g/t cut-off grade, using SG of 2.14 t/m³

The **Inlice** project is an epithermal deposit 40km from Konya in the central Anatolia region of Turkey. 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, is 98,300oz of contained gold. On 4 July 2008 Stratex reported the following oxide gold resource for Inlice:

		Tonnes (t)	Au (g/t)	Cont. Oz
In situ Mineralisation	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
Talus Mineralisation	Indicated	205,673	1.06	7,000
	Inferred	1,141,301	0.58	21,300
	Subtotal	1,346,974	0.65	28,300

Table 2: Inlice - Total oxide resource estimate at 0.1 g/t cut-off grade, using SG of 2.13 t/m³

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.

Syrah has negotiated a 35 day exclusive due diligence period with Stratex, and subject to ongoing due diligence studies, is aiming to complete the joint venture agreement with Stratex in mid November 2008.

Lyndhurst, North Flinders Ranges, South Australia

Syrah's April 2008 drilling program at the White Lead prospect identified copper mineralisation along a 250m strike length of the prospective Tapley Hill Formation. A follow-up RAB drill program was completed during September 2008, with 60 RAB holes completed for a total of 2,237m. The RAB holes were completed on 100m-spaced grid lines along a 3km strike length of the east-west trend of the host stratigraphy.

A summary of significant copper intersections from the RAB program, using a 0.3% Cu cut-off grade, is tabulated below:

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)
RB016	8	10	2	0.51
RB018	2	4	2	0.63
RB020	8	10	2	0.39
	14	20	6	0.48
RB027	8	10	2	1.28
	14	16	2	0.34
	18	20	2	0.36
RB028	12	22	10	0.57
RB038	32	34	2	0.44
RB045	26	30	4	0.37
RB046	8	10	2	0.51
	14	16	2	0.75
RB049	12	14	2	0.59
	32	34	2	1.11
RB050	26	32	6	0.68
RB052	12	18	6	1.06
	28	32	4	1.02
RB054	0	6	6	0.37
RB055	2	12	10	0.70
RB056	42	46	4	0.51
RB057	24	26	2	0.47
RB060	26	32	6	1.50

Table 3: Summary of White Lead RAB Drill Results above 0.3% Cu cut-off grade

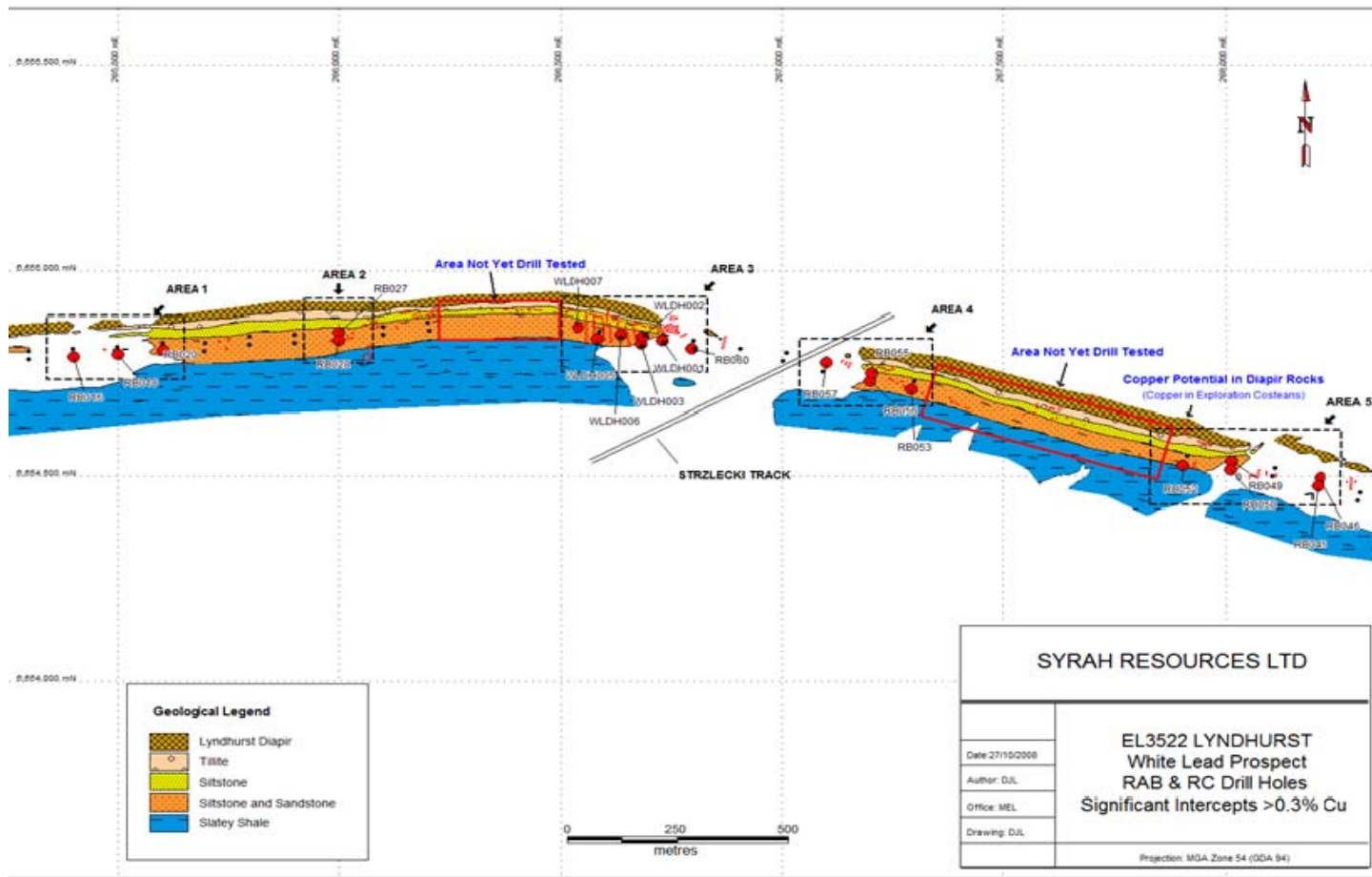


Figure 3: RAB drilling program at White Lead Prospect, Lyndhurst – collar locations of drill holes with intercepts > 3% Cu

The results of the RAB drilling program at Lyndhurst are continuing to be assessed. It is significant that the fence lines drilled were at 100 metre intervals, therefore the continuity and the potential of the copper intercepts requires appropriate assessment that considers the wide spacing between drill holes.

Syrah has identified 5 areas where the copper oxide mineralisation exhibits continuity, as shown in Figure 3 above. There are numerous locations where the copper mineralisation has not been fully closed off by the drilling and remain open, either along the strike of the prospective horizon, or to the north and south where anomalous copper grades exist in the adjacent sandstone unit.

The results of the RAB program will be reviewed further to determine the next step forward with the project.

Levuka Project, Mt Isa Inlier, NW Qld

The Levuka South tenement was granted to Syrah on 14 October 2008. Syrah now holds two tenements at Levuka, EPM 14746 and EPM 16311.

Two phases of review have been completed by specialist consultants: 1) a review of existing geophysical data, and 2) a structural review. Syrah is currently reviewing the outcomes of these studies and is conducting a drill target ranking exercise to assist with consideration of potential drilling campaigns at Levuka in 2009.

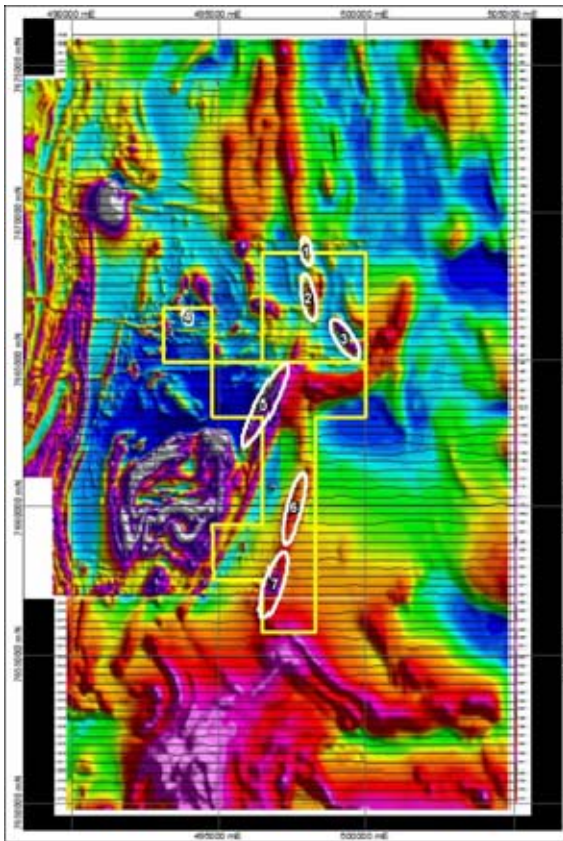


Figure 4: Geophysical anomalies of interest, Levuka

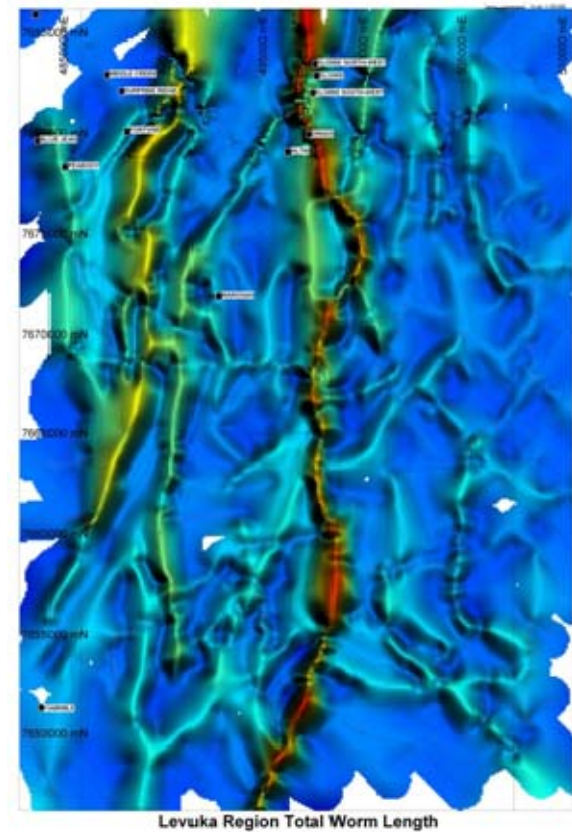


Figure 5: Structural analysis showing prospective Levuka Shear

Munna, SE Qld

Syrah completed further field activities at the Munna project during the quarter. Field activities included:

- Follow-up mapping and soil sampling in the vicinity of interpreted IP anomalism at the Yarrabine, Mt Allen West and Mt Suthers North prospects.
- Initial reconnaissance of the Coonawarra prospect, which is an intense north-west trending aeromagnetic anomaly in the Munna West tenement. Field mapping identified the source of the anomaly to be a mafic intrusive body with good outcrop over an area largely coincident with the aeromagnetic anomaly. Rock chips, stream sediment and soil samples were collected over the strike length of the intrusive.



Figure 6: Knight of Gwyn prospect, Munna

- Reconnaissance of the Knight of Gwyn prospect workings. During the 1960's, the Queensland DME conducted two drilling programs to test for possible extensions to mineralisation at historical copper mines in the Calgoa area. DME drill holes completed at the Knight of Gwyn prospect recorded numerous copper intercepts with grades greater than 2% Cu. Syrah continues to source and review information on this prospect.

Archie-Mackenzie, Mt Isa Inlier, NW Qld

Syrah engaged the services of specialist geophysical and structural geology consultants to review the regional fault structures and geophysical anomalies within the Archie-Mackenzie project area. These studies have improved knowledge of the structural setting and 3D geological setting of the tenements, and in conjunction with interpretation of geophysical data, targets will be developed and ranked for drilling in 2009.

Norfolk, Mt Isa Inlier, NW Qld

The Norfolk tenements were granted by the Qld Department of Mines & Energy on 23 September 2008. The granted tenements are EPM16465 (194km²), EPM16466 (310km²) and EPM16467 (253km²).

Syrah has commenced preparations to apply for various government funding initiatives that can assist with development of mineralisation models and provide funding for drill testing of the Camooweal ring structure.

Corporate

At the end of September 2008, Syrah Resources had a cash position of \$2.62 million. The Company is well funded in the near term to undertake commitments that will arise from the proposed Stratex joint venture and Australian exploration activity.

In conjunction with finalisation of the Stratex joint venture, Syrah is undertaking a high level review of the status of its Australian exploration projects. Where value-adding potential exists, Syrah may consider farm-out or joint venture of its projects. Syrah has recently had early stage discussions with another party relating to one of the exploration projects.

Alistair Campbell
Managing Director
Syrah Resources Ltd

The information in this report that relates to the geology, geochemical, geophysical and exploration results of Syrah Resources projects was compiled by Mr Terry Lees, FAIG, who is a Competent Person and has 20 years experience in the minerals industry and the activities being reported on. Mr Terry Lees consents to the inclusion of this information in the form and context in which it appears in this report.

The information in this report relating to exploration, geology and resource estimates of Stratex International PLC 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 AIM 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.

The information in this report as it relates to the exploration results of Stratex 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.

Syrah Resources - Registered Office:

Level 9, 356 Collins Street
Melbourne Victoria 3000

Syrah Resources - Directors & Key Management Personnel:

Mr Tom Eadie – Chairman
Mr Alistair Campbell – Managing Director
Mr Terry Lees – Exploration Director
Mr David Ogg – Company Secretary
Mr David Louwrens – Exploration Manager