



ASX ANNOUNCEMENT

15 September 2009

Progress Update - Saudi Arabia

The Deputy Ministry for Mineral Resources in Saudi Arabia recently advised Syrah that its application for a Reconnaissance Licence to explore for minerals in the Kingdom was successful.

Subsequently, Syrah made application for 11 Exploration Licences, each for an approximate area of 100 km². The exploration areas were chosen after a project generation study was completed in the first half of 2009. The study focused on known mineral occurrences, with a focus on base and precious metals.

Syrah will provide further information on the targets covered by the Exploration Licence applications once the applications are validated by the Deputy Ministry for Mineral Resources.

Saudi Arabia

Syrah was attracted to the Arabian Shield because it is highly prospective for base and precious metals but relatively unexplored. Recently Citadel Group has made strong progress with exploration and development of the world class Jabal Sayid copper-gold project.

Saudi Arabia has a strong fiscal and legal framework to attract and support foreign investment into the resource industry. Aspects of the Saudi mining code include:

- Capacity for 100% foreign ownership;
- Corporate tax 20%; and
- No mineral royalties.

Saudi Arabia is also recognised for its stable government and strong policy to develop its mining industry.

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