



ASX ANNOUNCEMENT

30 July 2010

Quarterly Activities Report For the Period Ending 30 June 2010

Syrah Resources (ASX:SYR) today released its June 2010 quarterly activities report.

Highlights

- **Total of 23 applications for Exploration Licences in Arabian Shield now in progress.**
- **Joint venture partner Zurich Resources Pty Ltd conducts geochemical and geophysical surveys at Lyndhurst, north Flinders Ranges.**

Saudi Arabia

After prolonged and unsuccessful negotiations with Mashoura Company, a Saudi business consultant, Syrah decided not to complete the proposed joint venture partnership arrangements into which both parties entered a Heads of Agreement in December 2009. During completion of the joint venture agreement documentation, the commercial terms sought by Mashoura shifted to such a degree from the terms agreed to in the HOA that Syrah decided to not proceed further. As a consequence of the termination of these discussions, Syrah retains 100% ownership of the Exploration Licence Applications it has made in Saudi Arabia.

Syrah has continued project generation activities and at the end of the quarter has 23 active Exploration Licence applications being processed at the Deputy Ministry of Mineral Resources. The areas in which Syrah currently has active ELA's is shown in Figure 1.

The Company actively monitors the progress of these applications and will provide more information regarding the mineral prospects covered by the applications once final confirmation of tenure is provided by the Deputy Ministry of Mineral Resources.

The Company is actively evaluating prospective areas for exploration and new business development opportunities both within and external to Saudi Arabia.

Syrah has substantially progressed the incorporation of a fully owned Saudi subsidiary company called 'Syrah Resources Saudi Arabia LLC', the entity in which the Company's continued business development in the Kingdom will occur.



Figure 1 Regions of Arabian Shield in which Syrah has made Exploration Licence Applications

Exploration – Australian Projects

Lyndhurst

Ground geophysical and geochemical sampling programs were undertaken by Zurich Resources Pty Ltd on an area of approximately 3km x 5km covering a complex of copper mineralised mafic and felsic intrusives and strong copper mineralisation in soils over the White Lead prospect. Previous work in this area has focused on near-surface oxide and sulphide copper potential. The current programs are investigating potential for deeper zones of sulphide mineralisation associated with the intrusive complex.

Approximately 200 line km of detailed ground magnetics and 550 soil analyses have been completed and await processing.

3D IP/Resistivity targeting the most prospective intrusive related zone is ongoing and should be completed during August.

Finance

The cash position at 30 June 2010 was \$1.77M.

Syrah completed payment of a Service Fee of US\$200,000 to Mashoura Company in July 2010. This Service Fee was a component of the Heads of Agreement signed with Mashoura in December 2010 and represents compensation for consulting advice and critical assistance provided by Mashoura towards the portfolio of Exploration Licence Applications made by Syrah in Saudi Arabia.

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Syrah Resources - Directors & Management:

Mr Tom Eadie – Chairman
Mr Alistair Campbell – Managing Director
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