



## **ASX ANNOUNCEMENT**

25 October 2011

### **Quarterly Activities Report For the Period Ending 30 September 2011**

Syrah (ASX:SYR) today released its September 2011 quarterly activities report.

#### **Highlights**

- **DMMR processing of 26 Exploration Licence Applications covering the Arabian Shield in Saudi Arabia is continuing.**
- **New Lyndhurst Project exploration licences granted.**
- **Business development opportunities continue to be assessed with a new focus on Africa.**

#### **Saudi Arabia**

Currently 26 Exploration Licence applications are being processed by the Deputy Ministry of Mineral Resources.

The Company actively continues to assess joint venture and business partnership opportunities in the Kingdom and is in active discussions with a potential business partner that may assist in moving the projects forward.

#### **Lyndhurst, South Australia (Syrah 50%)**

Syrah received written advice from PIRSA on 25 October that two new licences covering the Lyndhurst and Lyndhurst South project areas has been granted for a new period of 2 years from 19 October 2011.

Joint venture partner Zurich Resources Pty Ltd continues to make preparation for future drilling programs to test the identified geophysical targets, including the high priority LHZ5 target. The LHZ5 anomaly comprises an extensive soil copper anomaly; a zone of hydrothermal breccia; resistivity anomalies coincident with both the soil anomaly and the breccia pipe; a deep, but large chargeability anomaly proximal to the resistivity, and an intrusive inferred from magnetic data.

Zurich plans to conduct a gravity survey at Lyndhurst as a precursor to a drilling program.

#### **Business Development**

The proposed acquisition of Ethiopian explorer Aramis Resources was terminated after material issues arose during due diligence.

Syrah continues to actively assess new opportunities in the Middle East and Africa.

## **Finance**

The Syrah cash position at 30 September 2011 was \$0.76M.

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

***Syrah Resources - Registered Office:***

Level 9, 356 Collins Street  
Melbourne Victoria 3000

***Syrah Resources - Directors & Management:***

Mr Tom Eadie – Chairman  
Mr Alistair Campbell – Managing Director  
Mr Terry Lees – Exploration Director  
Ms Melanie Leydin – Company Secretary

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

SYRAH RESOURCES LIMITED

ABN

77 125 242 284

Quarter ended ("current quarter")

30 SEPTEMBER 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (3 months) \$A
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(99,734)	(99,734)
(b) development	-	-
(c) production	-	-
(d) administration	(223,191)	(223,191)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	9,131	9,131
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(313,794)</b>	<b>(313,794)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects/farmins	-	-
(b)equity investments	-	-
(c) other fixed assets	(32,741)	(32,741)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(32,741)</b>	<b>(32,741)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(346,535)</b>	<b>(346,535)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(346,535)	(346,535)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares	40,000	40,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – Capital raising costs	-	-
	<b>Net financing cash flows</b>	40,000	40,000
	<b>Net increase (decrease) in cash held</b>	(306,535)	(306,535)
1.20	Cash at beginning of quarter/year to date	1,079,337	1,079,337
1.21	Exchange rate adjustments to item 1.20	(11,005)	(11,005)
1.22	<b>Cash at end of quarter</b>	761,797	761,797

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A
1.23	Aggregate amount of payments to the parties included in item 1.2	60,143
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, Superannuation, and Consultancy fees paid to director related entities during the September 2011 quarter.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	30
4.2 Development	-
4.3 Production	-
4.4 Administration	180
<b>Total</b>	<b>210</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	364	686
5.2 Deposits at call	336	332
5.3 Bank overdraft	-	-
5.4 Other – Bank Term Deposits	61	61
<b>Total: cash at end of quarter (item 1.22)</b>	<b>761</b>	<b>1,079</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 <b>+Ordinary securities</b>	40,675,005	40,675,005	FP	FP
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,000,000	1,000,000	\$0.04	\$0.04
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	2,250,000 100,000 400,000	- - -	<b>Exercise price</b> \$0.25 \$0.20 \$0.17	<b>Expiry date</b> 31 July 2012 31 July 2014 1 January 2015
7.8 Issued during quarter				
7.9 Exercised during quarter	1,000,000	-	\$0.04	31 July 2014
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 25 October 2011

Company Secretary

Print name: MELANIE LEYDIN

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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