



SYRAH RESOURCES LIMITED

ABN 77 125 242 284

NOTICE OF ANNUAL GENERAL MEETING
and
EXPLANATORY MEMORANDUM

Date of Meeting: 14th December 2011
Time of Meeting: 4.00pm (AEDST)
Place of Meeting: Baker & McKenzie
Level 19
181 William Street
Melbourne
Victoria, 3000

This Notice of Annual General Meeting and accompanying Explanatory Memorandum should be read in their entirety.

If you have any questions about the Resolutions or other information contained in this Notice of Meeting or in the Explanatory Memorandum, please contact the Company on +61 3 9670-7264, Monday to Friday between the hours of 9:00am and 5:00pm (AEDST).

If you are unable to attend the General Meeting, please complete the Proxy Form enclosed and return it in accordance with the instructions set out on the Proxy Form. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

SYRAH RESOURCES LIMITED

ABN 77 125 242 284

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Syrah Resources Limited (*Syrah* or the *Company*) will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne at 4:00pm (AEDST) on 14th December 2011.

This Notice of Meeting is accompanied by a Proxy Form and an Explanatory Memorandum which contains an explanation of, and information regarding, the proposed Resolutions. The Proxy Form and Explanatory Memorandum form part of this Notice of Meeting.

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and auditors for the year ended 30 June 2011.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly no resolution will be put to shareholders on this item of business.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2011 be adopted."

Resolution 2 – Re-election of Mr Tom Eadie

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Tom Eadie, who retires by rotation as a Director in accordance with the Constitution of the Company and being eligible for re-election, be re-elected as a Director of the Company."

Resolution 3 – Ratification of Share Issue

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That for the purpose of Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 4 April 2011 of 5,175,000 fully paid ordinary shares in the Company at an issue price of \$0.105 (10.5 cents as described in the Explanatory Memorandum), to fund the Company's working capital commitments."

Resolution 4 – Change in nature and scale of activities

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolution 5 being passed, for the purpose of Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to consummate the Jacana Sale and Purchase Agreement and make a change in the nature and scale of its business activities through implementation of that agreement as described in the Explanatory Memorandum."

Resolution 5 – Issue of Consideration Shares and Consideration Options

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolution 4 being passed, for the purposes of Listing Rule 7.1, Listing Rule 10.11 and for all other purposes, the Shareholders approve and authorise the Directors to issue 60,000,000 fully paid ordinary shares in the Company and 15,000,000 options over fully paid ordinary shares in the Company (and the issue of shares upon exercise of those options) to the Jacana Vendors (including the issue of 900,000 fully paid ordinary shares and 225,000 options over fully paid ordinary shares in the Company to Alistair Campbell, Managing Director of the Company) as consideration for the Jacana Acquisition on the terms and conditions as described in the Explanatory Memorandum."

Resolution 6 – Appointment of Mr Paul Kehoe as Managing Director

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolutions 4 and 5 being passed and Completion of the Jacana Acquisition, Mr Paul Kehoe, having consented to act, be appointed as Managing Director of the Company with effect from the day after the issue of the shares under Resolution 5."

Resolution 7 – Appointment of Mr Mike Chester as Non-Executive Director

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolutions 4 and 5 being passed and Completion of the Jacana Acquisition, Mr Mike Chester, having consented to act, be appointed as a Non-Executive Director of the Company with effect from the day after the issue of the shares under Resolution 5."

Resolution 8 – Issue of Options to Mr Tom Eadie

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolutions 4 and 5 being passed, and Completion of the Jacana Acquisition, that for the purpose of ASX Listing Rule 10.14 and for all other purposes, the Shareholders authorise and approve the grant by the Company to Mr Tom Eadie 1,000,000 options over fully paid shares in the Company (and the issue of shares upon exercise of those options) under the Syrah Employee Option Plan on the terms and conditions set out in the Explanatory Memorandum."

Resolution 9 – Issue of Options to Mr Mike Chester

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolutions 4, 5 and 7 being passed and Completion of the Jacana Acquisition, that for the purpose of Listing Rule 10.14 and for all other purposes, the Shareholders authorise and approve the grant by the Company to Mr Mike Chester 500,000 options over fully paid shares in the Company (and the issue of shares upon exercise of those options) under the Syrah Employee Option Plan on the terms and conditions set out in the Explanatory Memorandum."

Resolution 10 – Issue of Options to Mr Alistair Campbell

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolutions 4 and 5 being passed, that for the purpose of Listing Rule 10.14 and for all other purposes, the Shareholders authorise and approve the grant by the Company to Mr Alistair Campbell 500,000 options over fully paid shares in the Company (and the issue of shares upon exercise of those options) under the Syrah Employee Option Plan on the terms and conditions set out in the Explanatory Memorandum."

Resolution 11 – Capital Raising

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

"Subject to Resolutions 4 and 5 being passed and Completion of the Jacana Acquisition, that, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders approve the issue of up to 40,000,000 fully paid ordinary shares of the Company to sophisticated and professional investors for the purposes and on the terms and conditions set out in the Explanatory Memorandum and such shares may be issued at any time(s) and on such terms as the Board decides is appropriate but no later than three (3) months after the date of this meeting."

Resolution 12– Sale of 90% of Saudi Arabian subsidiary

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purposes of Listing Rules 11.2 and 11.4 and for all other purposes, approval is given for the Company to dispose of 90% of its interest in its wholly owned subsidiary, Syrah Resources Saudi Arabia LLC on the terms and conditions set out in the Explanatory Memorandum."

Resolution 13 – Appointment of Company Auditor

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That for the purposes of section 327B of the Corporations Act and for all other purposes, Brad Taylor of Grant Thornton Audit Pty Ltd be appointed as the auditor of the Company to fill the vacancy caused by the resignation of Melanie Leydin of Leydin Freyer Audit Pty Ltd as the auditor of the Company."

Voting Instructions


Voting instructions and restrictions are set out in the notes to this Notice of Meeting.

If you cannot attend the Annual General Meeting, you are strongly urged to complete the Proxy Form and return it to the Company's Share Registry, Security Transfer Registrars Pty Ltd (see Proxy Form for details) (*Share Registry*).

Your Directors, where eligible to vote, unanimously recommend the approval of each of the Resolutions and encourage eligible Shareholders to vote in favour of the Resolutions.

The Chairman of the meeting intends to vote undirected proxies in favour of all the Resolutions. However, any undirected proxies held by other Directors or other Key Management Personnel or their closely related parties for the purposes of Resolutions 1, 8, 9 and 10 and will not be voted on Resolutions 1, 8, 9 and 10. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for each of Resolutions 1, 8, 9 and 10 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business as your proxy).

BY ORDER OF THE BOARD



Melanie Leydin
Company Secretary
Syrah Resources Ltd
Dated: 14 November 2011

NOTES TO THE NOTICE OF MEETING

1. Voting Exclusion

In accordance with the Corporations Act and the Listing Rules:

- (a) a vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report or a closely related party of such a member, unless:
 - (i) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on this Resolution; and
 - (ii) the vote is not cast on behalf of a member of the Key Management Personnel or a closely related party of such a member;
- (b) a vote in respect of Resolution 2 is not subject to any voting exclusions;
- (c) a vote in respect of Resolution 3 must not be cast (in any capacity) by or on behalf of a person who participated in the issue or an associate of that person;
- (d) a vote in respect of Resolution 4 must not be cast (in any capacity) by or on behalf of the Jacana Vendors who are to receive securities in the Company pursuant to those resolutions and any associate of that person or those persons;
- (e) a vote in respect of Resolution 5 must not be cast (in any capacity) by or on behalf of the Jacana Vendors who are to receive securities in the Company pursuant to those resolutions and any associate of that person or those persons;
- (f) a vote in respect of Resolution 8 must not be cast (in any capacity) by or on behalf of any director of the Company or an associate of that person or a member of Key Management Personnel or a closely related party of such a member on the same basis as set out in (a) above;
- (g) a vote in respect of Resolution 9 must not be cast (in any capacity) by or on behalf of any director of the Company, Mr Mike Chester or an associate of those persons or a member of Key Management Personnel or a closely related party of such a member on the same basis as set out in (a) above;
- (h) a vote in respect of Resolution 10 must not be cast (in any capacity) by or on behalf of any director of the Company or an associate of that person or a member of Key Management Personnel or closely related party of such a member on the same basis as set out in (a) above;
- (i) a vote in respect of Resolution 11 must not be cast (in any capacity) by or on behalf of any person who is to received securities in the Company under that Resolution and any associate of that person or those persons;
- (j) a vote in respect of Resolution 12 must not be cast (in any capacity) by or on behalf of:
 - (i) a person who might obtain a benefit, except a benefit solely in the capacity of a shareholder of the Company, if the resolution is passed, or an associate of that person; or
 - (ii) a party to the transaction to acquire the asset, being Arabian Nubian Resources Pte Ltd and its associates.

Notwithstanding the above voting exclusions, the Company need not disregard a vote if:

- (a) it is cast, in accordance with the directions on the proxy form, by a person as proxy for a person who is entitled to vote; or
- (b) it is cast, in accordance with the direction on the proxy form to vote as the proxy decides, by the person chairing the meeting as proxy for a person who is entitled to vote.

2. Proxy Instructions

A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on the Shareholder's behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If the appointment does not specify the proportion or number of votes that each proxy may exercise, each proxy may exercise half of the votes.

A proxy may, but need not, be a shareholder of the Company.

Shareholders, or their attorneys, who plan to attend the Annual General Meeting are asked to arrive at the venue at least 15 minutes prior to the time designated for the Annual General Meeting so that their Shareholding may be checked against the Company's share register and attendance recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Annual General Meeting.

A Shareholder that is a body corporate or corporation, or which has been appointed as a proxy, is entitled to appoint any individual to act as its representative at the Annual General Meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the Annual General Meeting a properly executed letter or other document confirming his/her authority to act as the Shareholder's corporate representative.

Completed Proxy Forms (and the powers of attorney or other instruments or authorities, if any, under which each Proxy Form is signed) or a copy of a facsimile which appears on its face is to be an authentic copy of the Proxy Form (and the power of attorney or other instrument or authority) must be deposited by hand or by post at the Share Registry at:

**Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953**

Alternatively, these documents may be faxed to the Share Registry on:
+61 (0) 8 9315 2233.

An instrument or authority appointing a proxy:

- (a) shall be in writing under the hand of the appointer or of his/her attorney, or if the appointer is a body corporate, either under seal or under the hand of a duly authorised officer or attorney;
- (b) may specify the manner in which the proxy is to vote in respect of a Resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the Resolution except as specified on the Proxy Form;
- (c) shall be deemed to confer authority to demand or join in demanding a poll; and

- (d) shall be in such form as the Directors determine and which complies with section 250A of the Corporations Act and the Listing Rules.

If a proxy is not directed how to vote on a Resolution or item of business, the proxy may vote, or abstain from voting, as they think fit, unless otherwise set out in this Notice of Meeting. Should any resolution, other than the Resolutions specified in this Notice of Meeting, be proposed at the Annual General Meeting, a proxy may vote on that resolution as they think fit.

3. Proxy Form

A Proxy Form accompanies this Notice of Meeting. The Proxy Form is an integral part of this Notice and both documents should be read together.

The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing. In the case of Shares jointly held by two or more persons, all joint-holders must sign the Proxy Form.

Proxy Forms must be submitted no later than 48 hours before the time for holding the Annual General Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the Proxy Form proposes to vote.

Shareholders who return their Proxy Forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman as their proxy to vote on their behalf.

If a Proxy Form is returned but the nominated proxy does not attend the Annual General Meeting, the Chairman will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the Resolutions proposed in this Notice of Meeting.

4. Attendance and Voting Eligibility

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at the time that is 48 hours before the Annual General Meeting. Accordingly, share transactions registered after that time will be disregarded in determining Shareholders' entitlements to attend and vote at the Annual General Meeting.

SYRAH RESOURCES LIMITED

ABN 77 125 242 284

EXPLANATORY MEMORANDUM

Important Notices

What is this document?

This Explanatory Memorandum contains an explanation of, and information about, each of the Resolutions to be considered at the Annual General Meeting. It is given to Shareholders to help them determine how to vote on the matters set out in the Notice of Meeting to which this Explanatory Memorandum is attached.

The Annual General Meeting will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne at 4:00 pm (AEDST) on 14th December 2011.

Shareholders should read this Explanatory Memorandum in full and carefully consider its contents as individual sections may not give a comprehensive review of the Resolutions contemplated in the Notice of Meeting. This Explanatory Memorandum forms part of the Notice of Meeting and should be read in conjunction with it.

All enquiries in relation to the contents of this Explanatory Memorandum or the Notice of Meeting should be directed to the Company on +61 3 9670 7264, Monday to Friday between the hours of 9:00am and 5:00pm (AEDST).

This Explanatory Memorandum does not constitute financial product advice. It does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions and Shareholders are encouraged to seek their own financial, taxation and legal advice.

Forward Looking Statements

This Explanatory Memorandum contains both historical and forward-looking statements in connection with the Company and Jacana.

The forward-looking statements in this Explanatory Memorandum are not based on historical facts, but reflect the current expectations of the Company or Jacana, as the case may be, concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipated", "intending", "foreseeing", "likely", "should", "planned", "may", "estimated", "potential", or other similar words and phrases. Similarly, statements that describe the Company or Jacana's objectives, plans, goals or expectations are or may be forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause either the Company's or Jacana's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. Deviations as to future results, performance and achievements are both normal and to be expected. Shareholders should review carefully all of the information, including the financial information, included in this Explanatory Memorandum. The forward-looking statements included in this Explanatory Memorandum are made only as of the date of this Explanatory Memorandum. Neither the Company nor Jacana gives any representation, assurance or guarantee to Shareholders that any forward-looking statements will actually occur or be achieved. Shareholders are cautioned not to place undue reliance on such forward-looking statements.

Subject to any continuing obligations under law or the ASX Listing Rules, neither the Company nor Jacana give any undertaking to update or revise any forward-looking statements after the date of this

Explanatory Memorandum to reflect any change in expectations in relation to those statements or any change in events, conditions or circumstances on which any such statement is based.

Current Syrah Board

References in this document to the recommendations and considerations of the Company Directors or Board are, where the context permits, references to those members of the Board who do not have a conflict with respect to the matters being considered and voted on at the Annual General Meeting. All other references to the Company Board in this Explanatory Memorandum refer to all members of the Board of the Company.

Responsibility for Information

Information concerning Jacana, the Jacana Vendors and the New Directors and their intentions in this Explanatory Memorandum (including Section 4) have been provided by Jacana and are its sole responsibility. None of the Company, its Directors, officers or advisers assume any responsibility for the accuracy or completeness of such information.

ASX and compliance with Listing Rules

A copy of the Notice of Meeting and Explanatory Memorandum has been lodged with ASX pursuant to the Listing Rules. Neither the ASX nor any of its officers take any responsibility for the content of this Explanatory Memorandum.

Disclaimer

No person is authorised to give any information or make any representation in connection with the business or transactions contemplated in this Explanatory Memorandum which is not contained in this Explanatory Memorandum. Any information which is not contained in this Explanatory Memorandum may not be relied on as having been authorised or endorsed by the Company or the Board.

This Explanatory Memorandum has been prepared in accordance with Australian laws, disclosure requirements and accounting standards. These laws, disclosure requirements and accounting standards may be different to those in other jurisdictions.

Key Annual General Meeting Dates

Event	Date
Last date for receipt of Proxies	4:00pm (AEDST) on 12 December 2011
Record date for voting eligibility at the Annual General Meeting	4:00pm (AEDST) on 12 December 2011
Annual General Meeting	4.00pm (AEDST) on 14 December 2011

The timetable is indicative only. The Company reserves the right to vary any or all of these dates and times. All references to time in this Explanatory Memorandum are to Australian Eastern Daylight Saving Time (AEDST).

1. Details of the approvals required from Shareholders

1.1 Introduction

All Resolutions set out in the Notice of Meeting are ordinary resolutions which must be passed by Shareholders present at the Annual General Meeting and entitled to vote, in person or by proxy or attorney, holding 50% or more of the voting rights that are cast in favour of the Resolution. The context and effect of each of the Resolutions set out in the Notice of Meeting and described in more detail below.

In order for the Company to complete the Jacana Acquisition, a number of Resolutions need to be passed by Shareholders.

Each of Resolution 4 and 5 are conditional on the other being passed.

Each of Resolutions 6, 7, 8 and 10 are conditional on Resolutions 4 and 5 being passed and completion of the Jacana Acquisition.

Resolution 9 is conditional on Resolutions 4, 5 and 7 being passed and completion of the Jacana Acquisition

Resolution 11 is conditional on Resolutions 4 and 5 being passed and completion of the Jacana Acquisition.

Resolutions 12 and 13 are each independent of all other Resolutions.

1.2 Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2011 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and of the auditors) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9670-7264, and you may request that this occurs on a standing basis for future years.

Alternatively you may access the annual report at the Company's website: www.syrahresources.com.au or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

1.3 Resolution 1 – Adoption of Remuneration Report

Reasons for requirement of shareholder approval

The Corporations Act requires that at a listed Company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, section 250R(3) of the *Corporations Act 2001* expressly provides that the vote on such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company (described as "**Key Management Personnel**"). The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Pursuant to the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* which amended the Corporations Act from 1 July 2011, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings (effectively, "two strikes"), shareholders will be

required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election. The spill resolution requirements will only be triggered where both strikes occur after 1 July 2011. On this basis, while votes on the Remuneration Report at this Annual General Meeting will be counted towards the two strikes, the first spill resolution can only potentially occur following the Company's 2012 Annual General Meeting.

Also, the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* has introduced new prohibitions on key management personnel and their closely related parties from voting or voting undirected proxies on, amongst other things, remuneration matters. Accordingly, any undirected proxies held by the Chairman of the meeting, other Directors or by other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on Resolution 1.

The Company encourages all Shareholders to cast their votes in relation to Resolution 1 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form or by marking the Chairman's box (in which case the Chairman of the meeting will vote in favour of Resolution 1 as your proxy).

1.4 Resolution 2 – Re-election of Mr Tom Eadie

Reasons for requirement of shareholder approval

The Constitution of the Company requires that at every annual general meeting, one-third or the next highest number nearest one-third of the Directors, shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Eadie has been a Non-Executive Director and Chairman since May 2007 and was last re-elected as a Director at the Company's 2009 Annual General Meeting. He retires by rotation and, being eligible, offers himself for re-election.

Tom Eadie is also the Executive Chairman and Managing Director of Copper Strike Limited, an ASX listed base metal explorer in northeastern Australia. Prior to this role, Tom had twenty years experience within the junior resources sector, including one year running Austminex NL, and at technical to senior executive levels with major mining companies including Pasminco, Aberfoyle Resources and Cominco. At Pasminco he was Executive General Manager - Exploration & Technology for 11 years. At Aberfoyle, he began as Chief Geophysicist before being put in charge of all mineral sands and base metal exploration for that company. He is a past board member of the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association.

Tom has a B.Sc. (Hons) from the University of British Columbia, a M.Sc. in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (now the Financial Services Institute of Australasia).

Recommendation

Your Directors (other than Tom Eadie who abstains) unanimously recommend that you vote in favour of this Resolution.

1.5 Resolution 3 – Ratification of Share Issue

Reasons for requirement of shareholder approval

The Company is seeking shareholder approval to ratify the prior issue by placement of 5,175,000 fully paid ordinary shares, for ongoing working capital commitments on 4 April 2011.

ASX Listing Rule 7.1 restricts the number of securities which a listed company may issue in any 12 month period, without the approval of shareholders, to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions. ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The number of shares allotted and issued was 5,175,000 fully paid ordinary shares in the Company.
- (b) The shares were issued at a price of \$0.105 (10.5 cents) each.
- (c) The shares allotted and issued rank equally with the existing shares of the Company on issue.
- (d) The shares were allotted and issued to professional and sophisticated investors as announced to ASX on 25 March 2011. The shares were allotted and issued as follows:

• Paul B Kehoe	1,000,000
• Spagnolo Giovanni	527,778
• Finance Associates Pty Ltd	522,222
• Equity Trustees Ltd	500,000
• Peter J Woods	400,000
• Edna Securities Pty Ltd	392,857
• Gulbenkian Vartan	300,000
• A-Line Retmnt Fund Pty Ltd	253,000
• Montycorp Pty Ltd	250,000
• Thomas C Frawley	247,000
• Novomlinska Irina	237,500
• Nefco Nominees Pty Ltd	237,500
• Edna Securities Pty Ltd	107,143
• Gasmere Pty Ltd	100,000
• Buprestid Pty Ltd	100,000

The funds raised from the issue of shares were utilised as working capital to support the Company's ongoing business development in Saudi Arabia and the ongoing evaluation of new mining project opportunities.

The passing of this Resolution by Shareholders will grant the Company greater flexibility in meeting any required short-term capital funding requirements through the issue of new shares up to the maximum extent permitted at any time over the next 12 months without the requirement to put a further resolution to Shareholders.

Recommendation

Your Directors unanimously recommend that you vote in favour of this Resolution.

1.6 Resolution 4 – Change in nature and scale of activities

Reasons for requirement of shareholder approval

Resolution 4 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company. In accordance with the terms and conditions of the Jacana Share Purchase Agreement, the Company will acquire 100% of the issued capital of Jacana from the Jacana Vendors.

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX. ASX Listing Rule 11.1.2 provides that if ASX requires, the entity must obtain the approval of Shareholders and must comply with any requirements of ASX in relation to the Notice of Meeting. The ASX has indicated to the Company that, given the significant change in the nature and scale of the activities of the Company upon completion of the Jacana Acquisition, it requires the Company to obtain the approval of its Shareholders. The Company has been advised by ASX that it is not required to comply with the disclosure obligations set out in ASX Listing Rule 11.1.3.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1. The perceived benefits and risks associated with the Jacana Acquisition and the details of the Jacana Acquisition are set out in Section 3.

Recommendation

Your Directors (other than Alistair Campbell who abstains) unanimously recommend that you vote in favour of this Resolution.

1.7 Resolution 5 – Issue of Consideration Shares and Consideration Options to Jacana Vendors

Reasons for requirement of shareholder approval

The reason for seeking Shareholder approval for Resolution 5 is that under Listing Rule 7.1, a company cannot issue more than 15% of its total issued securities in any twelve month period without first obtaining Shareholder approval. As the number of Consideration Shares and Consideration Options exceeds the 15% limit Shareholder approval is also being sought for the purposes of Listing Rule 7.1 in respect of the issue of the Consideration Shares and the Consideration Options.

In addition, Listing Rule 10.11 requires Shareholder approval for the issue of the Consideration Shares to a related party of the Company. Alistair Campbell, the current Managing Director of the Company currently holds 1,225,000 shares in the Company and 1,000,000 options over shares in the Company. Alistair Campbell also holds approximately 1.5% of the issued shares in Jacana. Under the terms of the Jacana Share Purchase Agreement Alistair Campbell will receive 900,000 shares in the Company and 225,000 options over shares in the Company. As at the date of execution of the Jacana Share Purchase Agreement, the value of the consideration being received by Alistair Campbell is \$73,800 being approximately 3.71% of the equity interest of the Company (as shown in the latest accounts submitted to ASX). The Board (other than Alistair Campbell who abstains) consider the transaction to be on arm's length terms.

Effect of the issue

Following issue of the Consideration Shares and the Consideration Options, the Jacana Vendors will hold interests in the Company as set out below:

Name	No Shares held in Syrah	No. of Jacana Sale Shares	Consideration Shares Entitlement	Total Shares held in Syrah following issue of Consideration Shares	% held in Syrah following issue of Consideration Shares	Consideration Options Entitlement	No. Shares in Syrah (as if Options were exercised)	% held in Syrah (as if Options were exercised)
DAVID OGG	-	5	15	15	0.00%	4	19	0.00%
PAUL BRENDAN KEHOE	1,322,852	6,270,716	18,812,148	20,135,000	20.00%	4,703,034	24,838,034	20.97%
TOLGA KUMOVA	-	4,844,445	14,533,335	14,533,335	14.44%	3,633,334	18,166,669	15.34%
MICJUD PTY LTD	-	1,427,778	4,283,334	4,283,334	4.25%	1,070,833	5,354,167	4.52%
FERNVALE PTY LTD	-	83,333	249,999	249,999	0.25%	62,500	312,499	0.26%
TALLINVALE PTY LTD	-	116,667	350,001	350,001	0.35%	87,500	437,501	0.37%
SANDHURST TRUSTEES LTD	-	166,667	500,001	500,001	0.50%	125,000	625,001	0.53%
RICHSHAM NOMINEES PTY LTD	410,000	333,333	999,999	1,409,999	1.40%	250,000	1,659,999	1.40%
FINANCE ASSOCIATES PTY LTD	1,500,000	250,000	750,000	2,250,000	2.23%	187,500	2,437,500	2.06%
EDNA SECURITIES	879,000	633,333	1,899,999	2,778,999	2.76%	475,000	3,253,999	2.75%
GALLOWAY LIMITED	-	333,333	999,999	999,999	0.99%	250,000	1,249,999	1.06%
TIMOTHY MARCUS STEPHEN HANLON	-	166,667	500,001	500,001	0.50%	125,000	625,001	0.53%
BUPRESTID PTY LTD	200,000	333,333	999,999	1,199,999	1.19%	250,000	1,449,999	1.22%
ICIAR ORTEGA-SORIGUREN	-	250,000	750,000	750,000	0.74%	187,500	937,500	0.79%
JOHN STALKER	-	250,000	750,000	750,000	0.74%	187,500	937,500	0.79%
PETER ROSSITER WOODS	205,000	300,000	900,000	1,105,000	1.10%	225,000	1,330,000	1.12%
NOAH'S ARK INVESTMENT GROUP PTY LTD	150,000	127,777	383,331	533,331	0.53%	95,833	629,164	0.53%
WILLIAM HERNSTADT	260,000	333,333	999,999	1,259,999	1.25%	250,000	1,509,999	1.28%
EPHPHETA FOUNDATION	-	100,000	300,000	300,000	0.30%	75,000	375,000	0.32%
DYSPO PTY LTD	760,000	100,000	300,000	1,060,000	1.05%	75,000	1,135,000	0.96%
GIOVANNI SPAGNOLO	-	100,000	300,000	300,000	0.30%	75,000	375,000	0.32%
HAWTHORN GROVE INVESTMENTS PTY LTD	281,333	400,001	1,200,003	1,481,336	1.47%	300,001	1,781,337	1.50%
FRANCES HEATHER MAY	-	500,000	1,500,000	1,500,000	1.49%	375,000	1,875,000	1.58%

Name	No Shares held in Syrah	No. of Jacana Sale Shares	Consideration Shares Entitlement	Total Shares held in Syrah following issue of Consideration Shares	% held in Syrah following issue of Consideration Shares	Consideration Options Entitlement	No. Shares in Syrah (as if Options were exercised)	% held in Syrah (as if Options were exercised)
PROFFITT								
ASPON MUCHUNGU ZI MWIJAGE	-	133,333	399,999	399,999	0.40%	100,000	499,999	0.42%
MUTUAL TRUST PTY LTD	-	333,333	999,999	999,999	0.99%	250,000	1,249,999	1.06%
QUANTUM HOLDINGS PTY LTD		100,000	300,000	300,000	0.30%	75,000	375,000	0.32%
A.B & K.P CAMPBELL	1,225,000	300,000	900,000	2,125,000	2.11%	225,000	3,350,000	2.83%
BISHOPSTONE PTY LTD		266,667	800,001	800,001	0.79%	200,000	1,000,001	0.84%
B&E LEWIN INVESTMENTS PTY LTD		83,333	249,999	249,999	0.25%	62,500	312,499	0.26%
MARTINHAM PTY LTD		83,333	249,999	249,999	0.25%	62,500	312,499	0.26%
GOLDEN OAKS NOMINEES PTY LTD		133,333	399,999	399,999	0.40%	100,000	499,999	0.42%
SPLENDOUR INVESTMENTS PTY LTD		133,333	399,999	399,999	0.40%	100,000	499,999	0.42%
DANIELLE KATE MURNANE	40,000	13,333	39,999	79,999	0.08%	10,000	89,999	0.08%
VIRGINIA MAREE OWCZAREK		13,333	39,999	39,999	0.04%	10,000	49,999	0.04%
DIANE ROWLEY		13,333	39,999	39,999	0.04%	10,000	49,999	0.04%
GASMERE PTY LIMITED	2,178,955	605,949	1,817,847	3,996,802	3.97%	454,462	4,451,264	3.76%
RNB EQUITIES PTY LTD		166,667	500,001	500,001	0.50%	125,000	625,001	0.53%
ANTSORM CONSULTING PTY LTD		133,333	399,999	399,999	0.40%	100,000	499,999	0.42%
MARK SANERIVE		66,666	199,998	199,998	0.20%	49,999	249,997	0.21%
	9,412,140	20,000,000	60,000,000	69,412,140	68.95%	15,000,000	85,412,140	72.12%

If Resolution 5 (and Resolution 4) is approved and the Jacana Acquisition completes, the holdings of existing Shareholders in the Company will be diluted through the issue of the Consideration Shares. If the holders of Consideration Options validly exercise the Consideration Options, then the holdings of existing Shareholders will be further diluted at that time.

Terms of issue

The following information is provided to members to allow them to assess the proposed issue of the Consideration Shares and the Consideration Options:

- (a) The maximum number of Consideration Shares to be issued is 60,000,000 fully paid ordinary shares in the Company and the maximum number of Consideration Options over fully paid ordinary shares in the Company to be issued is 15,000,000.

- (b) The issue of the Consideration Shares and Consideration Options will occur no later than 3 months after the date of the Annual General Meeting, save that the issue of the Consideration Shares and Consideration Options to Alistair Campbell will occur no later than 1 month after the date of the Annual General Meeting or, in either case such longer period as ASX may approve.
- (c) The Directors presently intend to issue the Consideration Shares and Consideration Options as one allotment.
- (d) The Consideration Shares are issued at a deemed issue price of \$0.075 per share and the Consideration Options are issued for nil consideration and have an exercise price which is the higher of:
 - (i) 43% above the price of the 5 day VWAP of shares of the Company prior to the Completion Date under the Jacana Share Purchase Agreement; and
 - (ii) 15 cents.
- (e) The identity of the allottees is set out in the above table.
- (f) The Consideration Shares to be issued pursuant to this Resolution and the shares issued upon exercise of the Consideration Options issued pursuant to this Resolution will, from the date of issue, rank equally with, and enjoy the same rights as, all other shares in the Company on issue. The terms of issue of the Consideration Options are set out in Schedule 2.

Recommendation

Your Directors (other than Alistair Campbell who abstains) unanimously recommend that you vote in favour of this Resolution.

1.8 Resolution 6 – Appointment of Mr Paul Kehoe as Managing Director of the Company

Reasons for requirement of shareholder approval

The appointment of a director to a listed company, unless filling an existing vacancy, requires the approval of its Shareholders.

Background details in relation to Paul Kehoe are set out in Section 4.3.

If approved, Paul Kehoe will be appointed as Managing Director of the Company from the date of issue of the Consideration Shares and Alistair Campbell will resign from the position of Managing Director but will be reappointed to the Board as a Non-Executive director after the Annual General Meeting.

Recommendation

Your Directors unanimously recommend that you vote in favour of this Resolution.

1.9 Resolution 7 – Appointment of Mr Mike Chester as Non-Executive Director of the Company

Reasons for requirement of shareholder approval

The appointment of a director to a listed company, unless filling an existing vacancy, requires the approval of its shareholders.

Background details of Mike Chester are set out in Section 4.3.

If approved, Mike Chester will be appointed as a Non-Executive Director of the Company from the date of the issue of the Consideration Shares.

Recommendation

Your Directors unanimously recommend that you vote in favour of this Resolution.

1.10 Resolutions 8, 9 and 10

Reasons for requirement of shareholder approval

Shareholder approval is sought for the grant to Tom Eadie, Alistair Campbell and Mike Chester of Employee Options, and the subsequent issue of shares in the Company upon exercise of the Employee Options by them, including (a) under Listing Rule 10.14, which provides that the acquisition of securities by a Director (which for the purposes of section 228(6) of the Corporations Act includes a person who believes will become a related party in the near future) requires Shareholder approval and (b) under Chapter 2E of the Corporations Act which provides that the giving of a financial benefit to a related party (which includes a Director or an associate of a director) requires Shareholder approval.

The key engagement terms relating to these Directors are as follows.

	Tom Eadie	Mike Chester	Alistair Campbell	Paul Kehoe
Position	Chairman	Non-Executive Director	Non-Executive Director	Managing Director
Remuneration (post completion of the Jacana Acquisition)	\$55,000 per annum plus statutory superannuation	\$40,000 per annum plus statutory superannuation	\$40,000 per annum plus statutory superannuation	\$200,000 per annum plus statutory superannuation
Existing holding in Syrah	9,200,005	-	1,225,000	1,322,852
Proposed Employee Options to be issued	1,000,000	500,000	500,000	-
Employee Option Terms	<p>The Employee Options will have an exercise price that is the higher of the price which is 43% above the price of the 5 day VWAP of Syrah Shares prior to the Completion Date under the Jacana Share Purchase Agreement and 15 cents. (Exercise Price).</p> <p>The options will be exercisable at any time commencing from the date which is 12 months from the completion of the Jacana Acquisition up to and including the date which is 4 years later from that date (Exercise Period).</p> <p>The options will be issued under the Syrah Employee Option Plan.</p>			

The Company operates the Syrah Employee Option Plan which is an ownership-based scheme for executives and senior employees of the consolidated entity. The purpose of the plan is to provide eligible employees with an incentive to remain with the Company and to improve the longer term performance of the Company and its return to shareholders. The plan was implemented by the Company to retain and attract skilled and experienced employees and provide them with the motivation to make the Company more successful.

In accordance with the provisions of the Syrah Employee Option Plan, executives and senior employees may be granted options to purchase ordinary shares at an exercise price determined by the Board. Each Employee Option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Employee Options may be exercised at any time from the date of vesting to the date of their expiry. The number of Employee Options granted is determined by the Board.

An independent remuneration consultant was engaged by the Board to review the proposed remuneration structure. The remuneration consultant prepared a report regarding the value of the Employee Options proposed to be issued by the Company in accordance with the requirements of the accounting standards AASB2, giving consideration to factors such as current share price of the underlying shares, exercise price of the option, expected volatility of the share price, dividend yield, risk free interest rates and exercise price multiple. Taking into consideration the remuneration consultant's analysis, the Board (in each case excluding the director receiving options) believes that the overall package proposed for the relevant Directors is reasonable given the circumstances of the company moving forward.

The proposed Employee Options issue will represent up to 0.017% of the shares on issue (on a fully diluted basis of all options on issue) of the Company following completion of the Jacana Acquisition, including the issue of the Consideration Shares and the Consideration Options. Refer to Section 1.11 below for details regarding Syrah's capital structure following the issue of the proposed Employee Options (and the issue of the Consideration Shares and the Consideration Options).

For the purposes of ASX Listing Rule 10.15, the Company provides the following information in relation to the proposed issue of Employee Options:

- (a) The total number of Employee Options which are proposed to be issued is 2,000,000.
- (b) There is no cost for the grant of the Employee Options to be issued. The exercise price for the Employee Options will be as set out in the table above.
- (c) Since the last approval being on 13 November 2009, the Company issued 400,000 Employee Options to Mike Ware (Syrah Resources Saudi Arabia LLC General Manager) which were granted for nil consideration, have an exercise price of 17 cents and expire on 1 January 2015.
- (d) The current participants in the Syrah Employee Option Plan are Tom Eadie, Alistair Campbell, Terry Lees and Mike Ware. Under the terms of the Syrah Employee Option Plan, Syrah employees or directors who are determined by the Board to be eligible or any other person who is determined by the Board to be eligible for the purposes of the Plan are entitled to participate in the Plan.
- (e) The Employee Options are expected to be issued at the same time as the Consideration Shares and the Consideration Options, as set out in Section 1.7 of this Explanatory Memorandum.

Recommendations

Your Directors (other than Tom Eadie who abstains) unanimously recommend that you vote in favour of Resolution 8.

Your Directors unanimously recommend that you vote in favour of Resolution 9.

Your Directors (other than Alistair Campbell who abstains) unanimously recommend that you vote in favour of Resolution 10.

1.11 Resolution 11 – Capital Raising

Reasons for requirement of shareholder approval

The Directors believe it appropriate that the Company has the ability to issue up to a further 40,000,000 fully paid ordinary shares in the Company in order to fund the Company's exploration programs, to carry out exploration on the assets to be acquired under the Jacana Acquisition and for working capital.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without shareholders' approval. In general terms this limit in any 12 month period is no more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue plus the number of fully paid ordinary shares issued in that 12 month period under an exception contained in ASX Listing Rule 7.2 or with shareholders' approval. Other than to state there is no voting exclusion with respect to this resolution, the information for shareholders required by the ASX Listing Rules is:

- (a) the total number of securities which may be allotted and/or issued under Resolution 11 is a maximum of 40,000,000;
- (b) the recipients are not known at this point and will be allotted and/or issued at the Board's discretion to sophisticated and/or professional investors (as those terms are defined in the Corporations Act);
- (c) no securities pursuant to Resolution 11 will be issued to Directors of the Company or their associates;
- (d) the securities will be allotted and/or issued progressively no later than three (3) months after the date of the Annual General Meeting;
- (e) the terms of the securities will be at the Board's discretion but will be issued at not less than 80% of the volume weighted average market price for securities of that class on the last five (5) days on which sales in the securities were recorded immediately prior to the date of issue;
- (f) the securities will rank pari passu with all securities of that class; and
- (g) the funds raised will augment the Company's working capital and its present and proposed exploration programme obligations and for the exploration programmes proposed for the Jacana Acquisition.

Effect of the issue

If Resolution 11 is approved and the full 40,000,000 shares in the Company are issued then the holdings of existing Shareholders in the Company will be diluted. The below table sets out the resultant equity capital of the Company.

	Shares	Options		
		Number	Exercise Price	Expiry
Existing Current Capital Structure	40,675,005	2,250,000	25 cents	31 July 2012
		100,000	20 cents	31 July 2014
		400,000	17 cents	1 January 2015
To be issued by Syrah to the Jacana Vendors as consideration for the Jacana Acquisition	60,000,000	15,000,000	Refer to Section 1.7 for Consideration Option terms and Schedule 2.	
To be issued by Syrah to Syrah Directors	-	2,000,000	Refer above for details	
To be issued by Syrah for a Capital Raising (based upon the maximum share issue)	40,000,000	-	Refer above for details	
Capital Structure following completion of Jacana Acquisition and Capital Raising shares	140,675,005	19,750,000	Refer above for details	

Recommendation

Your Directors unanimously recommend that you vote in favour of this Resolution.

1.12 Resolution 12 - Sale of 90% of Saudi Arabian subsidiary

Reasons for requirement of shareholder approval

As announced to ASX on 7 November 2011, the Company has entered into an agreement to sell 90% of the shares in SRSA, via the sale of its Australian incorporated subsidiary SRKSA. SRSA holds as its main asset applications for 26 Exploration Licences to authorise it to undertake minerals exploration and mining activity in the Kingdom of Saudi Arabia.

Under the agreement, the consideration to be received by the Company for the sale of 90% of SRSA will be \$700,000 in cash payable upon completion, together with certain expenditure commitments on the Exploration Licence applications as described below. The sale is conditional on several conditions precedent common to a transaction of this nature, including the completion of satisfactory due diligence, execution of a formal sale agreement and shareholders agreement and the satisfaction of the relevant regulatory approvals (Saudi Arabian, Singaporean and Australian).

The purchasers are a syndicate of Saudi Arabian and Australian investors, who will incorporate a company in Singapore to be the purchaser to be called Arabian Nubian Resources Pte Ltd.

The directors and executive management of SRSA will be appointed nominees of Arabian Nubian Resources from completion of the proposed sale.

The Company will retain a direct 10% interest in SRSA. This 10% interest will be held on a 'free carried' basis until the later of:

- (a) the achievement of a liquidity event, being the future sale or listing of SRSA or its assets; or
- (b) Arabian Nubian Resources having sole funded SRSA's operations to a total expenditure of \$1.25 million.

Following which, the Company and Arabian Nubian Resources Pte Ltd (through SRKSA) will jointly contribute to the capital requirements of SRSA in proportion to their respective interests.

Shareholders of the Company will not be entitled to a pro-rata issues of shares in SRSA or in any subsequent entity that is listed which has an interest in it or its assets for the purposes of ASX Listing Rule 11.4.1(a). But, if a liquidity event occurs, Arabian Nubian Resource Pte Ltd must use all reasonable endeavours to procure that the shareholders of the Company have a priority right to participate for up to \$2 million of any associated capital raising.

The Company has granted the purchaser an exclusivity period of 45 days form 15 November within which to enter into long form documentation for the transaction.

The Company's and Arabian Nubian Resources Pte Ltd's joint interests in SRSA will be governed pursuant to a shareholders agreement setting out the terms of SRSA's governance and their respective obligations and responsibilities, including capital contribution obligations, the provision of budgets and reports and business operational decisions.

The Company views the sale of SRKSA to Arabian Nubian Resources Pte Ltd as an opportunity to reinvigorate the Company's Saudi Arabian interests under the direction of a new majority shareholder with demonstrated experience in the Saudi Arabian market. In particular, the free carried component of the arrangement allows the Company to pass-off much of the initial start-up costs that would have ordinarily been incurred in procuring the grant of the Exploration Licenses and initial exploration expenditure, local employment and administration costs.

Recommendation

In consideration of the above, the Directors consider that it is in the interests of the Company and all shareholders that this Resolution be passed. The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 12.

1.13 Resolution 13 – Appointment of Company Auditor

Reasons for the requirement for shareholder approval

The Company announced on 6 May 2011 that Brad Taylor of Grant Thornton Audit Pty Ltd had been appointed as the Company's auditor to replace Melanie Leydin of Leydin Freyer Audit Pty Ltd, who had resigned in accordance with auditor rotation requirements under the Corporations Act.

The Company must appoint an auditor of the Company to fill any vacancy in the office of auditor at the next AGM following the resignation of the auditor. The appointment of a new

auditor is subject to approval of the shareholders at the AGM. The Company has received a notice of nomination of Brad Taylor of Grant Thornton Audit Pty Ltd as the auditor of the Company, and he has consented in writing to doing so. A copy of this notice of nomination is set out below in Schedule 5.

Recommendation

Your Directors unanimously recommend that you vote in favour of this Resolution.

2. Information about Syrah

2.1 Background

The Company is a mining exploration company which listed on the ASX in 2007 (ASX: SYR). It is currently focused on conducting mineral exploration in Australia.

2.2 Current activities

The status of the Company's current business activities is:

- (a) **Lyndhurst Project (50% interest):** In September 2009, the Company entered into two joint venture arrangements with Zurich Resources Pty Ltd under which Zurich has committed to fund the exploration program for copper for the two exploration licences that comprise the Lyndhurst Project (EL3522 and EL3550 in South Australia). Zurich has currently earned a 50% interest in both licences and has elected to earn 80% ownership through the completion of a feasibility study on each licence.
- (b) **Saudi Arabia:** The Company currently has a portfolio of twenty-six exploration licence applications in progress with the Saudi Arabian Deputy Ministry for Mineral Resources. The licence applications cover a range of gold and copper prospective mineral belts and occurrences across the Arabian Shield. The total area of the licence applications amounts to approximately 2,200 km². The Company has entered into an MOU for the sale of a 90% interest in its Saudi Arabian subsidiary which holds the applications, as described in Resolution 12.

2.3 Assets and cash position

The Company's last stated net assets was A\$1,987,974 as per the Company's audited financial statements for the full year ended 30 June 2011.

On 4 April 2011, the Company completed a successful share placement of 5,175,000 new Shares at A\$0.105 per Share to sophisticated investors raising A\$543,375 before costs for working capital. As stated in the Company's Annual Report for the period ending 30 June 2011, the Company's cash position at 30 June 2011 was A\$1.079 million.

As at the date of this Explanatory Memorandum, the Company had 40,675,005 Shares on issue, giving it a market capitalisation of approximately A\$3.38 million (based on the last traded Share price at the ASX close on 27 October 2011).

2.4 Current Board of Directors

The current Board comprises Tom Eadie, Alistair Campbell and Terry Lees. The background to the individual Board members is as follows:

*Tom Eadie, Chairman,
B.Sc. (Hons), M.Sc, F.AusIMM, SA Fin*

In addition to being the Chairman of the Company, Tom Eadie is also the Executive Chairman of Copper Strike Limited, an ASX-listed, base metal explorer in eastern Australia. Copper Strike Limited holds 9,000,000 shares in the Company.

Prior to his role at Copper Strike and the Company, Tom had twenty years of experience within the junior resources sector, including one year running Austminex NL, and at technical to senior executive levels with major mining companies including Pasminco, Aberfoyle Resources and Cominco. At Pasminco, he was Executive General Manager – Exploration & Technology for 11 years. At Aberfoyle, he began as Chief Geophysicist before being put in charge of all mineral sands and base metal exploration. He is a past board member of Royalco

Resources Limited, the Australasian Institute of Mining and Metallurgy and the Australian Mineral Industry Research Association.

Tom has a B.Sc. (Hons) from the University of British Columbia, a M.Sc. in Physics (Geophysics) from the University of Toronto and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (now the Financial Services Institute of Australasia).

Tom currently holds directly (or through related entities) 9,200,005 shares and 500,000 Employee Options. As set out in Resolution 8, it is proposed that Tom is to receive a further 1,000,000 Employee Options.

***Alistair Campbell, Managing Director,
BEng (Mining), GDipAppFin, SA Fin, MAusIMM***

Alistair Campbell is a mining engineer with 28 years mining industry experience. Alistair was the founding Director of Austgold Mine Consulting Pty Ltd, a successful mining consultancy for 7 years. Prior to this, Alistair had 18 years of direct industry experience with Ross Mining NL, Barrack Mines Ltd and Western Mining Corporation Ltd across a diverse range of roles up to Resident Manager and General Manager level. Alistair holds Mine Manager Certificates for both WA and Qld. Alistair has broad experience across open cut and underground metalliferous mining projects ranging from direct management of mining operations to an extensive range of scoping and feasibility studies and due diligence assessments.

Alistair has a B.Eng (Mining) from Curtin University (WA School of Mines), a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (now the Financial Services Institute of Australasia), and a Graduate Diploma in Business Administration from Curtin University.

Alistair currently holds directly (or through related entities) 1,225,000 shares and 1,000,000 options, having exercised 1,000,000 options and received 1,000,000 fully paid shares at a cost of \$40,000 as disclosed on the ASX on 4 July 2011. If the Jacana Acquisition completes Alistair will receive 900,000 Consideration Shares and 225,000 Consideration Options and he will resign as Managing Director but will be reappointed as a Director after the Annual General meeting. As set out in Resolution 10, subject to shareholder approval, it is proposed that he will receive 500,000 Employee Options upon his re-appointment.

***Terry Lees, Exploration Director,
B.App.Sc (Geol), M.Sc (Geol), M.Env., FAIG***

Terry Lees has over 30 years experience in exploration and mine geology, much of this with a lead-zinc and copper-gold focus and exposure to diverse geological terrains. His expertise includes management of exploration teams and programs, risk analysis in exploration and development, and extensive knowledge of global mineral deposits.

Terry spent nearly 3 years in academic research into mineral deposits, at Melbourne and Monash Universities, principally with the predictive mineral deposits Co-operative Research Centre. This involved extensive research on ore deposits and geology, including roles as Program Coordinator and Senior Research Fellow.

Terry has an Applied Geology degree from RMIT, Masters degrees in Geology (University of Tasmania) and Environment (University of Melbourne), and is a Fellow of the Australian Institute of Geoscientists.

Terry currently holds directly (or through related entities) 260,000 Shares and 500,000 Employee Options. If the Jacana Acquisition completes Terry will resign as a Director.

2.5 Current outlook for the Company

Over the past two years, Syrah has principally focussed its efforts on Saudi Arabia, with the lodgement of 26 applications for Exploration Licences covering over 2,200km² in the Arabian Shield of Saudi Arabia. During this time, all of the Company's projects in Australia have been either been relinquished (Archie-McKenzie, Levuka, Norfolk, Munna) or farmed-out through joint ventures with third parties (Lyndhurst).

It is Syrah's belief that the ground underlying the Company's applications for exploration licences in Saudi Arabia is highly prospective for gold and in some cases copper. However, none of the Company's applications have yet been granted meaning Syrah has not been permitted to commence field activity or obtain exploration results. Given the regulatory regime in Saudi Arabia, it is difficult to forecast with any certainty when the applications for exploration licenses will be granted by the relevant Saudi Arabian authorities. To expedite matters, the Company has entered into an MOU for the sale of a 90% interest in its Saudi Arabian subsidiary which holds the applications, as described in Resolution 12.

The Jacana Acquisition, the subject of Resolutions 4 and 5, contemplates a significant expansion of exploration activities for the Company as discussed in Section 3.

Further information on the Company, its projects and business activities can be accessed online at www.syrahresources.com.au.

3. Details of proposed Jacana Acquisition

3.1 Jacana Acquisition

On 2 November 2011, the Company announced that it had entered into the Jacana Share Purchase Agreement for the purchase of 100% of the issued share capital in Jacana.

Jacana is an Australian incorporated unlisted public company. Jacana has direct and indirect interests in several exploration projects for various minerals in southern and eastern Africa including in Mozambique, Zambia and Tanzania and Botswana. Details of the Tenements are set out in Schedule 3. Note, the Tenements in Botswana are currently subject to a moratorium which means that any applications for coal and sedimentary uranium will not be progressed to prospecting licence stage until the moratorium is lifted.

The key aspects of the Jacana Acquisition (which are subject to the passing of the relevant Resolutions set out in the Notice of Meeting) and as set out in the Jacana Share Purchase Agreement are as follows:

- (a) Syrah will issue 60,000,000 fully paid ordinary shares of the Company to the Jacana Vendors at a deemed issue price of A\$0.075 per share;
- (b) Syrah will issue 15,000,000 options over fully paid ordinary shares of the Company to the Jacana Vendors on the terms set out in Schedule 2;
- (c) Syrah will acquire all of the issued shares in Jacana from the Jacana Vendors in consideration of the issue of Consideration Shares and the Consideration Options;
- (d) Terry Lees will resign from the Company's Board, and Alistair Campbell will cease as Managing Director but will remain as a non-executive Director following the Meeting;
- (e) Paul Kehoe will be appointed as Managing Director and Mike Chester will be appointed as a Director.

Alistair Campbell, Managing Director of the Company holds approximately 1.5% of the issued shares in Jacana. Under the terms of the Jacana Share Purchase Agreement Alistair Campbell will receive 900,000 of the Consideration Shares and 225,000 of the Consideration Options.

3.2 Material terms of the Jacana Share Purchase Agreement

The material terms of the Jacana Share Purchase Agreement are as follows:

- (a) The Consideration Shares will be fully paid ordinary shares in the capital of the Company and will be quoted on the ASX.
- (b) The Consideration Options will have an exercise price that is the higher of:
 - (i) the price which is 43% above the price of the 5 day VWAP of Syrah Shares prior to the Completion Date under the Jacana Share Purchase Agreement; and
 - (ii) 15 cents.

The Consideration Options will be exercisable at any time commencing from the date which is 12 months from the Completion Date up to and including the date which is 4 years from the Completion Date.

- (c) In addition to the requisite Shareholder approvals, completion of the Jacana Acquisition is conditional on the following conditions precedent:
 - (i) there having been no breach of certain warranties by the Jacana Vendors; and

- (ii) no material adverse effect having occurred prior to completion with respect to Jacana, which includes any event which is likely to have a material adverse effect on the business or assets of Jacana such as the termination or expiry of the any of the Tenements unless required by law or forced to do so by any overseas Government agency (in which case Jacana will first consult with the Company).
- (d) The acquisition includes two subsidiaries of Jacana in Tanzania and Zambia.
- (e) Jacana may have up to \$350,000 of potential liabilities at the time of completion of the Jacana Acquisition.
- (f) Subject to the parties using their respective reasonable endeavours, if the conditions precedent are not satisfied or waived by 31 December 2011, the Company or the Jacana Vendors are entitled to terminate the Jacana Share Purchase Agreement by notice to the other parties. In addition, the Company may terminate the Jacana Share Purchase Agreement if there is a material breach of warranty by Jacana before completion which is not remedied or if a material breach of the pre-completion covenants occurs.

The Jacana Share Purchase Agreement contains other warranties, limitations of liabilities and terms and conditions usual to a transaction of the similar nature.

3.3 Jacana's Tenements

Jacana currently holds directly those of the Tenements which are located in Botswana. The details of these and the other Tenements to be acquired through the Jacana Acquisition (and completion of the relevant Material Contracts) are described in Section 4.

3.4 Board Changes

Upon Resolutions 4 and 5 being passed and completion of the Jacana Acquisition, the Company will appoint the New Directors to the Board. Details of the New Directors are set out in Section 4.3

Terry Lees will cease to be a Director as at the date of appointment of the New Directors and Alistair Campbell will cease to be Managing Director, but will be reappointed as a Director after the Annual General meeting.

Under the terms of his engagement Terry Lees will be eligible to receive 3 months salary upon termination of his position with Syrah. Under the agreed terms Alistair Campbell will be eligible to receive 6 months salary upon termination of his position as Managing Director with Syrah.

3.5 Jacana Acquisition Timetable

The indicative timetable in relation to the Jacana Acquisition is expected to be as follows:

Event	Date
Signature and announcement of Jacana Acquisition	2 November 2011
Dispatch of Notice of General Meeting	14 November 2011
Date of General Meeting	14 December 2011
Estimated completion of the Jacana Acquisition including issue of Consideration Shares and the Consideration Options	21 December 2011
Appointment of New Directors	22 December 2011

*The Directors may amend the timetable according to the circumstances.

3.6 Capital Structure Aspects

Please refer to the Explanatory Memorandum at Section 1.11 for Resolution 11 for details of the Company's capital structure prior to and following the Jacana Acquisition.

3.7 Pro forma consolidated statement of financial position

A pro-forma statement of financial position of the Company post the Jacana Acquisition is set out in Schedule 1 of the Explanatory Memorandum.

3.8 The benefits and risks associated with the Jacana Acquisition

The Directors believe that the following benefits to the Company are likely to arise in relation to the Jacana Acquisition:

- (a) Jacana's portfolio of exploration projects is highly prospective for a diverse range of commodities including graphite, vanadium, coal, base metals, precious metals and uranium. The probabilities of exploration success with a portfolio of this size and diversity are strongly enhanced.
- (b) The acquisition of Jacana will permit exploration to commence immediately on granted tenements held by Jacana. This will permit a higher percentage of Shareholder funds to be used for exploration activities in the near future.
- (c) The Balama graphite project is regarded as highly promising with strong potential to move quickly to advanced exploration status with a modest exploration program.
- (d) Jacana holds various interests in a substantial tenement package totalling 5,889 km² in south east Africa. See Section 4 for further details.
- (e) Greater geographic diversification with interests in projects located in Mozambique, Zambia, Botswana and Tanzania.
- (f) The Company will be well positioned to gain access to additional project opportunities within the highly prospective mineral belts of south east Africa.

The Directors believe that the following risk factors may arise in relation to the Jacana Acquisition:

- (a) Mineral exploration is a high risk activity and future discoveries of economic mineral deposits cannot be guaranteed.

- (b) The Jacana exploration assets which Jacana has an interest in are generally at greenfields exploration status and have been subject to little modern exploration. However the Balama graphite prospect is regarded as highly promising with strong potential to move quickly to advanced exploration status with a modest exploration program. As such there are as yet no defined reserves or resources on the Tenements. Despite the best efforts of the Company, there is no guarantee of exploration success, and even if there is exploration success, there is no guarantee that development of any such success will be commercially viable.
- (c) Only the Tenements located in Botswana are currently registered in the name of Jacana. Jacana's interest in the other Tenements is pursuant to the Material Contracts as described in Section 4.2, and Jacana's interest in them is dependent on completion of those agreements in accordance with their terms and may be influenced by ministerial discretion, including in relation to the approval of applications and transfers.
- (d) Commodity prices and exchange rates fluctuate and are affected by numerous factors beyond the control of the Company, including demand and production levels. Movements in commodity prices and exchange rates will impact on Jacana's business.
- (e) The Company's success largely depends on the competencies of its Directors and management, particularly their knowledge and ability to operate in the mining industry and the Company's ability to retain these key executives. Background to the New Directors is set out in Section 4.3.
- (f) The Company's ability to raise further funds within an acceptable timeframe, of a sufficient amount, and on terms acceptable to the Company will vary according to a number of factors which may be beyond its reasonable control. These factors include: the results of exploration, subsequent feasibility studies, economic conditions, development and mining, availability of debt and equity financing and the movement in pricing of relevant commodities and exchange rates.
- (g) Given the location of the Tenements in Mozambique, Zambia, Botswana and Tanzania, the following country specific risks may arise in relation to the Jacana Acquisition:
 - (i) the Company's ability to carry on its business in the normal course may be adversely affected by considerations associated with economic, social or political instability or change, hyperinflation, changes in regulatory regimes affecting foreign ownership, Government participation, working conditions, exchange rate fluctuations and/or changes to the mining licensing and regulatory regimes in Mozambique, Zambia, Botswana and Tanzania.
 - (ii) title to the Tenements and the Company's interest in them will be subject to renewal or grant at the discretion of the relevant regulatory authorities. Furthermore, mining tenements and operations are generally subject to specific legislative conditions and governmental edicts from time to time. If for any reason such conditions are unable to be met for whatever reason with respect to the Tenements, this could affect the good standing of the Tenements or restrict their ability to be renewed. Loss of any interest in the Tenements in this way could result in a loss to the Company through the loss of opportunity to discover or develop mineral resources on the Tenements.
 - (iii) the Company's ability to successfully exploit the Tenements commercially will depend on a robust transport and service infrastructure network in Mozambique, Zambia, Botswana and Tanzania to deliver equipment, supplies and resources to and from any mining operations. Development of such

transport or service infrastructure may be unpredictable and not up to the standard generally seen in more developed nations. Material delays in the transportation of equipment, supplies and resources may delay the development of the Tenements and have an adverse effect the Company's business, results of operations and financial condition.

- (iv) Access to and the ability to develop the Tenements may depend on negotiating access and compensation arrangements with local communities and landholders. The ability to successfully conclude those arrangements and the exact quantum of any compensation payable are unknown at the date of this document.

3.9 Reasons to vote for or against Resolutions

The current Board unanimously recommends that Shareholders vote in favour of all of the Resolutions. Possible reasons to vote in favour of the Resolutions include:

- (a) Completion of the Jacana Acquisition will give the Company a launching pad to projects in areas of significant exploration potential in Mozambique, Zambia, Botswana and Tanzania and the potential to expand into other projects in Africa and surrounding African jurisdictions as appropriate.
- (b) Shareholders will gain exposure to a substantial tenement package and a more diversified commodity exposure.
- (c) Given the uncertain progress of the Company's strategy in Saudi Arabia to date, and having considered a number of alternatives for the Company, in the opinion of the current Board the Jacana Acquisition is the most preferable available option for the Company in the present circumstances.
- (d) The proposed appointment of the New Directors will allow the Company's proposed strategy in Africa post-completion of the Jacana Acquisition to be implemented by an experienced senior management team with an exploration and business development track record.

Although the current Board unanimously recommends that Shareholders vote in favour of all of the Resolutions, factors which may lead you to vote against the Resolutions may include the following:

- (a) As part of the Jacana Acquisition, the New Directors are to be appointed to the Board and the Company will commence a new expanded strategy. This will fundamentally change the business and operations of the Company as set out in this Explanatory Memorandum. You should refer to section 3.8 for details of the potential benefits and risks in relation to the Jacana Acquisition.
- (b) The completion of the Jacana Acquisition and the entering into mineral exploration in Africa may result in a higher risk profile for the Company than it has currently. The conduct of exploration activities in Africa may be subject to social, political, geographic and other external risk factors that Shareholders may not be familiar with. Shareholders should refer to Section 3.7 for further details of possible risk factors in relation to the Jacana Acquisition.
- (c) It is the present intention of the New Directors that the Company will conduct a capital raising the subject of Resolution 11 and as described in Section 1.11. The proceeds of that raising will be used for meeting certain payment obligations of Jacana under the Material Contracts, for exploration of the Tenements and working capital. If the Company does not raise sufficient funds under that capital raising, Jacana may

default on its payment obligations under the Material Contracts and the right to acquire the relevant Tenements may be in doubt.

- (d) The issue of the Consideration Shares and Consideration Options, as well as the necessary future capital raising, is likely to result in a dilution to the interests in Syrah of existing Shareholders.
- (e) The Jacana Acquisition will need to be integrated with the current operations of Syrah.
- (f) No assurance can be given that Shareholder returns will be enhanced after completion of the Jacana Acquisition or by the commencement by the Company of business operations in Africa.
- (g) Only the Tenements located in Botswana are currently registered in the name of Jacana. Jacana's interest in the other Tenements is pursuant to the Material Contracts as described in Section 4.2, and Jacana's interest in them is dependent on completion of those agreements in accordance with their terms and may be influenced by ministerial discretion, including in relation to the approval of applications and transfers.

3.10 Intentions if Resolutions are not passed

If Resolutions 4 and 5 set out in the Notice of Meeting are not approved by Shareholders, and if Resolution 12 is not approved, then the Company's present intention is to continue with its current management and exploration and investment strategy in Saudi Arabia and new project generation activities, and the Jacana Share Purchase Agreement will terminate without any liability to the Company. If Resolution 12 is approved, then the Saudi Arabian operations will be reduced.

4. Information about Jacana, the Jacana Vendors and the New Directors

This Section has been prepared by Jacana and the Jacana Vendors. Neither the Company nor any of its Directors takes any responsibility for any omission from, or any error or false or misleading statement in this Section.

4.1 Information about Jacana

Jacana and the Jacana Vendors have provided the following information with respect to Jacana for the benefit of Shareholders:

- (a) Jacana was registered in Australia on 14 May 2010.
- (b) The board of directors of Jacana comprises Paul Kehoe, Mark Parker and Mike Chester.
- (c) Jacana has direct and indirect interests in the Tenements.
- (d) Jacana's issued share capital is 20 million fully paid shares.
- (e) Other than Paul Kehoe, managing director, Jacana currently has no employees.
- (f) Jacana has not previously prepared any audited financial statements. For the benefit of Shareholders, Jacana has provided the profit and loss statement and balance sheet for the 12 month period ending 30 June 2011 set out in Schedule 4.

4.2 Material Contracts

Jacana has entered into the Material Contracts which are material to its business and future prospects. The Material Contracts provide Jacana with certain interests in the Tenements (other than the Tenements in Botswana which it holds directly). The key terms of the Material Contracts are set out below.

NRR Contract

The NRR Contract governs the right of Jacana to farm into and earn up to an 80% interest in the Mavuzi exploration licence in Mozambique.

The parties agreed that the conditions precedent to the NRR Contract and the establishment of an unincorporated joint venture between Jacana and North River were satisfied as of 19 October 2011.

According to the terms of the NRR Contract:

- (a) Jacana has the right to earn a 51% interest in the Mavuzi tenement by exploration expenditure of US\$400,000 within 12 months from 1 January 2012;
- (b) Jacana has the right to earn an additional 19% interest in the Mavuzi tenement by exploration expenditure of US\$1,500,000 within 3 years from completing the first earn-in;
- (c) Jacana has the right to earn an additional 10% interest in the Mavuzi tenement by completing a bankable feasibility study.

Jacana is the manager of the project and has control over the implementation of the exploration program during the earn-in period. If there is a decision to mine and Jacana has earned its full 80% interest in the Mavuzi tenement, then NRR may elect to continue participating with its 20% interest or convert its interest to 1.75% net smelter return royalty.

If Jacana does not complete the exploration for the 51% interest, the NRR Contract will terminate and it will not earn any interest in the tenement.

OmegaCorp Mineraiis Limitada is the registered holder of the Mavuzi tenement. NRR purchased the tenement under a contract dated 24 July 2009 but the registration of the transfer to North River has not yet been completed. The parties are still monitoring the transfer. The commencement of exploration may need to be delayed until that transfer has been completed.

The parties are working towards agreement of a joint venture agreement to be executed by 1 January 2012. The New Directors intend that the agreement will be based on the AMPLA draft unincorporated joint venture agreement.

Under the laws of Mozambique the Government may elect to acquire a 5 % interest in a mine development and possibly a percentage of the offtake. If the Government elects to exercise this right at the time of development then the interest of Jacana and North River will be diluted pro-rata and a state agreement may need to be entered into.

AFE Contract

The AFE Contract governs the acquisition by Jacana of all Tenements other than the Mavuzi tenement, the Lunga tenement and the tenements located in Botswana which are already held by Jacana. The Kapumba Contract governs the acquisition of the Lunga tenement. The AFE Contract and Kapumba Contract are substantially on the same terms.

Under the AFE Contract Jacana has agreed to purchase the tenements and a company called Twigg Exploration & Mining Limitada for the aggregate consideration of A\$925,000 (including a A\$92,500 deposit payable within 67 days of the date of the agreement if Jacana determines to proceed). Under the Kapumba Contract Jacana has agreed to purchase the Lunga tenement for the aggregate consideration of A\$75,000 (including a A\$7,500 deposit payable within 67 days of the date of the agreement if Jacana determines to proceed).

Completion of the agreements is subject to a number of conditions precedent including:

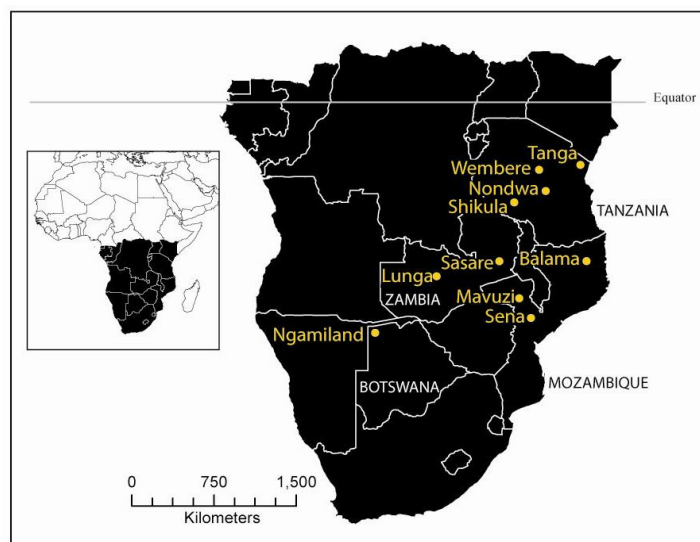
- (a) receipt of all Government approvals for the transfer of the tenements;
- (b) the grant of any of the tenements the subject of the applications;
- (c) the capital raising of at least A\$1 million by the Company;
- (d) approval by the Shareholders of each resolution set out in the Notice of Meeting;
- (e) the warranties of the seller being true; and
- (f) in the case of the Kapumba Contract only, the renewal of the Lunga tenement for a further 2 years from 16 November 2011.

If the conditions are not satisfied within 12 months of the date of the agreement the agreements will terminate and the deposits will be returned to Jacana.

The agreements contain other warranties, terms and conditions usual to a transaction of the similar nature.

4.3 Jacana Project Portfolio

Jacana has 11 exploration projects located in Tanzania (4), Mozambique (3), Zambia (2) and Botswana (2). The total portfolio licence area of 5,889 km² has strong potential for graphite, vanadium, uranium, coal, rare earth elements, base metals, precious metals and heavy mineral sands.



Location map of Jacana's projects

Project	Country	Area	Jacana %	Commodity Targets
Mavuzi	Mozambique	208km ²	Right to earn up to 80% *	Uranium, rare earths, molybdenum, copper, nickel,
Balama	Mozambique	109km ²	Right to 100% *	Graphite, vanadium, titanium, copper, zinc, uranium
Sena	Mozambique	235km ²	Right to 100% *	Uranium
Shikula	Tanzania	197km ²	Right to 100% *	Coal, copper, nickel, uranium
Wembere	Tanzania	459km ²	Right to 100% *	Uranium, diamonds
Tanga	Tanzania	564km ²	Right to 100% *	Mineral sands, uranium
Nondwa	Tanzania	583km ²	Right to 100% *	Uranium
Lunga	Zambia	344km ²	Right to 100% *	Uranium
Sasare North	Zambia	309km ²	Right to 100% *	Uranium
Ngamiland	Botswana	2,881km ²	100%	Uranium
TOTAL		5,889km²		

Jacana projects, land area and commodity targets

*Subject to completion of the Material Contracts.

Balama Graphite Project, Mozambique

Balama is located approximately 240km west of the port town, Pemba in north Mozambique. The Balama project contains an extensive high quality, coarse grained, flake graphite occurrence. Limited thin section analysis indicates that the Balama graphite is coarse flake graphite which attracts a sales premium in the worldwide graphite market. Jacana is optimistic that a high tonnage, high grade, high quality graphite deposit can be delineated at Balama and intend to move rapidly to mineral resource definition drilling.

Limited geochemical sampling was conducted by a past explorer at the Balama project area including rock chip, soil and stream sampling. Fourteen out of fifteen samples were anomalous in vanadium with three samples returning ore grade vanadium results of 12,500ppm, 8,600ppm and 7,000ppm.

Drilling of Balama will commence early in 2012. Jacana is optimistic of being in a position to affirm a JORC compliant mineral resource by the end of 2012.

Mavuzi project, Mozambique

The Mavuzi project is reached by main road within an hour from Tete in central Mozambique. Jacana has a joint venture with AIM listed North River Resources to earn up to 51% of the project by spending US\$400,000 within 12 months (this includes 2,000m of drilling). A further US\$1.5 million expenditure will earn 70% ownership, and completion of a feasibility study will earn 80% equity for Jacana.

The Mavuzi tenement covers an area of known uranium mineralisation. The uranium mineralisation is shear zone hosted vein style davidite in gabbros and anorthosite. Uranium was mined at Mavuzi from 1947 to 1973. Production records indicate that 50t of uranium was extracted to the end of 1950. There are no known production records after 1950. Mining ceased in 1973 due to the Mozambique civil war. It is believed that grades of 1% U₃O₈ were extracted from the Mavuzi mine from assessment of historical records.

The only modern drilling to date at Mavuzi has been around the old mine area and immediate surrounds. Past drilling results include:

- Mavuzi Mine - 2m @ 3,400ppm U₃O₈, within 8m @ 1,000ppm U₃O₈ from 30m down hole with a maximum value of 4,600ppm U₃O₈.
- Airport Prospect - 7m @ 300ppm U₃O₈ from 31m down hole with highest values up to 1,000ppm U₃O₈.
- Kaboazi Creek Prospect – Two mineralised zones revealed – the first from 1m down hole, with values of up to 700ppm U₃O₈ within 6m of 270ppm U₃O₈. The second zone included values up to 1,300ppm U₃O₈ from 26m down hole within 4m @ 500ppm U₃O₈.

Drilling has only covered 4km of a 10km strike zone along the Mavuzi fault. There are known outcropping uranium occurrences which remain to be tested. The mapped ground radiometric anomaly at Castro/Inhatobui is approximately four times the size of the ground radiometric anomaly that covers the old Mavuzi mine area.

Sena project, Mozambique

The Sena region is 4 hours drive from Tete in central Mozambique. The area is secured by a single prospecting licence covering 236km².

The Sena region is an Upper Cretaceous aged sedimentary basin overlying radioactive acid volcanics. Available literature suggests that much of the basin had a deltaic origin. The model for this geological setting is sandstone hosted uranium. Reprocessed data generated from an airborne radiometric survey revealed two main uranium radiometric occurrences on the Sena tenement. Radon in soil testing revealed a strong anomaly over the southern radiometric

anomaly which provides good evidence of the presence of uranium mineralisation. The tenor of the signature was the same as that of the nearby historic Mavuzi uranium mine.

Shikula Project, Tanzania

The nearest city to the Shikula project is Mbeya located approximately 30km from the project area. The Shikula project is currently covered by an application. There are no known impediments to the granting of a prospecting licence which is anticipated in the near future.

The Shikula licence covers a small part of a known coal field at its eastern extremity, but a significant area of the basin in which the coal is hosted. Exploration programs will test whether additional coal exists underneath cover in the remaining basinal area.

The Rukwa Basin contains several uranium occurrences. The Shikula licence area contains numerous unconformities and therefore is considered prospective for unconformity style mineralisation, as well as the sandstone hosted and roll front style uranium deposits. Countrywide radiometric data shows numerous areas that warrant further investigation.

Wembere Project, Tanzania

The Wembere project is located in central Tanzania. The project comprises 3 prospecting licences covering a large radiometric anomaly. An additional application extends the landholding to a total area of approximately 459km².

The Wembere depression is a sedimentary basin associated with fertile granites. An airborne uranium radiometric anomaly occurs on one of the tenements and is approximately 22km in length.

Jacana has conducted field investigations of the project area. It was observed that a calcrete horizon of at least 13m thickness is present over a large area. The calcrete shows high radioactivity (up to 120cps) measured by handheld spectrometer.

Tanga Project, Tanzania

The Tanga project is located on the Tanzanian coast, near the Kenyan border. The port town of Tanga lies about 50km southeast of the project location. The project areas are secured by two prospecting licences.

The Tanzanian coastline has been explored for heavy mineral sands by past explorers. Known prospects extend from Dar es Salaam to the Tanga region. The world class Kwale deposit (146Mt @ 4.89% heavy minerals) is located around 70km north of the Tanga project area. The potential for heavy mineral sand concentrations at Tanga is considered excellent based upon the understanding of the deposition at Kwale and the similar geological environment at Tanga. A number of other mineral sands deposits have been delineated to the south of Tanga on the Tanzanian coastline.

The Tanga licences cover a broad area of flat lying, poorly exposed Karoo rocks comprising mudstones, sandstones and conglomerates. Road cuttings in the region show alluvial cover of less than 2m. The licences contain a known uranium occurrence based on airborne radiometric survey performed for the Tanzanian Government. Jacana conducted a traverse of the area by hand held spectrometer and obtained a surface sample grade of 60ppm U. The uranium model for this geological setting is sandstone hosted.

Nondwa Project, Tanzania

Nondwa is located approximately 85km south west of Dodoma, the national capital of Tanzania. The project consists of 3 licence applications which are anticipated to be processed within a few months, and a granted prospecting licence.

Nondwa is situated on the southern edge of the Bahi basin in central Tanzania, a known uranium province. Uranex has reported a mineral resource of 14Mt at 218 ppm for 6.7 million pounds contained of U₃O₈ at its Bahi project. Mantra Resources' Bahi North project located

60km to the north of Nondwa returned values of between 130ppm and 471ppm U₃O₈ from grab samples.

The potential for uranium mineralisation at Nondwa is considered favourable. The south Bahi basin is surrounded by granites which are the source of uranium in this district. Drainage systems pass through and over these granites and advance into the Bahi south basin. The model for this setting is a playa lake / calcrete style of uranium deposition. Jacana traversed part of the licence area with a hand held spectrometer and received encouraging readings.

Lunga Project, Zambia

The Lunga project is located in the Lunga Basin in Central Zambia, approximately 320km southwest of the capital city, Lusaka and 200km south of the Zambian Copperbelt. The project is secured by a single licence with an area totalling 344km².

The Lunga Basin is poorly understood due to the lack of rock outcrop. The area is underlain by sediments of the Katanga Supergroup which host the major stratiform sediment hosted Cu-Co deposits of the Zambian Copperbelt. Uranium mineralisation is also known in the Katanga Supergroup. The Lumwana IOCG deposit, which also hosts a significant uranium component, is the best known example of this.

The Lunga project anomaly was identified as a result of an airborne geophysical survey. The morphology of the anomaly is strongly suggestive of a drainage pattern. Jacana has since confirmed radioactivity by hand held spectrometer and field observations indicate that at least some of the radioactivity occurs in surface laterite and ferricrete, which is suggestive of a secondary enrichment phase, a positive factor for uranium exploration.

Sasare North Project, Zambia

The project is located approximately 450km east of Lusaka. The project area is secured by a granted licence covering 309km². Part of the licence covers the South Luangwa National Park.

The Sasare North project is located in the Lungwa valley of Zambia which is part of the same Karoo rift system which hosts the Mutanga, Chirundu, Kanyemba and Kayelekera uranium deposits.

An airborne radiometric survey revealed a large area of uranium anomalism in the northeast of the tenement of approximately 16km long and 8km wide. The anomaly shown is outside the South Luangwa National Park but is also likely to continue into the National Park. The inferred geology of the project area is Madumabisa mudstone underlying Escarpment Grit sandstones. The Escarpment Grit hosts all currently known Karoo sandstone hosted deposits in Zambia.

Ngamiland project, Botswana

Jacana has been active in securing projects prospective for uranium in the Ngamiland region of Botswana which has not been subjected to any significant modern exploration.

4.4 Proposed Exploration Program

The exploration priority over the year following completion of the Jacana Acquisition, will be the intended drill program at the Balama graphite/vanadium prospect with the target of defining a JORC compliant resource to support an early, scoping level economic assessment. Expanded geochemical surveys will also be conducted at Balama to follow-up anomalous indications of vanadium, copper and zinc in the project area.

A drilling program will also be conducted at Mavuzi where outcropping uranium targets at Castro and Inhatobui warrant early testing. Regional geochemical sampling will be conducted on the syenites to determine the rare earth element, niobium and zirconium potential. The copper and nickel anomalies will be field checked. Existing geochemical data will be

reviewed and additional work performed such that gold, silver and platinum anomalies can be investigated further.

Field mapping, trenching and ground radiometric surveys will be conducted on the Wembere, Lunga, Sasare North, Sena and Tanga uranium targets. These are relatively grass roots targets and further work is needed to prove up drilling targets in these areas. This work can be carried out at relatively low cost. In addition, the mineral sands potential of the Tanga region will be investigated.

4.5 Information about the proposed New Directors

The Jacana Vendors have provided the following information with respect to the proposed New Directors for the benefit of Shareholders:

Paul Kehoe

B.Bus (Acc.) CA. Grad.Dipl.sci (with First Class Honours) MAusIMM

Paul is both an accountant and a geologist. As a Chartered Accountant with a Bachelor of Business (Accounting Degree) he worked in senior management roles in firms such as PricewaterhouseCoopers and Grant Thornton. His area of expertise was corporate finance and restructuring.

He subsequently returned to university to study geosciences and completed his first class honours in geology. Paul worked for a group of ASX listed resource companies and performed company secretarial functions, business development and geology roles. Paul currently holds 1,322,852 shares in the Company. He will receive 18,812,148 Shares and 4,703,034 Consideration Options if the Jacana Acquisition completes.

Paul is the Managing Director and founder of Jacana.

Mike Chester

B. Com, ACA

Mike Chester has 27 years experience in the areas of investment banking, mining company research and analysis and funds management with companies including Salomon Smith Barney/County Natwest and McIntosh Securities.

Mike was a top rated mining analyst for many years prior to moving into corporate advisory/investment banking roles. He has originated IPO's and equity placements across the industrial and mining sectors for listed and unlisted entities, and has significant expertise in financial modelling, funds management and project analysis. In addition, he has provided corporate advisory and investor relations services for a number of industrial and resources companies. He will receive 4,283,334 Shares and 1,070,833 Consideration Options if the Jacana Acquisition completes, through his related entity MicJud Pty Ltd. Mike is also to receive 500,000 Employee Options if Resolution 9 is passed.

Mike is a non-executive director of each of the following ASX listed entities: NuCoal Resources NL, Guildford Coal Limited and Blackfire Minerals Limited. He was appointed a director of Jacana in September 2011.

4.6 Remuneration of the New Directors

The New Directors will receive the remuneration as set out in Section 1.10.

5. GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

"**AFE Contract**" means the New Asset Purchase Agreement dated 25 October 2011 between Jacana and African Eagle Resources plc;

"**ASIC**" means the Australian Securities and Investments Commission;

"**ASX**" means ASX Limited or the Australian Securities Exchange, as the context requires;

"**AEDST**" means Australian Eastern Daylight Savings Time.

"**Board**" means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

"**Company**" means Syrah Resources Limited ACN 125 242 284;

"**Consideration Shares**" 60,000,000 fully paid ordinary shares in the Company at a deemed issue price of A\$0.075 per share;

"**Consideration Options**" 15,000,000 options over fully paid ordinary shares in the Company on the terms set out in Schedule 2;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a Director of the Company;

"**Employee Options**" means options to acquire shares in the Company issued under the Syrah Employee Option Plan.

"**Jacana**" means Jacana Resources Limited ACN 143 661 536;

"**Jacana Share Purchase Agreement**" means the share purchase agreement dated 2 November October 2011 entered into between the Company and each of the Jacana vendors for the purchase of Jacana;

"**Jacana Vendors**" means each of the shareholders of Jacana, as listed in the table in Section 1.7;

"**Kapumba Contract**" means the agreement to assign prospecting licence dated 27 October 2011 between Jacana, African Eagle Resources plc, Cobra Copper Limited, Kujima Mining and Exploration Limited and Kapumba Mining Ltd

"**Listing Rules**" means the Listing Rules of the ASX;

"**Material Contracts**" means the NRR Contract, Kapumba Contract and the AFE Contract;

"**New Directors**" means Paul Kehoe and Mike Chester;

"**North River**" means North River Resources (Mavuzi) Limitada, a company registered in Mozambique;

"**NRR Contract**" means the joint venture heads of agreement dated 1 February 2011, as amended on 19 October 2011, between Jacana, North River and its parent North River Resources plc;

"**Remuneration Report**" means the remuneration report which forms part of the Directors' Report of Syrah for the financial year ended 30 June 2011 and which is set out in the 2011 Annual Report;

"**SRKSA**" means Syrah Resources (KSA) Pty Ltd ACN 141 233 098, a company incorporated in Australia and held by the Company as a wholly owned subsidiary.

"**SRSA**" means Syrah Resources Saudi Arabia LLC, a company registered in Saudi Arabia and held by the Company as a wholly owned subsidiary.

"**Syrah Employee Option Plan**" means the executive employee option plan of the Company currently in force; and

"**Tenements**" means the African exploration tenements and applications for tenements in which Jacana has an interest as listed in Schedule 3.

Schedule 1

Consolidated Pro Forma Balance Sheet

	Syrah Consolidated (Audited)	Pro Forma
Cash and cash equivalents	1,079,337	1,237,885
Trade and other receivables	128,449	251,481
Total current assets	1,207,786	1,489,366
Non-Current Assets		
Property, plant and equipment	5,903	7,032
Exploration and evaluation	924,272	5,281,048
Total Non-Current Assets	930,175	5,288,080
Total Assets	2,137,961	6,777,446
Current Liabilities		
Trade and other payables	116,979	135,549
Employee benefits	33,008	33,008
Total Current Liabilities	149,987	168,557
Non-Current Liabilities		
Borrowings	-	120,914
Total Non-Current Liabilities	-	120,914
Total Liabilities	149,987	289,471
Net Assets	1,987,974	6,487,975
Equity		
Issued Capital	7,035,994	11,535,994
Reserves	191,825	191,825
Accumulated losses	(5,239,845)	(5,239,845)
	1,987,974	6,487,975

Notes:

1. Assumptions used in Preparing the Pro Forma Balance Sheet

- (a) Column 1 represents the audited consolidated balance sheet of Syrah Resources Ltd as at 30 June 2011.
- (b) Column 2 represents the Pro Forma consolidated balance sheet of Syrah Resources Ltd taking into account pro-forma transactions in relation to the acquisition of Jacana Resources Ltd. The Pro Forma transactions are made up of the following:
 - (i) The consideration of 60,000,000 new fully paid ordinary shares to be issued with a deemed issue price of \$0.075 cents per consideration share. \$4,500,000 has been allocated to issued capital, and \$4,500,000 allocated to the Investment in Jacana Resources Ltd, in the accounts of Syrah Resources Ltd.
 - (ii) The inclusion of the unaudited Jacana Balance Sheet as at 30 June 2011.
 - (iii) On consolidation the goodwill recognised has been deemed to be the fair value of the exploration assets acquired as part of the acquisition of Jacana Resources Ltd.

Schedule 2

Consideration Option terms

Entitlement to ordinary Shares

1. Subject to any adjustments referred to below, the Option Holder is entitled on payment of the Exercise Price to one fully paid ordinary Share in the capital of Syrah Resources Limited (*Purchaser*) for each Consideration Option exercised.

Exercise period

2. The Consideration Options are exercisable during the "Exercise Period", being the period commencing from the date which is 12 months from the Completion Date under the Jacana Share Purchase Agreement up to and including the date which is four years from the Completion Date.

Exercise of Consideration Options

3. The Consideration Options are exercisable at any time during the Exercise Period by the Option Holder completing and signing the Consideration Option Exercise Notice (in a form agreed by the Purchaser), and lodging the Consideration Option Exercise Notice together with a bank cheque for the total Exercise Price for the number of Consideration Options exercised, with the Purchaser.

Shares issued on exercise of Consideration Options

4. The Purchaser will issue fully paid ordinary Shares pursuant to the exercise of Consideration Options within 15 Business Days after receiving a validly executed Consideration Option Exercise Notice and the Exercise Price payable in respect of the Consideration Options exercised.
5. Shares issued on exercise of the Consideration Options will rank equally in all respects with all other fully paid ordinary shares of the Purchaser on issue at the date of issue.
6. If shares of the Purchaser are listed for quotation on the Australian Securities Exchange ("ASX") at the time of exercise of the Consideration Options, the Purchaser will apply for official quotation on the ASX of any shares issued on exercise of the Consideration Options within a reasonable time after the shares are allotted, and in accordance with the ASX Listing Rules.

New issues of securities

7. An Option Holder will not be entitled to participate in a new issue of shares or other securities made by the Purchaser to holders of its issued shares unless the Consideration Options are exercised before the record date for determining entitlements to the issue.
8. If shares in the Purchaser are listed for quotation on the ASX and there is a pro rata issue (except a bonus issue) to the holders of such shares, the Exercise Price will be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

$$N + 1$$

O' = the new Exercise Price of the Consideration Option.

O = the old Exercise Price of the Consideration Option.

- E = the number of shares in the Purchaser into which one Consideration Option is exercisable.
- P = the average market price per share (weighted by reference to volume) of the shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for the share under the pro rata issue.
- D = the dividend due but not yet paid on the existing shares in the Purchaser (except those to be issued under the pro rata issue).
- N = the number of shares in the Purchaser with rights or entitlements that must be held to receive a right to one new share.

9. If the Purchaser makes a pro rata bonus issue of shares to its Shareholders prior to a Consideration Option being exercised, and the Consideration Option is not exercised prior to the record date for the issue, the Consideration Option will, when exercised, entitle the holder to one share in the Purchaser plus the number of bonus shares which would have been issued to the holder if the Consideration Option had been exercised prior to the record date.
10. Subject to clauses 5 and 6 of these Terms and Conditions, the Exercise Price and the number of shares over which a Consideration Option can be exercised, cannot be amended.

Capital reorganisations

11. If there is a reorganisation of the capital of the Purchaser, the number of Consideration Options and/or the Exercise Price of the Consideration Options will be correspondingly reorganised in a manner, which is permissible under, or necessary to comply, with the ASX Listing Rules in force at the relevant time.
12. Subject to the above paragraph, if there is a reorganisation of the capital of the Purchaser, the number of Consideration Options and/or Exercise Price will be reorganised as follows:
- (a) Sub-division or consolidation
- If the Purchaser subdivides or consolidates its shares, the Consideration Options will be subdivided or consolidated (as the case may be) in the same ratio as such consolidated shares and the Exercise Price will be amended in inverse proportion to that ratio.
- (b) Return of capital
- If the Purchaser returns capital on its shares, the number of Consideration Options will remain the same, and the Exercise Price of each Consideration Option will be reduced by the same amount as the amount returned in relation to each share on which a return of capital is effected.
- (c) Cancellation of capital that is lost
- If the Purchaser returns capital on its shares by a cancellation of capital that is lost or not represented by available assets, the number of Consideration Options and the Exercise Price is unaltered.
- (d) Pro rata cancellation of capital
- If the Purchaser reduces its issued shares on a pro rata basis, the number of Consideration Options will be reduced in the same ratio as such shares on which the cancellation of capital is effected and the Exercise Price will be amended in inverse proportion to that ratio.

(e) General reorganisation

If the Purchaser reorganises its issued shares in any way not otherwise contemplated by the preceding paragraphs, the number of Consideration Options or the Exercise Price, or both, will be reorganised so that the Consideration Option Holder will not receive a benefit that holders of shares in the Purchaser do not receive.

(f) Notice of adjustment

The Purchaser shall give notice to Option Holders of any adjustments to the number of Consideration Options or the number of shares which are to be issued on exercise of an Consideration Option or to the Consideration Option Exercise Price. Before a Consideration Option is exercised, all adjustment calculations are to be carried out including all fractions (in relation to each of the number of Consideration Options, the number of shares on issue in the Purchaser and the Consideration Option Exercise Price), but on exercise the number of shares issued on exercise of the Consideration Option is rounded down to the next lower whole number and the Exercise Price rounded up to the next higher cent.

Takeovers

13. Notwithstanding any other of these terms and conditions, if a takeover bid within the meaning of the Corporations Act is made for the shares in the Purchaser and the bidder becomes entitled to compulsorily acquire all of the shares in the Purchaser, any options not exercised by the end of the bid period shall lapse and the Expiry Date shall thereupon be deemed to have occurred.
14. Notwithstanding any other of these terms and conditions, if a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Purchaser the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Purchaser, any options not exercised during the period which is 7 days of the court order shall lapse and the Expiry Date shall thereupon be deemed to have occurred.

Transfer of Consideration Options

15. An Option Holder may only transfer Consideration Options in accordance with the Purchaser's Constitution, the Corporations Act, and, if applicable, the ASX Listing Rules and ASTC Settlement Rules in force at the relevant time.

Lapse

16. Unless exercised prior, the Consideration Options will lapse on the Expiry Date or upon the liquidation or dissolution of the Purchaser.

Amendments

17. No amendment to the Terms and Conditions of these Consideration Options can be made without the prior written consent of the Consideration Option Holder and the Purchaser.

Governing Law

18. These Terms and Conditions shall be governed by and construed in accordance with the laws for the time being in force in the State of Victoria.

Schedule 3

Tenements

Project	Title status	Holder	Area	Additional comments
Sena - Mozambique	Exploration Licence 3456L	Twigg Exploration e Mining Ltda	235.7km ²	Subject to Sale Agreement with African Eagle Resources
Balama - Mozambique	Exploration Licence 3230L	Twigg Exploration e Mining Ltda	109.1km ²	Subject to Sale Agreement with African Eagle Resources
Mavuzi - Mozambique	Exploration Licence 890L	Omegacorp Minerais Ltd	208km ²	Subject to joint venture with North River Resources Ltd*
Shikula - Tanzania	Prospecting licence 4518/2007	Twigg Minerals Ltd	197.3km ²	Subject to Sale Agreement with African Eagle Resources
Tanga - Tanzania	Prospecting licence 5661/2009	Twigg Minerals Ltd	70.44km ²	Subject to Sale Agreement with African Eagle Resources
Tanga - Tanzania	Prospecting licence 6041/2009	Twigg Minerals Ltd	494km ²	Subject to Sale Agreement with African Eagle Resources
Nondwa - Tanzania	Application - HQ-P19919	Kiokote Exploration Ltd	120.36km ²	Subject to Sale Agreement with African Eagle Resources
Nondwa - Tanzania	Application HQ-P19920	Twigg Gold Ltd	127.45km ²	Subject to Sale Agreement with African Eagle Resources
Nondwa - Tanzania	Application HQ-P19921	W.G Exploration Ltd	141.49km ²	Subject to Sale Agreement with African Eagle Resources
Nondwa - Tanzania	Prospecting licence 4077/2007	Twigg Minerals Ltd	193.8km ²	Subject to Sale Agreement with African Eagle Resources
Wembere - Tanzania	Prospecting licence 6562/2010	Twigg Gold Ltd	122.49km ²	Subject to Sale Agreement with African Eagle Resources
Wembere - Tanzania	Prospecting licence 6737/2010	Twigg Gold Ltd	61.27km ²	Subject to Sale Agreement with African Eagle Resources
Wembere - Tanzania	Prospecting licence 5738/2009	Twigg Minerals Ltd	183.77 km ²	Subject to Sale Agreement with African Eagle Resources
Wembere - Tanzania	Application HQ-P17711	Twigg Gold Ltd	91.91 km ²	Subject to Sale Agreement with African Eagle Resources
Sasare North - Zambia	PL8271-HQ-LPL,	Katanga Resources	309.5 km ²	Subject to Sale Agreement with African Eagle Resources
Lunga -Zambia	PL13065 –HQ- LPL	Kujima Resources Ltd	344.49km ²	Subject to Sale Agreement with African Eagle Resources and others
Kudixama – Botswana	Application for Prospecting licence PLI28022011150129-1660	Jacana Resources	768.1km ²	Currently subject to moratorium on new licences
Marunga South - Botswana	Application for Prospecting licence PLI28022011150129-1660	Jacana Resources	866.2km ²	Currently subject to moratorium on new licences
Zara - Botswana	Application for Prospecting licence PLI04022011100912-1626	Jacana Resources	397.1km ²	Currently subject to moratorium on new licences
Zara South - Botswana	Application for Prospecting licence PLI04022011100912-1626	Jacana Resources	850km ²	Currently subject to moratorium on new licences

* The tenement is registered in the name of OmegaCorp Minerais Limitada. North River Resources plc, the parent of North River, entered into a sale and purchase or mining agreement on 24 July 2009. The transfer of that tenement was registered on or about 13 June 2011, but has not yet been fully implemented.

Schedule 4

Financial Statements of Jacana

Statement of comprehensive income for the year ended 30 June 2011

	30 June 2011 (Unaudited management accounts)
Revenue	14
Expenses	
Administration expenses	(81,604)
General exploration expenses	(73,025)
Consulting expense	(121,337)
Depreciation and amortisation expense	(125)
Loss before income tax expense	<u>(276,077)</u>
Income tax expense	<u>-</u>
Loss after income tax expense for the period attributable to the owners of Jacana Resources Limited	<u>(276,077)</u>
Other comprehensive income for the period, net of tax	<u>-</u>
Total comprehensive income for the period attributable to the owners of Jacana Resources Limited	<u>(276,077)</u>

Statement of financial position as at 30 June 2011**30 June 2011
(Unaudited management accounts)**

Cash and cash equivalents	158,548
Trade and other receivables	123,031
Total current assets	<hr/> 281,579 <hr/>
Non-Current Assets	
Property, plant and equipment	1,129
Total Non-Current Assets	<hr/> 1,129 <hr/>
Total Assets	<hr/> 282,708 <hr/>
Current Liabilities	
Trade and other payables	18,570
Total Current Liabilities	<hr/> 18,570 <hr/>
Non-Current Liabilities	
Borrowings	120,914
Total Non-Current Liabilities	<hr/> 120,914 <hr/>
Total Liabilities	<hr/> 139,484 <hr/>
Net Assets	<hr/> 143,224 <hr/>
Equity	
Issued capital	422,090
Retained earnings	(2,789)
Current year earnings	<hr/> (276,077) <hr/>
	<hr/> 143,224 <hr/>

Schedule 5

Nomination from shareholder for the appointment of auditor

8 November 2011

Melanie Leydin
Company Secretary
Syrah Resources Limited
Level 9, 356 Collins Street
Melbourne Victoria 3000

Dear Melanie

As a shareholder in the Company, I hereby provide Notice of Nomination of Brad Taylor of Grant Thornton Audit Pty Ltd of Level 2, 215 Spring Street, Melbourne, Victoria, 3000 as the proposed auditor of the Company for consideration of its appointment at the 2011 Annual General Meeting of the Company.



Alistair Campbell