



## **ASX ANNOUNCEMENT**

**19 April 2010**

### **Quarterly Activities Report For the Period Ending 31 March 2010**

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

#### **Highlights**

- **7 additional applications for Exploration Licences applications made in the Arabian Shield, Saudi Arabia.**
- **Total of 19 applications for Exploration Licences in Arabian Shield now in progress.**
- **Joint venture partner recommences field activities Lyndhurst, north Flinders Ranges.**

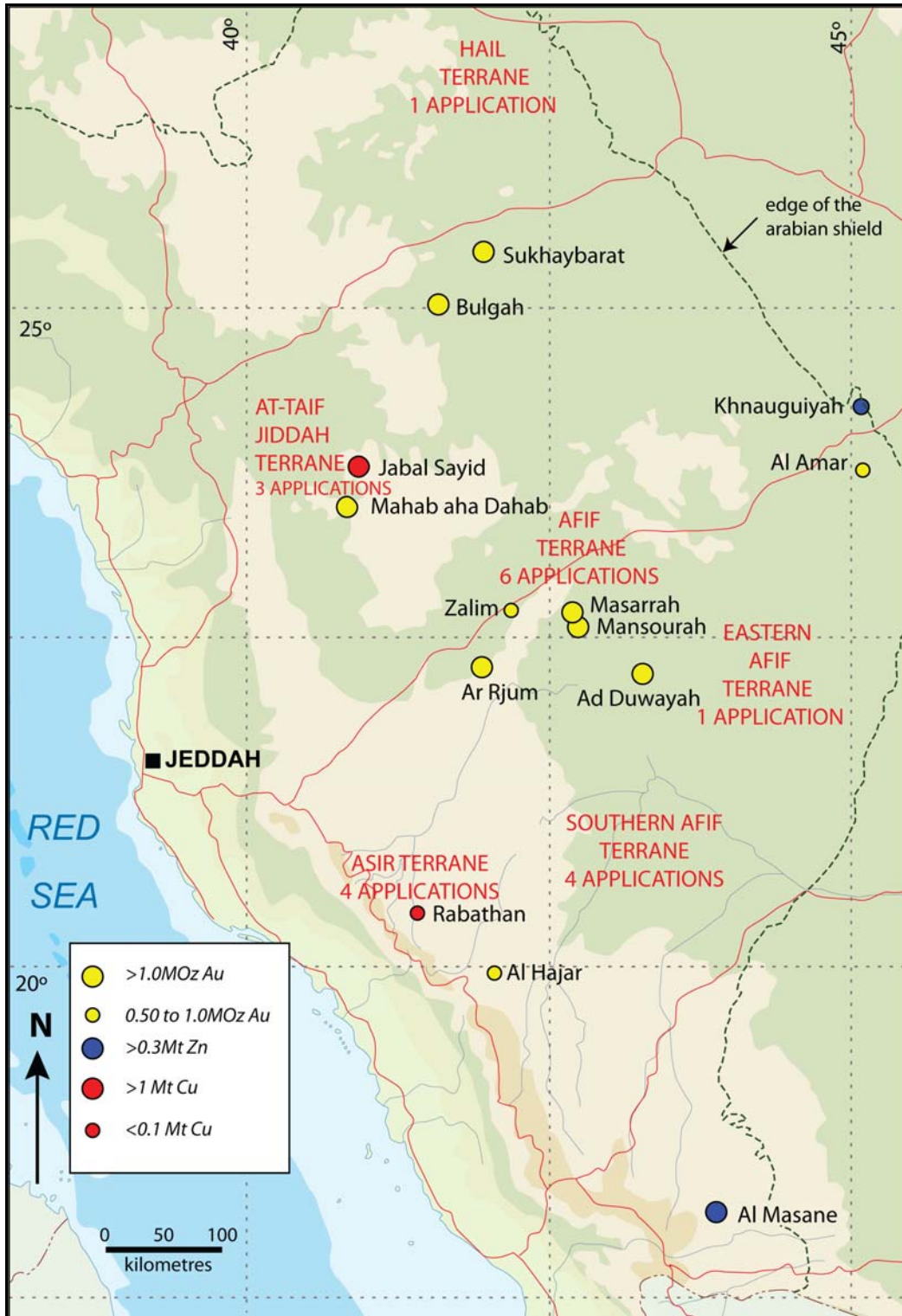
#### **Saudi Arabia**

Syrah submitted 7 new Exploration Licence applications targeting extensions to regional scale structural corridors known to contain significant gold mineralisation. Whilst greenfields in nature, 6 of the applications are contiguous and along strike from known significant gold resources, thus represent a strong strategic and prospective exploration play.

At the end of the quarter, Syrah had a total of 19 Exploration Licence applications within the Arabian Shield being processed by the Deputy Ministry for Mineral Resources (DMMR), with a total aggregate area of 1,700km<sup>2</sup>. The general geographic locations of the applications are shown in Figure 1. The Company will provide more information regarding its application areas once final confirmation of tenure is provided by the Deputy Ministry of Mineral Resources. This may require completion of the exploration licence grant process.

Joint venture documentation to finalise the partnership with Mashoura Company is in progress. A Heads of Agreement with Mashoura was signed in December 2009 under which Syrah will hold 80% ownership and Mashoura 20% ownership of the Saudi tenements.

The Company continues to actively evaluate prospective areas for exploration and new business development opportunities in Saudi Arabia.



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

## **Exploration – Australian Projects**

### Lyndhurst

Joint venture partner Zurich Resources Pty Ltd commenced its field programs on the Lyndhurst and Lyndhurst South tenements in South Australia in December 2009.

Activities completed by Zurich comprised:

- Processing and field interpretation of ASTER data.
- Re-processing of CRAE airborne magnetic and radiometric geophysical data.
- Field evaluation of known prospects and sulphide copper potential.
- Identification and ranking of primary sulphide copper targets.
- First pass stream geochemical sampling.

Evidence of widespread copper anomalism, leached sulphide stockwork zones, copper anomalous jasperoids and widespread sericite and clay alteration found during field reconnaissance has provided encouraging justification for ongoing exploration.

Forward activities planned by Zurich include:

- Detailed prospect mapping.
- Detailed and broader scale SWIR alteration mapping.
- Stream sediment and soil geochemistry.
- Detailed ground magnetic survey.
- 3D IP/Resistivity survey.
- Interpretation and drill targeting.
- Planning of an additional shallow drilling program at the White Lead prospect.

### Archie-Mackenzie & Levuka

Relinquishment of the Archie and Mackenzie exploration licences was completed during the quarter, whilst relinquishment of the Levuka and Levuka South licences is in progress.

## **Finance**

The cash position at 31 March 2010 was \$1.97M.

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

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

Level 9, 356 Collins Street  
Melbourne Victoria 3000

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

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

# Appendix 5B

## Mining exploration entity quarterly report

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

Name of entity

Syrah Resources Ltd

ABN

77 125 242 284

Quarter ended ("current quarter")

March 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(126)	(347)
(b) development	-	-
(c) production	-	-
(d) administration	(132)	(365)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	20	45
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	(14)	(55)
<b>Net Operating Cash Flows</b>	<b>(252)</b>	<b>(722)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	(252)	(722)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(252)	(722)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	810
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(32)
	<b>Net financing cash flows</b>	-	778
	<b>Net increase (decrease) in cash held</b>	(252)	56
1.20	Cash at beginning of quarter/year to date	2221	1913
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	1969	1969

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	69
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 above includes payments to Inkprintz of \$3705 for geological and other services. Inkprintz is controlled by the wife of a director, Mr T Eadie.

**Non-cash financing and investing activities**

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

Nil

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

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

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

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	-
<b>Total</b>	<b>250</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	35	3
5.2 Deposits at call	924	2158
5.3 Bank overdraft	-	-
5.4 Other (provide details) Bank Term Deposits	1010	60
<b>Total: cash at end of quarter</b> (item 1.22)	1969	2221

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EPM 14747		100%	Nil
	EPM 16311		100%	Nil
6.2 Interests in mining tenements acquired or increased	-			

+ See chapter 19 for defined terms.

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

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

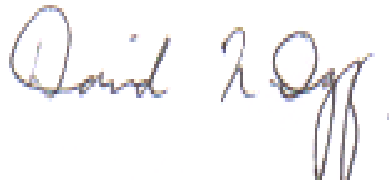
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-		
7.3 <b>+Ordinary securities</b>	34,500,005	34,500,005	FP	FP
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	2,250,000 1,000,000 100,000	- - -	Exercise price 25 cents 4 cents 20 cents	Expiry date 31 <sup>st</sup> July 2012 31 <sup>st</sup> July 2014 31 <sup>st</sup> July 2014
7.8 Issued during quarter				
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

+ See chapter 19 for defined terms.

## Compliance statement

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



19<sup>th</sup> April 2010

Sign here: ..... Date: .....  
(Company secretary)

Print name: David L Ogg  
.....

## Notes

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

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