
Syrah Resources Limited
ACN 125 242 284

Share Purchase Plan Booklet

Eligible Shareholders have the opportunity to participate in the Share Purchase Plan by applying for up to \$15,000 worth of new ordinary shares in Syrah. Details of the offer and how to participate are set out in this Booklet.

This Booklet is not for release or distribution in the United States or, except with the consent of Syrah, elsewhere outside Australia and New Zealand.

KEY DATES

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|--|-----------------------------------|
| Record Date (the time that eligibility to participate in the SPP is determined) | 7pm on Monday, 3 September 2018 |
| Opening Date | Tuesday, 11 September 2018 |
| Closing Date | 5.00pm on Tuesday, 2 October 2018 |
| Issue of New Shares | Tuesday, 9 October 2018 |
| Commencement of trading of New Shares | Wednesday, 10 October 2018 |
| Despatch of holding statements for New Shares | Thursday, 11 October 2018 |

This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and Syrah may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (**ASX**). All times referred to in this Booklet are Melbourne time.

IMPORTANT NOTICE

This Booklet contains important information. You should read it carefully and in its entirety.

The offer of New Shares under the SPP is made in accordance with Australian Securities and Investments Commission (**ASIC**) Class Order 09/425, which grants relief from the requirement to issue a disclosure document for the SPP. This Booklet is not a prospectus under Chapter 6D of the Corporations Act 2001 (Cth) (the **Corporations Act**).

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact Syrah's share registry, Computershare Investor Services Pty Limited (ABN 48 078 279 277) (the **Registry**), at any time between 8.30 am to 5.30 pm Monday to Friday on 1300 850 505 (callers within Australia) or +61 3 9415 4000 (callers outside Australia).

This Booklet does not constitute or provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. If you are in any doubt about whether to participate in the SPP, you should seek advice from your financial, taxation or other professional adviser before participating.

New Zealand

The New Shares under the SPP are not being offered or sold to the public in New Zealand other than to existing shareholders of Syrah with registered addresses in New Zealand to whom the offer of New Shares under the SPP is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

LETTER FROM THE CHAIRMAN

11 September 2018

Dear Shareholder,

On behalf of the Directors of Syrah Resources Limited (**Syrah**), I am pleased to offer you the opportunity to participate in the Share Purchase Plan (**SPP**). The SPP allows Eligible Shareholders to purchase up to \$15,000 worth of new ordinary shares in Syrah (**New Shares**), without incurring brokerage or transaction costs. The SPP aims to raise approximately A\$14 million and is not underwritten. Syrah may determine to raise a higher amount or decide to scale back applications under the SPP at its absolute discretion.

On Tuesday, 4 September 2018, Syrah announced a placement of new ordinary shares (**Placement Shares**) to institutional and professional investors, which raised approximately A\$94 million (**Placement**). Proceeds from the Placement will be used to:

- complete the ramp-up of the Balama graphite operation and fund the operation through to positive cash flow;
- progress Syrah's Battery Anode Material strategy to the end of 2019;
- fund the evaluation of vanadium resource at Balama; and
- fund Syrah's corporate, general and administrative costs, including transaction costs.

Proceeds from the SPP will be allocated to provide Syrah with further balance sheet support.

Further details of the Placement and the SPP, including a summary of some of the key risks associated with holding an investment in Syrah, are set out in the announcement and investor presentation released to the ASX by Syrah on Tuesday, 4 September 2018 (together, the **Investor Presentation**).

Issue Price

The SPP provides Eligible Shareholders with the opportunity to purchase New Shares at an Issue Price of \$2.23 per New Share, being the price at which Placement Shares were issued under the Placement.

You may apply for New Shares in parcels of either \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000 worth of New Shares. Applications may be scaled back at the absolute discretion of Syrah.

New Shares will rank equally with existing Shares.

Participation

Participation in the SPP is optional and is open to Eligible Shareholders who, at 7.00pm (Melbourne time) on Monday, 3 September 2018, were registered as holders of Shares and whose address on Syrah's share register is in Australia or New Zealand.

Eligible Shareholders who are Custodians are also invited to participate in the SPP on the terms and conditions set out in this Booklet.

How to apply

The SPP opens on Tuesday, 11 September 2018 and closes at 5.00 pm on Tuesday, 2 October 2018.

You may apply for New Shares under the SPP by:

- completing and returning the enclosed application form (**Application Form**), together with payment via cheque, by no later than the Closing Date; or
- making payment directly by BPAY, with payment received by no later than the Closing Date (you do not need to return an Application Form under this option). Please note that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

This Booklet contains further information about the SPP, including the terms and conditions of the SPP and various defined terms used throughout this Booklet. The terms and conditions set out the relevant criteria for determining eligibility to participate in the SPP as well as rules and directions relating to applications and payments for New Shares under the SPP. The Board recommends you read this Booklet and the Investor Presentation (in particular the key risks described therein) before deciding whether to participate in the SPP.

On behalf of the Board, I thank you for your continued support of Syrah.

Yours faithfully,



Jim Askew
Non-Executive Chairman
Syrah Resources Limited

SPP TERMS AND CONDITIONS

Important notice

If you apply to participate in the SPP, you accept the risk that the market price of Shares may change between the date of the SPP Offer and the date when New Shares are issued to you under the SPP. As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than the Issue Price under the SPP.

By participating in the SPP, you will be deemed to have accepted, and will be bound by, these terms and conditions.

Unless the context requires otherwise, capitalised terms used in these terms and conditions will have the meaning given to them elsewhere in this Booklet.

1 Offer

1.1 Syrah Resources Limited (**Syrah**) offers each Eligible Shareholder the opportunity to purchase up to \$15,000 worth of new ordinary shares in Syrah (**New Shares**) under the Share Purchase Plan (**SPP**) subject to and in accordance with the terms and conditions set out below (such offer, the **SPP Offer**).

1.2 The SPP Offer opens on Tuesday, 11 September 2018 (**Opening Date**) and closes at 5.00 pm on Tuesday, 2 October 2018 (or such other date as Syrah determines in its absolute discretion) (**Closing Date**).

1.3 The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to any third party.

1.4 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.

1.5 All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

more ordinary shares in Syrah (**Shares**) at 7.00 pm (Melbourne time) on Monday, 3 September 2018 (**Record Date**);

(b) have a registered address in either Australia or New Zealand; and

(c) are not in the United States and are not acting for the account or benefit of a person in the United States.

2.2 Eligible Shareholders who are "custodians" (as defined in paragraph 14 of ASIC Class Order 09/425) (**Custodians**) may participate in the SPP Offer in accordance with clause 4.4.

2.3 The SPP Offer is not made to holders of Shares with a registered address outside of Australia and New Zealand.

3 Joint holders

3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and a certification given by any of them is taken to be a certification given by all of them.

2 Eligible Shareholders

2.1 You are an **Eligible Shareholder** who is eligible to participate in the SPP if you:

(a) were registered on Syrah's share register (**Register**) as a holder of one or

4 Applications for New Shares

4.1 Eligible Shareholders must apply for either \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000 worth of New Shares.

4.2 Eligible Shareholders who wish to apply for New Shares must do so in accordance with either paragraph (a) or (b) below (as applicable):

- (a) **Payment by cheque or bank draft:** if you are paying for New Shares by cheque, bank draft or money order, you must complete and return the enclosed Application Form with payment so that it is received at the following address by no later than the Closing Date:

Syrah Resources Limited
 C/- Computershare Investor Services
 Pty Limited
 GPO Box 505
 Melbourne VIC 3001
 Australia

Cheques must be made payable in Australian dollars to "Syrah Resources Limited" and crossed "Not Negotiable". The cheque must be drawn from an Australian bank. Cash is not accepted. Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account. Cheques may not be re-presented which may result in your Application being rejected.

- (b) **Payment by BPAY:** if you are paying for New Shares by BPAY, refer to the instructions on the enclosed Application Form. Do not return the Application Form if you are paying by BPAY. Payment must be received by no later than the Closing Date.

You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY are received by the Closing Date.

4.3 Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$15,000. For each holding of

Shares, the Customer Reference Number specific to that holding should be used (as set out on the relevant Application Form). Do not use the same Customer Reference Number for more than one holding of Shares.

4.4 If you are a Custodian and wish to subscribe for New Shares for one or more beneficial owners, you may apply for up to \$15,000 of New Share for each such beneficial owner subject to you completing and submitting a certificate that complies with paragraph 9 of ASIC Class Order 09/425 (**Custodian Certificate**) and that confirms the following:

- (a) either:
- (i) you hold Shares on behalf of one or more other persons (each a **Participating Beneficiary**) that are not Custodians; or
 - (ii) another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one or more other persons (each a **Participating Beneficiary**), and you hold the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian,
- on the Record Date;
- (b) each Participating Beneficiary has subsequently instructed you (where subparagraph (a)(i) applies) or the Downstream Custodian (where subparagraph (a)(ii) applies) to apply for Shares on their behalf under the SPP;
 - (c) the number of Participating Beneficiaries;
 - (d) the name and address of each Participating Beneficiary;
 - (e) in respect of each Participating Beneficiary:
 - (i) where subparagraph (a)(i) applies, the number of Shares you hold on their behalf; and

- (ii) where sub-paragraph (a)(ii) applies, the number of Shares to which the beneficial interests relate;
- (f) in respect of each Participating Beneficiary:
- (i) where sub-paragraph (a)(i) applies, the number or dollar amount of Shares they instructed you to apply for on their behalf; and
- (ii) where sub-paragraph (a)(ii) applies, the number or dollar amount of Shares they instructed the Downstream Custodian to apply for on their behalf;
- (g) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds \$15,000:
- (i) the Shares applied for by you under the SPP in accordance with the instructions referred to in paragraph (f); and
- (ii) any other Shares issued to you in the 12 months before the application as a result of an instruction given by them to you or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (h) a copy of these terms and conditions was given to each Participating Beneficiary; and
- (i) where sub-paragraph (a)(ii) applies, the name and address of each Custodian who holds beneficial interests in Shares held by you in relation to each Participating Beneficiary,
- (such certificate, a **Custodian Certificate**).
- Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- 4.5 Syrah and its officers and agents may accept or reject your application for New
- Shares in whole or in part at their discretion including, without limitation, if:
- (a) your application does not comply with these terms and conditions;
- (b) it appears you are not an Eligible Shareholder;
- (c) your Application Form and cheque or BPAY payment is not received by the Registry by the Closing Date;
- (d) if paying by cheque, your Application Form is incomplete or incorrectly completed or is otherwise determined by Syrah to be invalid;
- (e) your cheque is dishonoured or has been incorrectly completed;
- (f) Syrah believes that you are applying to purchase more than \$15,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) or your application is not for an amount specified in clause 4.1;
- (g) payment of the application monies is not submitted in Australian currency or, if payment is made by cheque, the cheque is not drawn on an Australian financial institution; or
- (h) the amount of your cheque or your BPAY payment is not equal to the amount of your application, in which event Syrah will:
- (i) refund in full your application monies and not allot any New Shares to you; or
- (ii) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies.
- 4.6 If you are entitled to a refund of all or any of your application monies, the refund will be paid to you, without interest, as soon as practicable:

- (a) by direct credit to your nominated account (as recorded with the Registry) or by cheque; or
- (b) by returning your Application Form and cheque, if not processed, to your registered address (as recorded with the Registry).

5 Issue Price

- 5.1 The issue price per New Share (**Issue Price**) will be \$2.23 per New Share, being the price at which Placement Shares were issued under the Placement.
- 5.2 The Issue Price represents a 14.2% discount to the volume weighted average market price for Shares over the last 5 trading days of Shares up to and including the Record Date.
- 5.3 The current Share price can be obtained from the ASX and is listed in the financial and business section of major daily newspapers circulating in Australia.
- 5.4 You agree to pay the Issue Price per New Share for the number of New Share calculated under clause 6.1 or, if there is a scale back, the number of New Shares calculated under clause 8.

6 Calculation and issue of New Shares

- 6.1 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares (in accordance with clause 4.1). If your application is accepted, Syrah will divide the value of your application monies by the Issue Price in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- 6.2 If the calculation in clause 6.1 produces a fractional number, the number of New Shares issued to you will be rounded up to the nearest whole New Share.
- 6.3 New Shares will be issued on Tuesday, 9 October 2018 (**Issue Date**).

- 6.4 New Shares issued under the SPP will rank equally in all respects with existing Shares as at the Issue Date.
- 6.5 Syrah will apply to the ASX for quotation of New Shares. It is anticipated that New Shares will be quoted on the ASX immediately after their issue.
- 6.6 The Registry will send holding statements in respect of the New Shares issued under the SPP on or around Thursday, 11 October 2018.

7 Effect of applying to participate

- 7.1 By returning an Application Form or making a payment via BPAY, you (on your own behalf and on behalf of each person for whose account or on whose behalf you are acting, if applicable):
 - (a) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (b) warrant that all details and statements in your application are true and complete and not misleading (including by omission);
 - (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
 - (d) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP, and agree to provide (and, if applicable, direct your nominee or Custodian provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;
 - (e) acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;

- (f) acknowledge that Syrah and its officers and agents are not liable for any consequences of the exercise or non-exercise of discretions referred to in these terms and conditions;
- (g) agree to pay the Issue Price per New Share up to the maximum of:
- (i) the value you have selected on the Application Form; or
 - (ii) the maximum value of your BPAY payment or cheque,
- (as determined by Syrah in its absolute discretion);
- (h) acknowledge and agree that:
- (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (ii) the New Shares have not been, and will not be, registered under the US Securities Act of 1933 (as amended, the **US Securities Act**), and accordingly, the New Shares may not be offered or sold without registration under the US Securities Act except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
 - (iii) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand, and you have not sent this Booklet, or any materials relating to the SPP, to any person outside of Australia and New Zealand;
- (i) if you are applying for New Shares on your own behalf (and not as Custodian), acknowledge and agree that:
- (i) you are not applying for New Shares with an aggregate application price of more than \$15,000 (including any New Shares which a Custodian has applied to purchase on your behalf under the SPP); and
- (ii) the aggregate application price for the following does not exceed \$15,000:
- (A) the New Shares the subject of the application;
 - (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - (C) any other New Shares which you instruct a Custodian to acquire on your behalf under the SPP; and
 - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP,
- even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (j) if you are a Custodian and are applying for New Shares in such capacity, acknowledge and agree that:
- (i) you are a Custodian (as that term is defined in paragraph 14 of ASIC Class Order 09/425); and
 - (ii) the information in the Custodian Certificate submitted with your Application Form is true, complete and not misleading (including by omission);
- (k) accept the risks associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;

- (l) are responsible for any dishonour fees or other costs Syrah may incur in presenting a cheque for payment which is dishonoured;
 - (m) agree to be bound by the constitution of Syrah (as amended and as it may be amended from time to time in the future);
 - (n) represent that you are in compliance with all relevant laws and regulations;
 - (o) acknowledge that Syrah may vary the timetable set out in this Booklet at its discretion by lodging a revised timetable with the ASX;
 - (p) acknowledge that the market price of Shares may rise or fall between the date of the SPP Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;
 - (q) acknowledge that there are risks associated with acquiring and holding Shares, including those described in the Investor Presentation;
 - (r) acknowledge that none of Syrah or its subsidiaries or their respective directors, officers, employees, agents or advisers has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
 - (s) authorise Syrah and its officers and agents to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions and to register you as the holder(s) of New Shares issued to you;
 - (t) acknowledge that Syrah may at any time and in its absolute discretion determine that your application is valid, in accordance with the terms and conditions of the SPP, even if the Application Form is incomplete, contains errors or is otherwise defective;
 - (u) declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP Offer; and
 - (v) authorise Syrah and its officers and agents to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.
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8 Scale back

- 8.1 Syrah may in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including by taking into account, among other factors, the size of your shareholding as at the Record Date).
 - 8.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.
 - 8.3 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.
 - 8.4 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.
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9 Dispute resolution

- 9.1 Syrah may settle, in any manner it deems appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 9.2 The powers of Syrah under these terms and conditions may be exercised by the directors of Syrah or any delegate or representative of them.

10 Variation and termination

- 10.1 Syrah reserves the right at any time to:
- (a) amend or vary these terms and conditions;
 - (b) waive strict compliance with any provision of these terms and conditions;
 - (c) withdraw the SPP Offer or suspend or terminate the SPP;
 - (d) vary the timetable for the SPP, including the Closing Date; and
 - (e) not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more beneficial holders).
- 10.2 Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders even where Syrah does not notify you of that event.
- 10.3 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

11 Privacy policy

- 11.1 Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 11.2 Syrah and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to

holders of Shares, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

- 11.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of Syrah and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 11.4 Computershare Investor Services Pty Limited's privacy policy is available on their website:
www.computershare.com.au

12 Costs of participation

Syrah will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares under the SPP.

13 Underwriting

- 13.1 The SPP is not underwritten.

14 Governing law

- 14.1 These terms and conditions are governed by the laws in force in Victoria. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of Victoria. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in Victoria. Other terms and conditions, and rights and obligations in respect of Shares, are contained in the constitution of Syrah.

14.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.