



SYRAH RESOURCES

Retail Offer Booklet

Syrah Resources Limited
ACN 125 242 284

1 for 5 accelerated non-renounceable entitlement offer of fully paid ordinary shares at an offer price of A\$0.81 per new share

Retail Entitlement Offer closes at 5.00pm (AEST) on Monday, 8 July 2019

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety.

If you have any questions, please contact your professional adviser or call the Registry on 1300 850 505 (for callers within Australia) and +61 3 9415 4000 (for callers outside Australia) at any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.

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Important notices

The Retail Entitlement Offer is being made pursuant to the requirements of section 708AA of the Corporations Act as modified by ASIC Instrument 2016/84. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Retail Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating an investment in Syrah, nor do they contain all the information which would be required to be disclosed in a prospectus.

Future performance and forward looking statements

Neither Syrah nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. This Offer Booklet contains certain forward looking statements. Forward looking statements can generally be identified by the use of forward looking words such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “will”, “could”, “may”, “target”, “plan” and other similar expressions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Offer Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Syrah, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Syrah’s business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Syrah’s control (including uncertainties described in the “Key Risks” section of the Investor Presentation, as set out in Section 3), and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and, except as required by law, Syrah assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of the forward looking statements in this Offer Booklet should not be regarded as a representation, warranty or guarantee with respect to their accuracy or the accuracy of the underlying assumptions or that Syrah will achieve, or is likely to achieve, any particular results.

Past performance

Investors should note that the past share price performance of Syrah provides no guarantee or guidance as to future share price performance. Past performance information included in this Offer Booklet is provided for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. The historical information in this Offer Booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

Jurisdictions

This Offer Booklet, and any accompanying ASX Announcements and Investor Presentation and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. None of this Offer Booklet, the accompanying ASX announcement and Investor Presentation, nor the Entitlement and Acceptance Form may be distributed or released in the United States. The Entitlements and the New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares to be offered and sold to Eligible Retail Shareholders (as defined in Section 2.6) in the Retail Entitlement Offer may only be offered and sold outside the United States, to persons that are not acting for the account or benefit of a person in the United States, in each case in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

Trading of New Shares

Syrah and the Underwriter will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Syrah or the Registry or otherwise.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other independent professional adviser.

Defined terms

A number of defined terms are used in this Offer Booklet (including in these important notices). These terms have the meaning given to them in the Glossary in Section 5.

Letter from the Chairman

21 June 2019

Dear Shareholder,

On behalf of the directors of Syrah Resources Limited (**Syrah** or the **Company**), I am pleased to invite you to participate in the retail component of the 1 for 5 pro rata accelerated non-renounceable entitlement offer (**Retail Entitlement Offer**). Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to subscribe for 1 New Share for every 5 existing Shares they held at 7.00pm (AEST) on Friday, 21 June 2019, at an offer price of A\$0.81 per New Share (**Offer Price**).

Capital Raising

On Wednesday, 19 June 2019, Syrah announced:

- a fully underwritten 1 for 5 accelerated non-renounceable entitlement offer of New Shares at the Offer Price, to raise approximately A\$55.8 million (**Entitlement Offer**); and
- the proposed issue of a five year convertible note with a face value of A\$55.8 million over New Shares, pursuant to a Convertible Note Deed entered into between AustralianSuper Pty Ltd as trustee for AustralianSuper (**AustralianSuper**) and Syrah on 19 June 2019 (**Convertible Note Issue**),

(the Entitlement Offer and the Convertible Note Issue, together the **Capital Raising**).

The proceeds of the Capital Raising will provide additional liquidity and greater flexibility to tailor production ramp-up at the Balama Graphite Project (**Balama**) in accordance with global natural graphite demand, enabling orderly price negotiations. A portion of the proceeds will also be used to progress qualification of Syrah's Battery Anode Material (**BAM**) and inform Syrah's market entry and commercialisation approach.

The Convertible Note Issue is conditional on obtaining shareholder approval under Listing Rule 7.1. That shareholder approval is being sought at a meeting to be held on 1 August 2019.

Details of the Entitlement Offer

The Entitlement Offer has an accelerated institutional component (i.e. the Institutional Entitlement Offer) and a retail component (i.e. the Retail Entitlement Offer).

As announced by Syrah on Friday, 21 June 2019, the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) was successfully completed and raised approximately A\$25.2 million.¹

This Offer Booklet relates to the Retail Entitlement Offer.

The Offer Price of A\$0.81 per New Share represents:

- an 17.8% discount to the closing price of Syrah ordinary shares on Tuesday, 18 June 2019 (A\$0.985), being the last trading day before the Entitlement Offer was announced; and
- an 15.3% discount to TERP² (A\$0.9558).

The Offer Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer.

As an Eligible Retail Shareholder, you can choose to take up all, part or none of your Entitlement. If you choose to take up your full Entitlement, you may also apply for additional Shares in excess of your Entitlement under a Top-Up Facility.

¹ In each case subject to settlement, which is scheduled to occur on Friday, 28 June 2019. The Institutional Entitlement Offer is fully underwritten (refer to Section 4.19 for a description of key terms of the Underwriting Agreement).

² TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP is calculated by reference to Syrah's closing price of A\$0.985 on Tuesday, 18 June 2019.

As the Retail Entitlement Offer is non-renounceable, Entitlements do not trade on the ASX and cannot be sold, transferred or otherwise disposed of. If you do not take up your Entitlement under the Entitlement Offer in full or in part, you will not receive any value for your Entitlement to the extent not taken up.

The Entitlement Offer is fully underwritten by Credit Suisse (Australia) Limited.

Offer Booklet

This Offer Booklet and the enclosed personalised Entitlement and Acceptance Form contain important information about the Retail Entitlement Offer. I encourage you to read them carefully before deciding whether or not to participate in the Retail Entitlement Offer.

In particular, you will find in this Offer Booklet the following important information:

- key dates for the Retail Entitlement Offer (following page);
- overview of the Entitlement Offer (Section 1);
- instructions on how to apply to accept all or part of your Entitlement (Section 2);
- ASX Announcements and the Investor Presentation in relation to the Capital Raising, which provide further information on the Capital Raising and the Company, including key risks relevant to Syrah (Section 3); and
- additional information relevant to the Retail Entitlement Offer (Section 4).

Please note that the Retail Entitlement Offer closes at 5:00pm (AEST) on Monday, 8 July 2019.

If you have any questions please contact your professional adviser or call the Registry at 1300 850 505 (for callers within Australia) or +61 3 9415 4000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEST) on Monday to Friday during the Retail Entitlement Offer Period.

The board of directors of Syrah is pleased to offer this opportunity to you and thanks you for your continued support.

Yours sincerely,



Jim Askew
Non-Executive Chairman
Syrah Resources Limited

Key dates for the Retail Entitlement Offer

Event	Date (2019)
Announcement of Capital Raising	Wednesday, 19 June
Record Date for the Entitlement Offer	7:00pm (AEST) on Friday, 21 June
Retail Entitlement Offer opens	Tuesday, 25 June
Retail Entitlement Offer closes	5.00pm (AEST) on Monday, 8 July
Settlement of Retail Entitlement Offer	Monday, 15 July
Issue of New Shares under Retail Entitlement Offer (including under the Top-Up Facility)	Tuesday, 16 July
Commencement of trading of New Shares under Retail Entitlement Offer	Wednesday, 17 July

The above timetable (and each reference thereto or to dates therein in this Offer Booklet) is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time (AEST), as specified. Quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Syrah reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, without notice.

1 Overview of the Entitlement Offer

1.1 Summary of the Entitlement Offer

Syrah proposes to raise approximately A\$55.8 million under the Entitlement Offer, which has been structured as a 1 for 5 pro rata accelerated non-renounceable entitlement offer of New Shares at the Offer Price of A\$0.81 per New Share. The Entitlement Offer comprises:

- the Institutional Entitlement Offer; and
- the Retail Entitlement Offer (to which this Offer Booklet relates).

Syrah raised approximately A\$25.2 million through the Institutional Entitlement Offer³ and is seeking to raise approximately A\$30.6 million under the Retail Entitlement Offer. If the issue of the convertible note to AustralianSuper is approved by Syrah shareholders, Syrah will raise an additional A\$55.8 million through the Convertible Note Issue.

The proceeds of the Capital Raising will be used to:

- provide additional liquidity and greater flexibility to tailor Balama production ramp-up according to global natural graphite demand, enabling orderly price negotiations; and
- progress qualification of Syrah's Battery Anode Material (BAM) and inform Syrah's market entry and commercialisation approach.

The Entitlement Offer is fully underwritten by Credit Suisse (Australia) Limited (the **Underwriter**). AustralianSuper has committed to take up its rights under the Entitlement Offer and has agreed to sub-underwrite a portion of the Retail Entitlement Offer. The directors of Syrah continue to reserve the right to issue any shortfall under the Entitlement Offer (including under the Retail Entitlement Offer) at their discretion, including as part of the Top-Up Facility.

1.2 Institutional Entitlement Offer

The Institutional Entitlement Offer was conducted between Wednesday, 19 June 2019 and Thursday, 20 June 2019, and settlement of the Institutional Entitlement Offer is expected to occur on Friday, 28 June 2019.

Subject to settlement occurring, the Institutional Entitlement Offer will raise approximately A\$25.2 million through the issue of 31.16 million New Shares.

The Institutional Entitlement Offer is fully underwritten by the Underwriter (refer to Section 4.19 for a description of key terms of the Underwriting Agreement).

1.3 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to subscribe for 1 New Share for every 5 existing Shares held at 7.00pm (AEST) on 21 June 2019, at the Offer Price of A\$0.81 per New Share. This is referred to as your **Entitlement**. Where fractions arise in the calculation of an Entitlement, they have been rounded down to the next whole number of New Shares.

Eligible Retail Shareholders who take up their full Entitlement may also apply for additional New Shares at the same Offer Price of A\$0.81 per New Share (**Top-Up Facility**). Further details on how to take up your Entitlement and the Top-Up Facility are contained in Section 2 and the enclosed personalised Entitlement and Acceptance Form.

You may take up some, all or none of your Entitlement.

The Retail Entitlement Offer is only open to Eligible Retail Shareholders (see Section 2.6 for the definition of this term), and Syrah reserves the right to reject any Application that it believes comes from a person that is not an Eligible Retail Shareholder.

³ Subject to settlement of the Institutional Entitlement Offer, which is scheduled to occur on Friday, 28 June 2019.

Please note that Entitlements are personal and cannot be traded, transferred, assigned or otherwise dealt with, whether on ASX or privately. By allowing your Entitlement to lapse (whether in part or in full), you will not receive any value for your Entitlement to the extent it is not taken up.

The Retail Entitlement Offer closes at 5.00pm (AEST) on Monday, 8 July 2019 (**Retail Closing Date**), with New Shares expected to be issued on Tuesday, 16 July 2019 and commence trading on Wednesday, 17 July 2019.

2 How to apply

2.1 Choices available to Eligible Retail Shareholders

If you are an Eligible Retail Shareholder you may do any of the following:

- take up all or part of your Entitlement (and, if you take up your Entitlement in full, apply for additional New Shares under the Top-Up Facility) by the Retail Closing Date (refer to Section 2.3 and Section 2.5); or
- do nothing and allow your Entitlement to lapse (refer to Section 2.4).

The Retail Entitlement Offer is an offer to Eligible Retail Shareholders only.

2.2 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 5 existing Shares you held as at the Record Date, being 7.00pm (AEST) on Friday, 21 June 2019. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

Please note that the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (refer to definition of Eligible Retail Shareholders in Section 2.6).

Eligible Retail Shareholders who hold shares in the capacity of a trustee, nominee or custodian (or in another capacity) for another person cannot take up Entitlements and purchase New Shares for the account or benefit of persons that are in the United States.

2.3 If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies in accordance with the instructions set out in the personalised Entitlement and Acceptance Form; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case, by no later than the Retail Closing Date (i.e. 5.00pm (AEST) on Monday, 8 July 2019). If you take up and pay for all or part of your Entitlement before the Retail Closing Date, you will be allotted your New Shares on or around Tuesday, 16 July 2019. Syrah's decision on the number of New Shares allotted to you will be final.

If you take up your Entitlement in full, you may apply for additional New Shares under the Top-Up Facility (refer to Section 2.5).

Any amounts received in excess of the Offer Price multiplied by your Entitlement may be treated as an Application to apply for as many additional New Shares as your Application Monies will pay for in full.

If you are paying by BPAY®, please be sure to use the specific biller code and unique reference number on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the reference number specific to the Entitlement on that form. Refer to Section 2.9 for further information on payment directions.

2.4 If you wish to do nothing and allow your Entitlement to lapse

If you take no action or your application is not supported by cleared funds, your Entitlement will lapse. If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled to subscribe under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been taken up) may be allocated to other Eligible Retail Shareholders under the Top-up Facility or otherwise acquired by the Underwriter or any sub-underwriters.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in Syrah will also be diluted.

2.5 Top-Up Facility

Eligible Retail Shareholders who take up their Entitlement in full may apply for additional New Shares at the same Offer Price of A\$0.81 per New Share under the Top-Up Facility.

Allocations of New Shares under the Top-Up Facility are at the discretion of Syrah (as is the right to issue any shortfall under the Retail Entitlement Offer). Such New Shares are to be drawn from the Entitlements (or the parts thereof) that are not taken up by Eligible Retail Shareholders. Accordingly, allocations available to be made under the Top-Up Facility will depend upon the extent to which Eligible Retail Shareholders take up their Entitlements under the Retail Entitlement Offer. If the number of additional New Shares for which applications are received under the Top-Up Facility exceeds the number of New Shares available for allocation under the Top-Up Facility, then Syrah may apply any scale-back in its discretion.

New Shares allocated under the Top-Up Facility will be issued at the same time as other New Shares under the Retail Entitlement Offer.

2.6 Eligible Retail Shareholders

Eligible Retail Shareholders are those Shareholders who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on Friday, 21 June 2019;
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of persons in the United States;
- (d) are not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

By returning a completed Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy the criteria listed above.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Syrah in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that:

- no Offer Materials are to be sent to any Ineligible Retail Shareholder or any person that is in the United States; and
- no Entitlement and Acceptance Form is to be submitted or New Shares otherwise purchased on behalf of any Ineligible Retail Shareholder or any person that is in the United States, including any persons in the United States for whom the nominee or custodian holds Shares or acts.

Syrah is not required to determine whether or not any registered holder is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee or custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

For the avoidance of doubt, Syrah reserves the right (in its absolute sole discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or they fail to provide information to substantiate their claims.

Syrah also reserves the right to reject any acceptance of an Entitlement that it believes comes from a person who is not eligible to accept an Entitlement.

2.7 Ineligible Retail Shareholders

Syrah has determined that it would be unreasonable to extend the Retail Entitlement Offer to holders of Shares who have registered addresses outside Australia and New Zealand, having regard to the number of securities held by Ineligible Retail Shareholders, the number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Retail Shareholders in those places. The Retail Entitlement Offer is not being made in the United States or to any person acting for the account or benefit of a person in the United States.

2.8 Declarations by Eligible Retail Shareholder

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you will be deemed to have represented that you are an Eligible Retail Shareholder and made the other declarations on that personalised Entitlement and Acceptance Form and set out below.

In addition, by completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate in the Retail Entitlement Offer, you:

- (a) agree to:
 - (i) apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of A\$0.81 per New Share; and
 - (ii) be bound by the terms of this Offer Booklet and the provisions of Syrah's constitution; and
- (b) authorise Syrah to register you as the holder of New Shares and authorise Syrah, the Underwriter, the Registry and their respective officers and agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry by using the contact details set out in the personalised Entitlement and Acceptance Form.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or otherwise applying to participate, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) all details and statements made in the personalised Entitlement and Acceptance Form are complete and accurate;
- (b) Syrah is authorised to correct any errors in your personalised Entitlement and Acceptance Form and any other form provided to you;
- (c) you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Retail Entitlement Offer and the Entitlement and Acceptance Form;
- (d) you were the registered holder(s) at the Record Date of the Shares indicated on the accompanying personalised Entitlement and Acceptance Form as being held by you on the Record Date and are a resident of Australia or New Zealand;
- (e) once Syrah receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (f) you have read and understood this Offer Booklet and the personalised Entitlement and Acceptance Form;
- (g) the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Offer Booklet or making an application for New Shares;
- (h) the information contained in this Offer Booklet and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment

objectives, financial situation or particular needs, and is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Syrah and is given in the context of Syrah's past and ongoing continuous disclosure announcements to ASX;

- (i) none of Syrah, the Underwriter, their respective related bodies corporate and affiliates and the respective directors, officers, employees, agents, consultants or advisers of each of the aforementioned guarantees the performance of Syrah, nor do they guarantee the repayment of capital;
- (j) (for the benefit of Syrah, the Underwriter and its related bodies corporate and affiliates) you did not receive an invitation to participate in the Institutional Entitlement Offer (either directly or through a nominee), are not an Ineligible Institutional Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (k) you have read and understood the statement of risks in the "Key Risks" section of the Investor Presentation, and you understand that investments in Syrah are subject to investment risk;
- (l) you are not in the United States and are not acting for the account or benefit of a person in the United States and are subscribing for or purchasing New Shares in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act;
- (m) the Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, or in any other jurisdiction and, accordingly, the Entitlements and the New Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States;
- (n) you are not engaged in the business of distributing securities;
- (o) you have not and will not send any materials relating to the Retail Entitlement Offer, including this Offer Booklet and the Entitlement and Acceptance Form, to any person in the United States;
- (p) you agree that if in the future you decide to sell or otherwise transfer the New Shares you will only do so in "regular way" transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States;
- (q) you are eligible under applicable securities laws to exercise Entitlements and acquire New Shares under the Retail Entitlement Offer;
- (r) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States or acting for the account or benefit of a person in the United States, and you have not sent the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person in the United States; and
- (s) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date.

2.9 Payment directions

You can pay in the following ways:

- BPAY®; or
- cheque, bank draft or money order.

Cash payments will not be accepted. Receipts for payment will not be issued.

Syrah will treat you as applying for as many New Shares as your payment will pay for in full.

Application Monies received from Eligible Retail Shareholders will be held by Syrah for the benefit of applicants in the Syrah Entitlement Offer Account solely for the purpose of holding the Application Monies until the New Shares are issued, or if the New Shares are not issued, until the Application Monies are returned to the applicants.

Any Application Monies received for more than your final allocation of New Shares will be refunded. No interest will be paid on any Application Monies received or refunded.

If the New Shares are not issued, all Application Monies will be refunded as soon as practicable and Entitlements will cease to have any value.

(a) Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique reference number). You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form and in this Offer Booklet (including in Section 2.8); and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Registry by no later than 5.00pm (AEST) on Monday, 8 July 2019. 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.

(b) Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Syrah Resources Limited" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.81 multiplied by the number of New Shares that you are applying for. The number of New Shares you are applying for must not exceed the number of Shares indicated as your entitlement to New Shares in your personalised Entitlement and Acceptance Form which is calculated as 1 New Share for every 5 existing Shares you hold as at the Record Date, rounded down to the nearest whole Share; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

(c) Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the Retail Closing Date (i.e. 5.00pm (AEST) on Monday, 8 July 2019). Shareholders who make payment via cheque, bank draft or money order should send their completed personalised Entitlement and Acceptance Form together with Application Monies to:

By mail:

Syrah Resources Limited
c/o GPO Box 505 Melbourne VIC 3001

3 ASX Announcements and Investor Presentation

3.1 ASX Announcement released by Syrah on Wednesday, 19 June 2019



SYRAH ANNOUNCES CONVERTIBLE NOTE DEED AND ENTITLEMENT OFFER

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Syrah Resources Limited (**ASX: SYR**) (**Syrah** or the **Company**) today announced the execution of a convertible note deed and an underwritten entitlement offer to raise approximately A\$111.6 million (US\$76.3 million) (**Capital Raising**).

The Capital Raising has the following components:

- A proposed A\$55.8 million (US\$38.2 million) convertible note to be issued, subject to certain conditions (including Syrah shareholder approval under ASX Listing Rule 7.1), to AustralianSuper Pty Ltd as trustee for AustralianSuper (**AustralianSuper**) (**Convertible Note Issue**); and
- an approximately A\$55.8 million (US\$38.2 million) fully underwritten *pro rata* accelerated non-renounceable entitlement offer (**Entitlement Offer**).

1. Rationale for the Capital Raising and use of proceeds

Syrah's production ramp-up at the Balama Graphite Project (**Balama**) is continuing and is nearing the production volumes that are expected to generate positive operating cash flows.

Production at Balama is approaching a point where the trade-off between unit cash operating cost benefits versus the pricing impact of incremental supply into the market is more balanced. Increasing production too rapidly in the short term in order to target market penetration may not be optimal for pricing outcomes. CY2019 production is expected to be 205-245kt (revised from 250kt previously), dependent on production volume and quality performance and the ongoing assessment of optimal sales volume against demand and price.

Having regard to these factors, the Board of Syrah has decided that it is appropriate for the Company to raise additional capital.

The proceeds of the Capital Raising will provide Syrah with additional liquidity and greater flexibility to tailor Balama production ramp-up in accordance with global natural graphite demand, enabling orderly price negotiations.

A portion of the proceeds of the Capital Raising will be used to progress the qualification of Syrah's Battery Anode Material (**BAM**) and inform Syrah's market entry and commercialisation approach.



2. Convertible Note Issue

The Company is continuously evaluating its debt financing options and other potential sources of funding.

Syrah has agreed with its largest shareholder, AustralianSuper, to issue to it a 5-year unsecured convertible note in order to raise A\$55.8 million (**Convertible Note**). This commitment demonstrates AustralianSuper's strong ongoing support for the Company.

The issue of the Convertible Note is conditional upon the completion of the institutional component of the Entitlement Offer and on obtaining the approval of Syrah's ordinary shareholders in accordance with ASX Listing Rule 7.1. The shareholders' meeting is proposed to be held on 1 August 2019. It is proposed that the notice of meeting will be dispatched to Syrah shareholders in the next week.

The Convertible Note Issue will be a first step towards diversifying Syrah's funding sources with a flexible funding instrument, which includes the option for Syrah to defer the drawdown of the Convertible Note for up to 120 days, and to reduce the face value of the Convertible Note via entry into a third party debt facility at any time prior to drawdown. Should Syrah not take up some or all of the Convertible Note a break fee will be payable to AustralianSuper.

Key Terms of Convertible Note

5-year unsecured Convertible Note with initial face value of A\$55.8 million, convertible into fully paid ordinary shares of Syrah (**Shares**).

Interest will accrue daily on the principal outstanding under the Convertible Note, and will be capitalised quarterly in arrears (and added to the principal outstanding under the Convertible Note) at a rate of 8.0% per annum, unless the Company elects to make interest payments in cash in which case the relevant interest payment will be calculated at a rate of 7.5% per annum.

At any time after 30 months from issue and prior to the maturity date, AustralianSuper may elect to fully convert the Convertible Note. The initial conversion price of A\$1.0036 represents a premium of 5% to theoretical ex-rights price (**TERP**)¹ as at Tuesday, 18 June 2019, being A\$0.956. The conversion price is subject to customary adjustments. If conversion would result in AustralianSuper's voting power in Syrah exceeding 20%, then Syrah will only convert such proportion of the Convertible Note that would result in AustralianSuper's shareholding being 19.9% and will redeem the balance for a cash payment, unless Syrah considers that it is in the Company's best interests to convert the whole Convertible Note, in which

¹ TERP is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP has been calculated by reference to Syrah's closing share price of A\$0.985 on Tuesday, 18 June 2019.



case the issuance of any shares that would result in AustralianSuper's shareholding exceeding 19.9% will be subject to the approval of Syrah's ordinary shareholders.

If AustralianSuper has not elected to convert the Convertible Note on or before the maturity date, then the Convertible Note will be redeemable in cash upon maturity.

Further details of the terms and conditions of the Convertible Note will be included in the investor presentation in relation to the Capital Raising to be lodged with the ASX today, and in the notice of meeting to approve the Convertible Note Issue expected to be dispatched to Syrah shareholders next week.

3. Entitlement Offer

Terms of the Entitlement Offer

The Entitlement Offer comprises a 1-for-5 pro rata accelerated non-renounceable entitlement offer of new Shares at the Offer Price of A\$0.81, to raise approximately A\$55.8 million. The Entitlement Offer is fully underwritten and is not conditional upon the Convertible Note Issue.

The Entitlement Offer Price of A\$0.81 represents a discount of:

- 15.3% to TERP as at Tuesday, 18 June 2019, being A\$0.956; and
- 17.8% to the last closing price of Shares on Tuesday, 18 June 2019, being A\$0.985.

At the time of allotment, the new Shares issued under the Entitlement Offer will rank equally with existing Shares.

The Entitlement Offer will be made available to all eligible shareholders and consist of:

- an accelerated institutional offer that is open with immediate effect and is scheduled to close on Thursday, 20 June 2019 (**Institutional Entitlement Offer**); and
- a retail offer which is scheduled to open on Tuesday, 25 June 2019 and close at 5:00 pm (AEST) on Monday, 8 July 2019 (**Retail Entitlement Offer**).

Under the Entitlement Offer, eligible Syrah shareholders will be entitled to subscribe for 1 new Share for every 5 Shares they hold on the Record Date for the Entitlement Offer, being at 7:00 pm (AEST) on Friday, 21 June 2019 (**Entitlement**).

The Entitlement Offer is non-renounceable and Entitlements will not be traded on the ASX or otherwise transferable. Shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part will not receive any value for their Entitlement to the extent not taken up.

*Institutional Entitlement Offer*

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer and can choose to take up all, part or none of their Entitlement. Entitlements not taken up under the Institutional Entitlement Offer will be offered to eligible institutional investors at the Offer Price.

AustralianSuper has committed to take up its rights under the Entitlement Offer and has agreed to sub-underwrite a portion of the Retail Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer and can choose to take up all, part or none of their Entitlement. Those eligible retail shareholders who take up their full Entitlement may apply for additional Shares in excess of their Entitlement under a 'top-up' facility. Allocations under such facility will be subject to the extent of any shortfall under the Retail Entitlement Offer and will also be subject to the discretion of Syrah (including with respect to any scale-back).

Eligible retail shareholders wishing to participate should carefully read the Retail Offer Booklet and accompanying personalised entitlement and acceptance form in their entirety, which are expected to be dispatched on or around Tuesday, 25 June 2019.

Retail shareholders with a registered address outside Australia or New Zealand will be ineligible to participate in the Retail Entitlement Offer.

4. Indicative timetable and management presentation

The indicative timetable for the Entitlement Offer is set out in the Appendix.

Shareholders and investors are encouraged to review the investor presentation filed with the ASX today, which contains further information.

For further information contact Investor Relations:

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**About Syrah Resources**

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah owns and developed the Balama Graphite Project (Balama) in Mozambique. Balama transitioned to operations with sales and shipments to a global customer base including the battery anode producers, from the start of 2018. Syrah produced over 100,000 tonnes of natural graphite in 2018 and is the largest and first major new natural graphite operation developed outside of China. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah is also progressing its downstream Battery Anode Material strategy with first production of spherical graphite achieved in December 2018 from its plant in Louisiana, USA. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium-ion batteries. For further information, visit www.syrahresources.com.au

**Appendix I – Indicative Entitlement Offer timetable**

Event	Date (2019)
Trading halt and announcement of Capital Raising	Wednesday, 19 June (pre-market opening)
Institutional Entitlement Offer opens	Wednesday, 19 June
Institutional Entitlement Offer closes	Thursday, 20 June
Trading halt lifted and Shares recommence trading	Friday, 21 June
Record Date under Entitlement Offer	Friday, 21 June, 7:00pm
Retail Entitlement Offer opens and retail offer booklet dispatched to eligible retail shareholders	Tuesday, 25 June
Settlement of new Shares issued under the Institutional Entitlement Offer	Friday, 28 June
Issue and commencement of trading of new Shares under Institutional Entitlement Offer	Monday, 1 July
Retail Entitlement Offer closes	Monday, 8 July, 5:00pm
Settlement of new Shares issued under the Retail Entitlement Offer	Monday, 15 July
Issue of new Shares under Retail Entitlement Offer	Tuesday, 16 July
Commencement of trading of new Shares under Retail Entitlement Offer	Wednesday, 17 July

The above timetable is indicative only and subject to change without notice. All references to date and time are to the date and time in Sydney, Australia. Quotation of new Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Syrah reserves the right to amend this timetable at any time at its absolute discretion, including extending the Entitlement Offer period or closing it early or accepting late applications, either generally or in particular cases, without notice.

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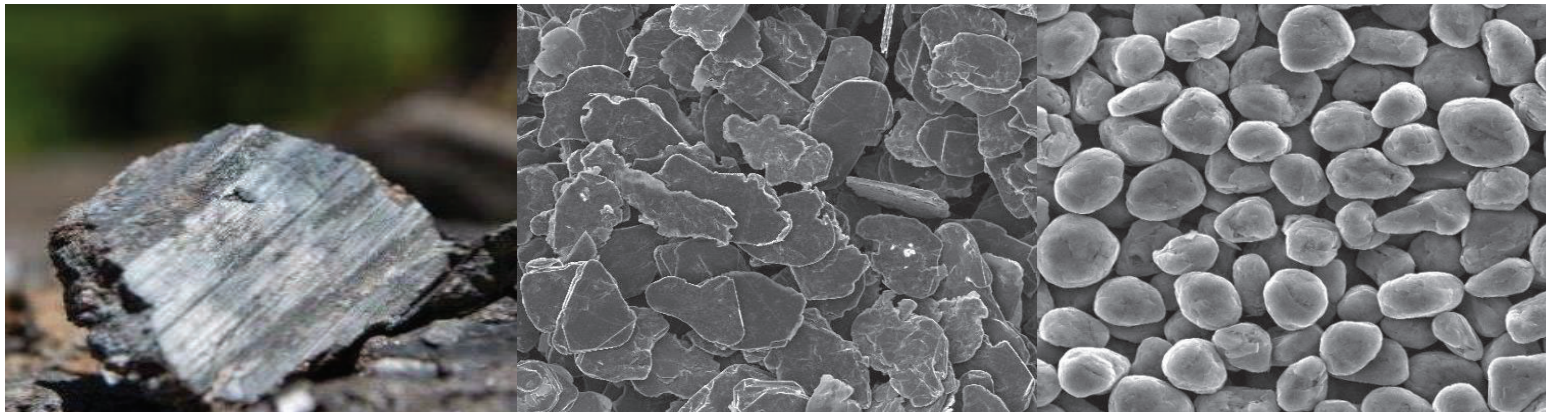
This announcement contains certain forward-looking statement. The words "expect", "should", "will", and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof, the viability of future opportunities such as spherical graphite, recarburiser and vanadium, future market supply and demand. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. To the extent that this announcement contains forward looking information, the forward looking information is subject to a number of risk factors, including those generally associated with the mining industry. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no



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3.2 Investor Presentation released by Syrah on Wednesday, 19 June 2019



Convertible Note and Entitlement Offer Presentation

19 June 2019



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SYRAH RESOURCES

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Company update and transaction overview



Photo: Bagged Balama Graphite Product

Company update

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Balama Graphite Operation (Balama)	<ul style="list-style-type: none"> Commercial production⁽¹⁾ declared with effect from 1 January 2019⁽²⁾ Q2 2019 Balama production expected to be approximately 45kt⁽³⁾ (vs. 48kt in Q1 2019, 33kt in Q4 2018) Balama progressing towards expected CY2019 production of 205 - 245kt, dependent on (i) ongoing assessment of sales volume against price⁽⁴⁾, and (ii) production performance and quality performance⁽⁵⁾ Operating cost base in line with guidance, C1 cash operating costs⁽⁶⁾ forecast to trend towards ~US\$400/t by the end of 2019, subject to production outcomes driven by market conditions Syrah is currently evaluating the option to transition Balama to dry stacking of tailings to provide life of mine financial and environmental benefits
Sales and Marketing	<ul style="list-style-type: none"> Sales and marketing strategy focused on delivering increased diversification of revenue across customers, market segments and geographies Volume demand evident, shipped sales volumes in Q2 2019 expected to be ~ 50kt⁽³⁾ (vs. 48kt in Q1 2019), dependent on final June shipping completions Weighted average graphite price achieved of US\$469 per tonne in Q1 2019⁽⁹⁾, and expected Q2 2019 weighted average price US\$455 per tonne⁽⁷⁾ End-market demand drivers are positive, China natural flake graphite imports reportedly up 156% year on year⁽⁸⁾
Battery Anode Material (BAM) Project Update	<ul style="list-style-type: none"> Unpurified spherical graphite for qualification has been dispatched from Syrah's BAM plant, targeting ex-China customers⁽⁹⁾ Commissioning of the purification circuit and first dispatch of purified spherical graphite planned for Q3 2019 Qualification volumes from Vidalia plant and on-going product development and study work to facilitate investment decision in final anode material plant by July 2020
Vanadium Project	<ul style="list-style-type: none"> Review of 2014 Scoping Study in 2018 confirmed likelihood of attractive project economics, warranting progression to Pre Feasibility Study (PFS) stage⁽⁹⁾ Results of initial sampling of Vanadium content through the Balama processing plant circuit show similar Vanadium content to the 2014 Scoping Study⁽¹⁰⁾ Industry engagement underway, which will inform timing and approach for PFS

(1) Refer to Note 8 of the 2018 Annual Report for major criteria considered in terms of declaring Commercial Production

(2) Refer ASX announcement dated 14 January 2019

(3) Refer ASX announcement dated 7 June 2019 which identified an expected production range of 45kt to 50kt for Q2 2019

(4) Production and sales strategy will reflect trade-off between unit operating cost benefits versus pricing considerations of additional incremental supply into the market (refer to slide 8 for further discussion)

(5) Production volume assumes no unexpected recovery, mechanical failures or loss of experienced personnel, or the eventuation of any of the other matters discussed in operational risks on page 36

(6) C1 cash operating costs basis is Free on Board (FOB), Port of Nacala, excluding government royalties and taxes

(7) Estimated based on shipping schedule as at 17 June 2019

(8) Fast Markets report May 28 2019, "Chinese flake graphite imports surge y-o-y in April, competitive Mozambique materials erode export market share"

(9) Refer ASX announcement dated 29 April 2019

(10) Refer to ASX announcements dated 30 July 2014 and 29 April 2019



SYRAH RESOURCES

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Transaction overview

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Syrah's Funding Requirement	<ul style="list-style-type: none"> Syrah's ramp-up at the Balama Graphite Operation (Balama) continues and is nearing production volumes that are expected to generate positive operating cash flows Balance sheet solid (~US\$43m cash position expected at end of Q2 2019, contingent on timing of expected cash receipts and payments), and debt financing options continue to be progressed Additional liquidity through the proposed ~A\$111.6m (~US\$76.3m)⁽¹⁾ capital raising will provide flexibility to tailor Balama production ramp-up according to global natural graphite demand, enabling orderly price negotiations Funding to progress qualification of Syrah's Battery Anode Material (BAM) and inform Syrah's market entry and commercialisation approach
Proposed Convertible Note Issuance⁽²⁾	<ul style="list-style-type: none"> Syrah has reached agreement with its largest shareholder, AustralianSuper Pty Ltd as a trustee for AustralianSuper (AustralianSuper), to subscribe for a A\$55.8m (~US\$38.2m)⁽¹⁾ convertible note (Note), to provide additional liquidity <ul style="list-style-type: none"> Demonstrates AustralianSuper's ongoing support for Syrah Flexible funding instrument includes option for Syrah to defer the drawdown for up to 120 day period, and reduce the Note Amount via entry into a 3rd party debt facility at any time prior to drawdown Other key terms: 5 year term (unless redeemed or converted earlier, subject to a 30 month non-conversion period), interest capitalised and added to the Principal Outstanding of the Note at a rate of 8% p.a. (unless Syrah elects to pay in cash at a rate of 7.5%), conversion price of 5% premium to TERP⁽³⁾ on announcement of the Entitlement Offer (subject to any adjustment(s) in accordance with the Note terms)⁽²⁾ Issue of the Note is conditional on completion of the institutional component of the Entitlement Offer and obtaining shareholder approval under ASX Listing Rule 7.1. If shareholder approval for the issue of the Note to AustralianSuper is not obtained, Syrah will consider alternative funding sources for the A\$55.8m (~US\$38.2m)⁽¹⁾
Proposed Entitlement Offer⁽⁴⁾	<ul style="list-style-type: none"> In conjunction with the proposed Convertible Note Issuance, a fully underwritten Entitlement Offer is being undertaken to raise gross proceeds of ~A\$55.8m (~US\$38.2m)⁽¹⁾ to meet the Company's total funding requirements: <ul style="list-style-type: none"> 1 for 5 accelerated non-renounceable Entitlement Offer A\$0.81 offer price, representing a 15.3% discount to TERP⁽³⁾

(1) A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.684 as of 18 June 2019

(2) More details on the key terms of the convertible notes is set out on pages 29 and 30 of this presentation

(3) TERP is the theoretical price at which New Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP is calculated by reference to Syrah's closing price on the last trading date immediately prior to announcement of the Entitlement Offer

(4) Refer to page 32 of this presentation for further details



SYRAH RESOURCES

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Transaction rationale

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Natural Graphite pricing is opaque and drivers are complex	<ul style="list-style-type: none"> Pricing for natural graphite products is opaque and drivers are complex. Contract prices are subject to direct negotiation <ul style="list-style-type: none"> Pricing depends on various market factors, including segment demand, quality specifications, and competing supply beyond Syrah's control Syrah is targeting a significant proportion of sales to China, the largest consumer in both the industrial and battery segments Chinese domestic supply of competing natural graphite product is seasonal, and the Chinese market is adjusting to international supply Pricing in the short term may decline or increase subject to the market balance, prior to an expected strengthening in the medium to long term
Balama's production must be balanced against growing market demand	<ul style="list-style-type: none"> Ensuring optimal pricing and market penetration for Syrah's products involves assessing and managing various considerations and complex price negotiations <ul style="list-style-type: none"> Increasing production too rapidly in the short term for market penetration may not be optimal for pricing outcomes Production from Balama is approaching a point where the trade-off between unit cash operating cost benefits versus the pricing impact of incremental supply into the market is more balanced Ongoing Balama production improvement and consistency is expected to drive: <ul style="list-style-type: none"> Increased penetration of ex-China markets Readiness to supply the expected seasonal demand opportunities and structural medium demand growth
Greater liquidity will facilitate orderly price negotiation	<ul style="list-style-type: none"> Having regard to the above factors, it is critical that Syrah be appropriately capitalised with a significant cash buffer The capital raising, which includes the support of Syrah's largest shareholder, AustralianSuper, is designed to give Syrah the balance sheet strength to: <ul style="list-style-type: none"> Ensure flexibility to optimise Balama production output, capital expenditure, and pricing negotiations for the best interests of the company over the medium to long term rather than only for short term cash flow reasons Provide optionality to balance Balama production in line with prevailing market demand Maintain preferred contract structures and short term pricing to provide exposure to market fundamentals and manage contract performance Greater liquidity will also provide funding to progress qualification of Syrah's BAM and inform Syrah's market entry and commercialisation approach



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Investment highlights

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Balama: A Tier 1 asset	<ul style="list-style-type: none"> Long life asset, with over 50 years of mine life⁽¹⁾ and 350kt per year of graphite concentrate production capability⁽²⁾ Balama is the largest integrated natural graphite mine and processing plant globally as measured by annual flake concentrate production capacity High grade concentrate relative to current industry standards provides Syrah with the opportunity for development of a price premium advantage, over time Balama's large Reserve and Resource⁽³⁾ allows for future plant expansion, potentially representing a low capital intensity option to meet incremental future graphite demand
Exposure to High Growth Lithium-ion Battery Markets	<ul style="list-style-type: none"> Graphite is a key component of lithium-ion batteries used in electric vehicles and energy storage, both rapidly growing markets Balama graphite product mix and specifications are suited for use in these markets
First Mover Advantage	<ul style="list-style-type: none"> The ongoing ramp-up of Balama is establishing the asset as a base-load supplier of graphite globally Syrah's strategy to produce and qualify Battery Anode Material (BAM) is intended to establish a core ex-Asia battery supply chain position
Competitive Advantage in the BAM Value Chain	<ul style="list-style-type: none"> Balama's scale, quality and low production costs at full production capacity are key competitive advantage enablers in the delivery of Syrah's BAM strategy Syrah's BAM strategy provides the opportunity to: <ul style="list-style-type: none"> Produce value-added products compared to flake graphite and capture additional cash margin by establishing a core position in the battery supply chain Provide an alternative source of BAM supply Review potential for strategic operating or technical partnership in the project
Vanadium Optionality at Balama	<ul style="list-style-type: none"> Balama contains a significant vanadium Resource which presents a potential value-accretive opportunity that Syrah will advance through Pre Feasibility Study Vanadium, a by-product which is liberated during the graphite production process, could potentially be refined into a saleable product (V_2O_5)⁽⁴⁾ via processing of material currently reporting to tailings at Balama

(1) Life of mine based on current 113.3Mt Graphite Ore Reserves being depleted at 2Mt of mill throughput per annum

(2) Refer to ASX announcements dated 29 May 2015, 15 November 2016 and 29 March 2019

(3) Refer to ASX announcement dated 29 March 2019

(4) Scoping study on potential to refine vanadium as per the ASX announcement dated 30 July 2014



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Balama Graphite Operation and marketing update



Photo: Balama Graphite Operation Process Plant

Balama Graphite Operation – a Tier 1 producing asset

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Location	<ul style="list-style-type: none"> Mozambique (Cabo Delgado Province)
Reserves and Resources⁽¹⁾	<ul style="list-style-type: none"> Graphite Reserves: 113.3Mt at 16.4% Total Graphitic Carbon (TGC) – 18.5Mt of contained graphite Graphite Resources: 1,423Mt at 10% TGC – 147Mt of contained graphite
Mining	<ul style="list-style-type: none"> Simple, open pit mining operation with low stripping ratio
Processing method	<ul style="list-style-type: none"> Conventional process that includes crushing, grinding, flotation, filtration, drying, screening and bagging
Processing plant capacity	<ul style="list-style-type: none"> 2 million tonnes ore per annum
Product	<ul style="list-style-type: none"> 94% to 98% Fixed Carbon (FC) concentrate to be produced across a range of flake sizes
Production	<ul style="list-style-type: none"> Production capability of 350kt of graphite concentrate per year Targeting 2019 production 205 - 245kt, dependent on (i) ongoing assessment of sales volume against price⁽²⁾, and (ii) production performance and quality performance
C1 cash operating cost⁽⁴⁾	<ul style="list-style-type: none"> Targeting a C1 cash operating cost towards ~US\$400 per tonne by end 2019, subject to production outcomes that will be driven by market conditions⁽³⁾ Expected to reduce towards US\$330 per tonne as the plant is optimised and ramps up to full capacity
Life of mine	<ul style="list-style-type: none"> Over 50 years⁽⁵⁾
Optionality	<ul style="list-style-type: none"> Balama's large Reserve and Resource allows for future plant expansion, potentially representing a low capital intensity option to meet incremental future graphite demand Vanadium, a by-product which is liberated during the graphite production process, could potentially be refined into a saleable product (V₂O₅)⁽⁶⁾ and presents a medium term, high value opportunity



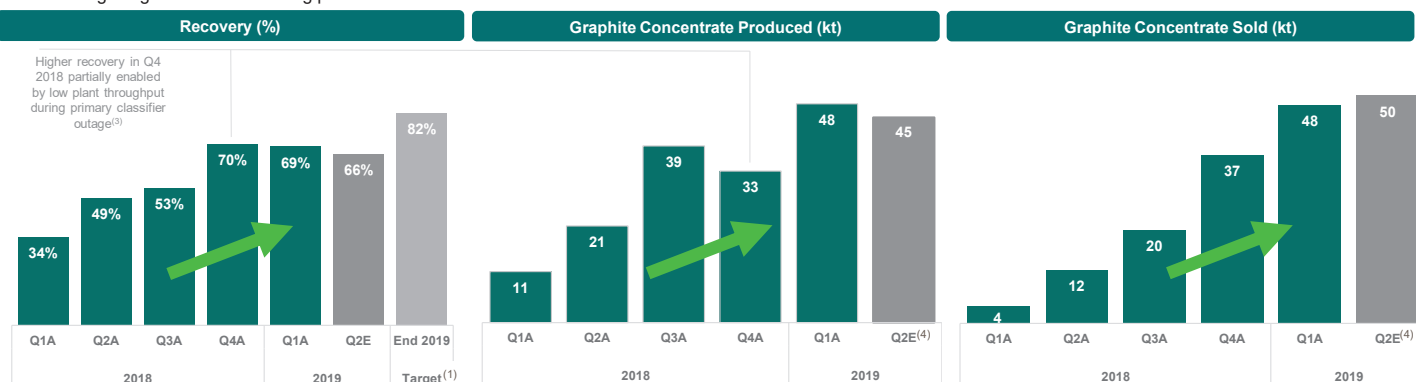
Balama Graphite Operation

(1) Refer to ASX announcements dated 29 March 2019
(2) Production and sales strategy will reflect trade-off between unit operating cost benefits versus pricing considerations of additional incremental supply into the market (refer to slide 8 for further discussion)
(3) Unit C1 cash operating costs achieved will be sensitive to production outcomes (which will be driven by market conditions – see footnote above)
(4) Free on Board (FOB), Port of Nacala, excluding government royalties and taxes
(5) Life of mine based on current 113.3Mt Graphite Ore Reserves being depleted at 2Mt of mill throughput per annum
(6) Scoping study on potential to refine vanadium as per the ASX announcement dated 30 July 2014

Ramp-up of the world's largest graphite mine well progressed

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- Continued delivery of production improvement plan expected, target of 82% flake graphite recovery by the end of 2019⁽¹⁾
 - Performance in Q2 2019 to date has been impacted by process plant instability caused predominantly by minor equipment failures and process control issues
 - Improvements implemented to resolve these issues are expected to take effect in Q3 2019
- Balama dispatch, cross-dock-facility and port capacity debottlenecked, allowing for required inventory management and sales
- Improved operating stability year to date 2019 provides baseline for cost base review and optimisation – currently in progress
- Approximately 6kt of non-standard graphite production (in terms of particle size, carbon grade and/or moisture) from 2018 and 2019 will be re-processed with the intent of achieving a higher estimated selling price⁽²⁾



- (1) Target reflects combination of expected benefits from the implementation of enablers set out on page 13 of this presentation
 (2) Inventories are valued at the lower of weighted average cost and estimated net realisable value. The current unit cost of production is greater than the estimated selling price which is likely to result in a write-down of inventories on hand at 30 June 2019 to net realisable value
 (3) Refer ASX announcement dated 30 January 2019
 (4) Refer ASX announcement dated 7 June 2019 which identified an expected production range of 45kt to 50kt for Q2 2019



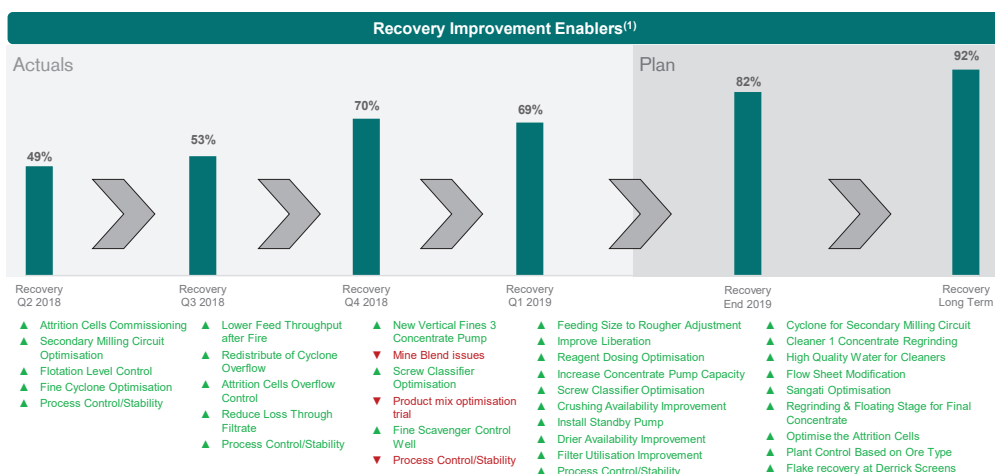
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Enablers in place expected to deliver improved operational performance

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- Root-causes of recovery losses are known, structured process in place to implement recovery loss mitigations to achieve recovery targets
- Production improvement enablers are expected to have a positive impact on both recovery and product mix
- No significant capital expenditure or additional site team expertise is expected to be required to deliver these improvements



Flake graphite flotation cell at Balama



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Product mix and finished product grade optimisation – near term enablers for improved weighted average price

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Syrah's Product Suite

- Syrah classifies its products by mesh size (#) and Fixed Carbon (FC%)
- Product value (US\$/t) increases with increasing mesh size and FC% content
- Current average FC% production from Balama is 95% – representing a premium to the industry normal FC% of 90% to 94%⁽¹⁾

		Fixed Carbon Content ⁽²⁾							
		98%	97%	96%	95%	94%	<94% STD FC	<94% STD OT	
Particle Size Distribution	CRS + 50 #	SYRCLS 5098	SYRCLS 5097	SYRCLS 5096	SYRCLS 5094				
	FLK + 80 #	SYRFLK 8098	SYRFLK 8097	SYRFLK 8096	SYRFLK 8094				
	FLK + 100 #	SYRFLK 10098	SYRFLK 10097		SYRFLK 10094				
	-MX + 100#	SYR-MX 10098	SYR-MX 10097		SYR-MX 10094				
	FIN - 100 #	SYRFIN 10098	SYRFIN 10097	SYRFIN 10096	SYRFIN 10095	SYRFIN 10094			
	STD PS			SYRSTD PS					
	STD OT				SYRSTD OT				
	POW -325#				SYRPOW325				

(1) 90% and 94% are the standard quoted grades reported by Asian Metal Inc.

(2) Product classification abbreviations are follows: SYR=Syrah, CRS=Coarse, FLK=Flake, MX=Mix, STD=Non-Standard, POW=Powder, PS=Particle Size, FC=Fixed Carbon, OT=Other

(3) Reflects product mix based on sales volume

(4) Based on Feasibility Study

Syrah's Product Mix

- Through 2018 Syrah production ramp-up was focused on improving recovery and debottlenecking of process plant and logistics processes
- Stabilised operations expected to enable optimisation of production mix & grade, which is expected to present an opportunity to significantly improve weighted average selling price
- Improving recovery rates expected to have a positive impact on product mix

US Mesh	Description	Product Mix by Mesh Size ⁽³⁾					Application
		Q1 2019	Apr-19	May-19	Target End 2019	Long-term Target ⁽⁴⁾	
+50	Extra large flake	2%	2%	2%	4%	8%	Traditional uses (e.g. steelmaking, iron castings, foundries, automotive parts, lubricants)
+80	Large flake	9%	7%	11%	12%	12%	Traditional uses (e.g. steelmaking, iron castings, foundries, automotive parts, lubricants)
+100	Medium flake	3%	1%	1%	4%	12%	Traditional uses (e.g. steelmaking, iron castings, foundries, automotive parts, lubricants)
-100	Fines	86%	90%	85%	80%	68%	Spherical graphite for anode in Lithium-ion batteries and recarburiser products



SYRAH RESOURCES

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Syrah evaluating option to transition Balama to dry stacking of tailings to provide life of mine financial and environmental benefits

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Context

- Current design and operation of Balama Tailings Storage Facility (TSF) conforms to world best practice for Wet Tailings Deposition
- Dry stacking of tailings is becoming recognised as industry leading practice
- Syrah is committed to global best practices in all aspects of the Balama Graphite Operation, to this end Syrah has proactively assessed a dry stacking option
- An external study has indicated that Balama material and site conditions allow for transition from wet deposition to dry stacking of tailings at Balama⁽¹⁾
- Dry tailings option has potential to deliver significant potential life of mine benefits, however alternative options exist and no investment decision has been taken
- Current estimates for CY2020 and CY2021 dry stacking costs (+/- 30% accuracy) and sustaining capital spend to be in line with 2019 guidance of US\$10 to US\$15m, reverting to Life of Mine average of US\$7-10m thereafter. Current estimates for wet deposition expenditures is approximate to dry stacking for 2019 and 2020, \$5m higher in 2021 and \$8m in 2022⁽³⁾

Benefits of Dry Staking

- ✓ Increase TSF stability as the residual water content is reduced
- ✓ Lower life of mine footprint⁽²⁾
- ✓ Reduced external water requirement for the operation⁽⁴⁾
- ✓ Lower life of mine costs (capital plus operating)⁽³⁾



Photo: Balama Tailings Storage Facility

(1) An on site trial is scheduled in the near term to confirm suitability of the relevant dry stacking technology

(2) External study indicates dry stacking only requires Cell 2 and 3 to be built – being 4 fewer than for a wet tailings option

(3) Based on current estimates. Definitive cost estimates for TSF capex and opex wet deposition and dry stacking options are work-in-progress

(4) Estimate from external study for water draw reduction from Chipembe Dam over the life of mine

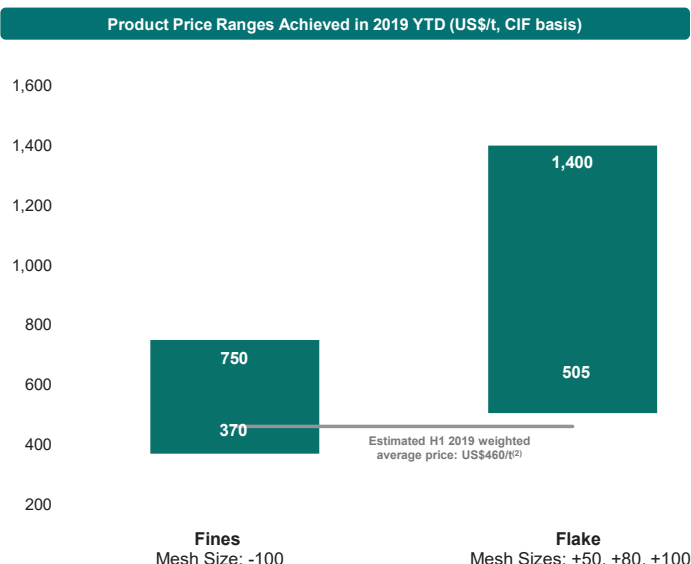


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Price ranges achieved to date result from initial market entry and expansion of the customer base by sector and geography

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Source: Syrah Resources Internal Analysis

(1) Refer to pages 18 and 19 of this presentation for discussion regarding China natural flake graphite market balance
(2) H1 basket price estimated based on actuals to end May 2019 and an estimate for June 2019. Based on 17 June 2019 shipping schedule

Coarse Flake Products (+50#, +80#, +100#)

- Coarse flake products achieving significant penetration into Europe and India
- Premium grade products (96%-98%) preferred in East Asia refractory markets

Fines Products (-100#)

- Fines price ex-China driven by incentive price to export a marginal tonne
- Syrah exports to China entering competitive and established domestic fines market; initial pricing challenging
- Syrah carbon grade, density, quality / low impurities establishing differentiated position
- Syrah becoming one of the largest fines product suppliers into the global electric vehicle supply chain
- Expect positive price support as China moves to market deficit for high grade fines product⁽¹⁾

Syrah's Weighted Average Price

- Influenced by product mix of flake sizes, carbon grade, delivery location and increased total market supply due to Balama ramp-up
- Pricing is bespoke and bilaterally agreed and there is no centrally accepted clearing price



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Key variables of Syrah weighted average price have strong upside potential

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- In the short term, production and marketing flexibility needs to be maintained to react to supply / demand dynamics and conduct orderly price negotiations
- Pricing in the short term may decline or increase subject to the market balance, prior to an expected strengthening in the medium to long term

	Factor	Potential pricing improvements
Near Term Production Focus	Product mix	Product mix to 20% coarse flake in 2019, and later to 32% - enabling higher weighted average prices
	Grade	Production and price realisation of 96%-98% grade premiums
Near Term Marketing Focus	Market entry pricing & qualification	Completion of qualification process by customers, diminishing the impact of entry pricing on Syrah's weighted average price
	Regional split & alternative supply	Increased volume penetration into Ex-China markets
	Volume & reliability	Balama product quality and size to enable value-in-use and baseload supply premium realisation as supply certainty and quality becomes increasingly important
	Market balance	China market balance to transition to net importer of high quality fines over time – likely to induce higher pricing



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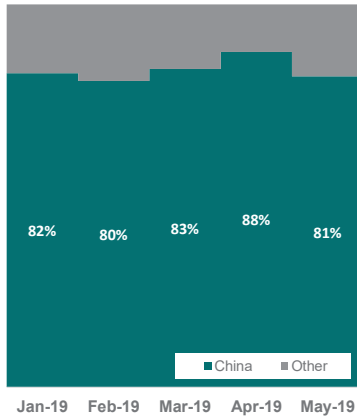
17

Syrah's sales prices are primarily determined by the short term market balance – frequent pricing provides exposure to market demand growth

- The proposed capital raising is expected to provide Syrah flexibility to balance Balama production inline with prevailing incremental market demand and maintain contract flexibility (short term pricing) to provide consistent exposure to market balance fundamentals and manage contract performance

China the largest consumer of natural flake graphite globally and of Syrah material
(Syrah targeting higher proportion of ex-China sales over time)

Syrah Graphite Sales China vs ex-China 2019 % YTD



Pricing expected to evolve as China transitions to be a net importer of graphite

	Syrah's Strategic Focus	Expected China Market Position
Recent past (2018 – early 2019)	<ul style="list-style-type: none"> Initial market entry focus to facilitate Balama plant operation at ~70% capacity (~250ktpa concentrate) to deliver competitive unit production costs Strategy to sell into all major geographies and market segments to drive qualification, and test market pricing 	Net Exporter
Short to medium term (current - 2020)	<ul style="list-style-type: none"> Balama volume is expected to continue to facilitate global natural graphite market pricing evolution from a disaggregated market to a globally traded market Demand growth expected to be strong, but a supply surplus is possible in 2019 Syrah will aim to balance incremental production volume increases at Balama beyond current production rates, in line with prevailing incremental market demand 	Transition to Net Importer
Medium to long term (2021+)	<ul style="list-style-type: none"> Demand growth driven by lithium-ion battery production is expected to increase fines prices relative to coarse flake (reducing differentials) and reward higher carbon grade and lower impurities over time Market demand for high quality natural flake graphite is expected to enable progression of Balama to full production capacity 	Net Importer



SYRAH RESOURCES

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Base case demand view supports Balama reaching full capacity; driven by battery anode material and China flake graphite demand

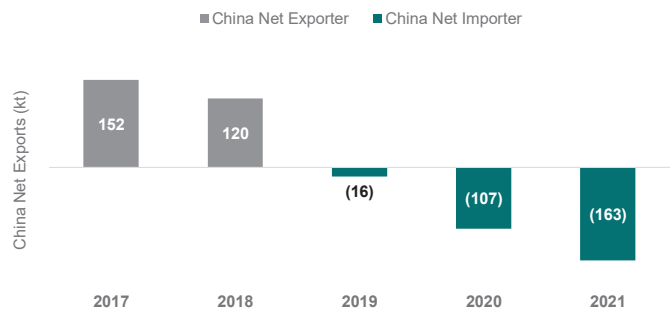
Significant fines growth driven by battery anode material demand



Source: Benchmark Mineral Intelligence, June 2019

- Fines market growth driven by demand from anode producers to support the increased capacity of lithium-ion factories and the objective to lower overall product costs
- Fines material remains the major natural graphite material used in anodes
- Coarse flake demand growth driven by expandable / foils / insulation, from a low base

China expected to soon become a net importer of natural graphite



Source: Benchmark Mineral Intelligence, June 2019

- Clear commitments to near term expansion of electric vehicle product ranges and volumes are expected to drive increased demand for all battery minerals
- Benchmark Minerals Intelligence forecast China to become a net importer of natural flake graphite from 2019

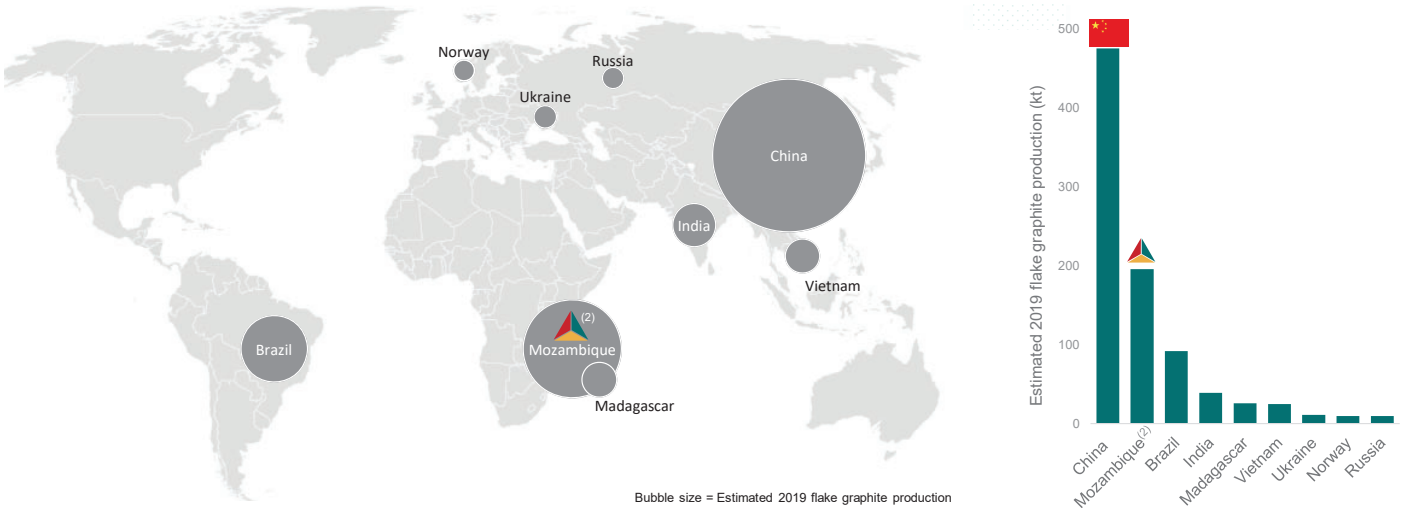


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Syrah is the primary source of ex-China supply

Estimated 2019 global natural flake graphite production (kt)⁽¹⁾



(1) Source (bubble chart and bar chart): Benchmark Mineral Intelligence, June 2019
 (2) Benchmark Minerals Intelligence forecasts that Balama Graphite Operation will account for 98% of Mozambique production



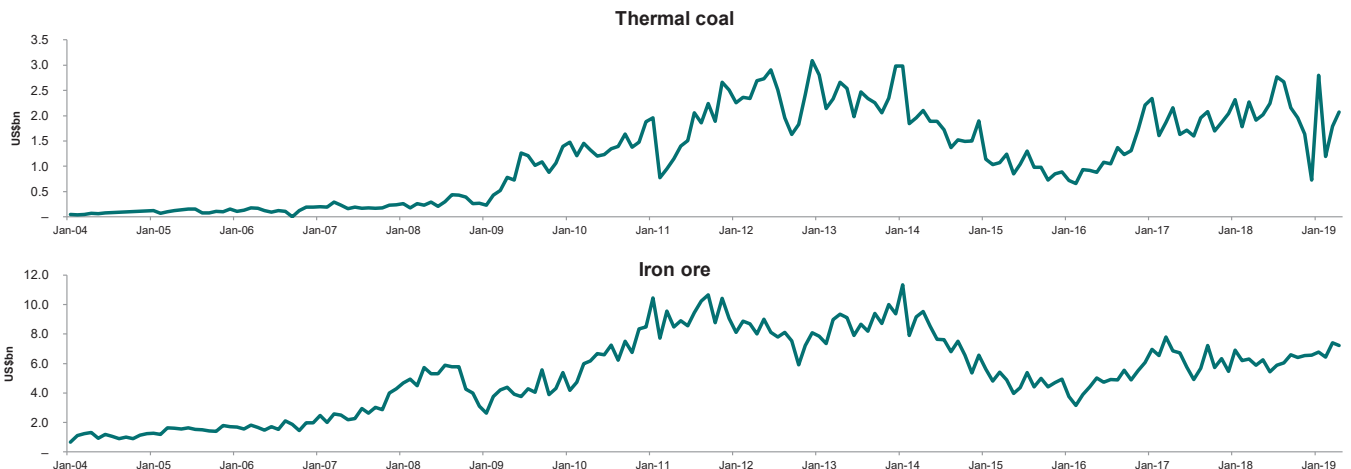
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China has structurally changed the trade flow of commodities before; market balance and quality differentials will drive imports

- Despite having its own significant natural endowment of iron ore and coal, China has shown a growing preference for higher grade imported material
- Chinese anode material demand growth is expected to provide similar demand and price opportunity for high quality natural flake graphite

China's import value of key commodities



Source: Bloomberg
 Notes: Represents dollar value imported into China



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Battery Anode Material (BAM) strategy

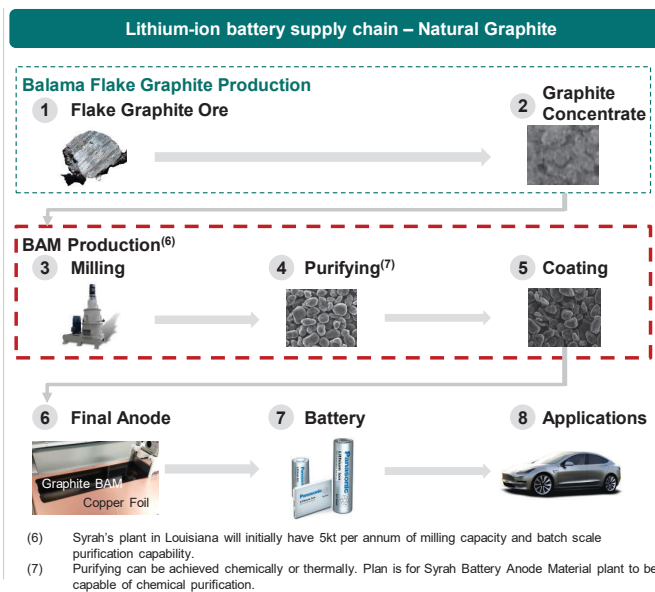


Photo: Syrah's BAM plant in Louisiana

Vidalia (Louisiana) battery anode material plant – key for market progression through qualification and product development

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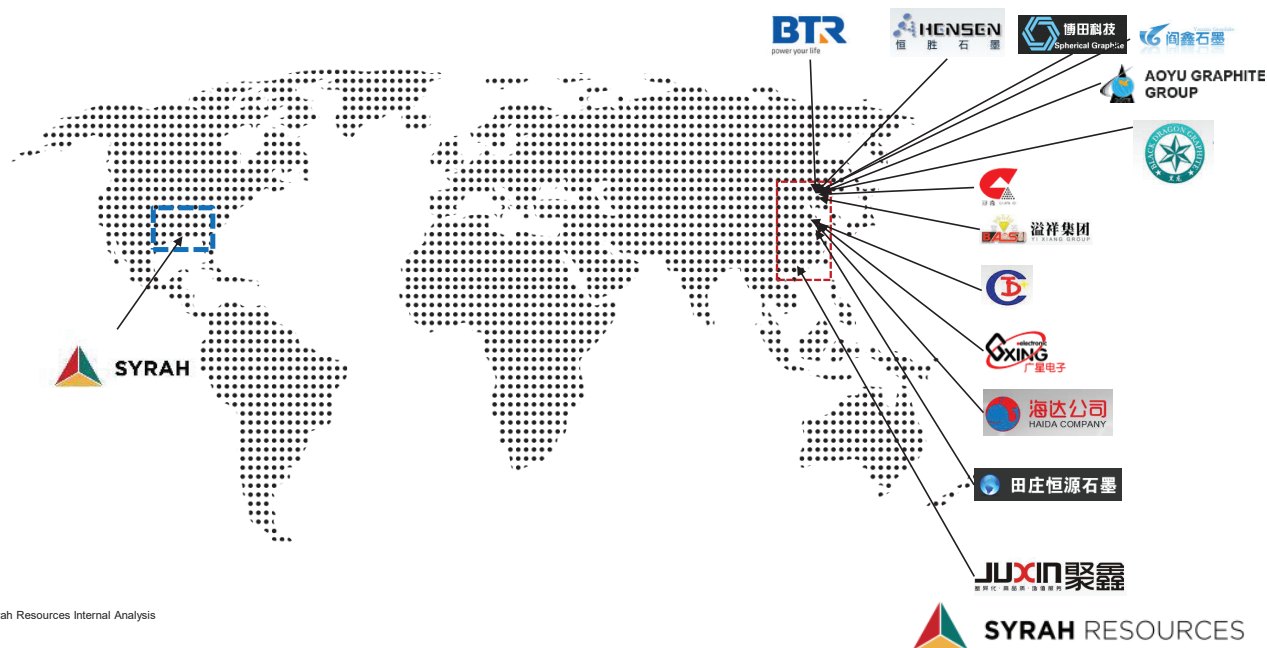
Progress to Date	Mar 2018	Syrah precursor ⁽¹⁾ testing and benchmarking completed
	May 2018	Vidalia BAM site purchase agreement ⁽²⁾
	Aug 2018	Vidalia BAM site purchase completed ⁽³⁾
	Sep 2018	Phase 1 Commercial scale (10ktpa and 40ktpa) study completed - potential for attractive operating margins and opportunities for flow sheet and capital optimisation identified ⁽⁴⁾
	Dec 2018	<u>5ktpa milling capacity installed</u> – First production unpurified spherical graphite using Balama feed ⁽⁵⁾
Forward Plan	Q1 2019	Unpurified spherical graphite qualification samples dispatched to a range of potential customers
	Now	Utilise existing plant for product development and to establish customer base through provision of qualification samples
	Q3-Q4 2019	<u>Commission batch purification plant</u> and (i) dispatch purified spherical graphite samples to potential customers in Q3 (ii) produce pilot scale finished BAM products utilising Syrah purified spherical for Battery Manufacturer engagement in Q4



(1) Precursor materials refer to unpurified and purified natural spherical graphite
 (2) Refer to ASX announcement dated 23 May 2018
 (3) Refer to ASX announcement dated 16 August 2018
 (4) Refer to ASX announcement dated 30 January 2019
 (5) Refer to ASX announcement dated 31 December 2018

Until recently, uncoated natural spherical graphite supply was entirely Chinese – Syrah can provide an alternative source of supply

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Syrah's vanadium opportunity

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- Vanadium in the processed graphite ore, which currently reports to tailings, can be refined into a saleable product (V_2O_5)⁽¹⁾ and presents a medium term, high value opportunity
- Balama is a globally significant vanadium Resource, with potential for ~5ktpa of V_2O_5 production (vs. 2018 global production of ~73kt⁽²⁾)
- Review of 2014 Scoping Study during 2018 confirmed likelihood of attractive project economics, warranting progression to a Pre Feasibility Study (PFS)⁽³⁾
- Industry engagement underway, which will inform timing and scope for PFS

Outcomes of 2014 Scoping Study Review⁽¹⁾⁽³⁾

Review of 2014 Scoping Study	Review Conclusion (Using original grid power assumption)	Review Conclusion (Using diesel power assumption)
Capital costs	Higher	Higher
Operating costs	Lower	Higher
Project Economics	Positive	Positive

Balama Vanadium Resource at 31 Dec-18⁽¹⁾

Deposit	Category	Tonnes (Mt)	V_2O_5 (%)	V_2O_5 (t)
Ativa	Measured	23.4	0.38	88,223
	Indicated	11.0	0.39	43,066
	Inferred	17.3	0.40	68,859
Mualia	Inferred	118.7	0.45	529,927
	Measured	26.0	0.44	113,243
	Indicated	28.4	0.45	127,684
	Inferred	160.0	0.43	686,386
Total		384.6	0.43	1,657,388

(1) Refer ASX announcement dated 30 July 2014

(2) USGS estimate: <https://prd-wret.s3-us-west-2.amazonaws.com/assets/palladium/production/atoms/files/mcs-2019-vanad.pdf>

(3) Refer ASX announcement dated 30 January 2019



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Transaction details



Photo: Balama on-site laboratory

Sources and uses of proceeds

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Sources and Uses⁽¹⁾

Sources	A\$m	US\$m
Expected cash position at end of Q2 2019	63	43
Gross Proceeds from Convertible Note	56	38
Gross Proceeds from Entitlement Offer	56	38
Total	174	119
Uses	A\$m	US\$m
Balama working capital and liquidity support	139	95
Vidalia Capital, BAM Feasibility and Product Development	20	14
General corporate and transaction costs	15	10
Total	174	119

- (1) A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.684 as of 18 June 2019. The net proceeds of the Offer are expected to be converted into US\$ (representing the underlying currency in which the majority of the expenditure will be incurred)
- (2) Subject to completion of the institutional component of the Entitlement Offer and obtaining shareholder approval under ASX Listing Rule 7.1. If shareholder approval is not obtained, Syrah will consider alternative funding sources for the A\$55.8m (~US\$38.2m)

Comments

- Syrah's ramp-up at the Balama Graphite Operation (Balama) continues and is nearing production volumes that are expected to generate positive operating cash flows
- Balance sheet solid (~US\$43m cash position expected at end of Q2 2019, contingent on timing of expected cash receipts and payments), and debt financing options continue to be progressed
- Total ~A\$111.6m (~US\$76.3m) of additional liquidity to be provided by the proposed transaction comprising of:
 - A\$55.8m (~US\$38.2m)⁽¹⁾ Convertible Note issued to AustralianSuper⁽²⁾
 - ~A\$55.8m (~US\$38.2m)⁽¹⁾ Entitlement Offer
- Additional liquidity is expected to provide flexibility to tailor Balama production ramp-up according to global natural graphite demand, enabling orderly price negotiations
- Proceeds will also be used to progress qualification of Syrah's Battery Anode Material (BAM) and inform Syrah's market entry and commercialisation approach



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Convertible Note overview

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Security and status	<ul style="list-style-type: none"> Unsecured Prior to conversion, the Convertible Note will rank equally with all other unsecured and unsubordinated debt obligations of Syrah
Issue size / face value	<ul style="list-style-type: none"> A\$55.8 million (~US\$38.2 million)⁽¹⁾ Syrah may elect prior to the issue of the Convertible Note to reduce the face value if it enters into a debt facility with a third party for which binding terms have been agreed (in which case the break fee, as described below, may be in part payable)
Term / draw down period	<ul style="list-style-type: none"> 5 years (unless redeemed or converted earlier) Syrah may elect (at its sole discretion) to defer the issue of the Convertible Note for a period up to 120 days after the date of the Convertible Note Deed
Interest	<ul style="list-style-type: none"> Interest will accrue from day to day on the Principal Outstanding under the Convertible Note, and will be capitalised quarterly in arrears and added to the Principal Outstanding under the Convertible Note at a rate of 8% per annum, unless the Company elects to make interest payments in cash, in which case the relevant interest will be calculated at a rate of 7.5% per annum
Conversion Price	<ul style="list-style-type: none"> The initial Conversion Price will be A\$1.0036, being a 5% premium to TERP⁽²⁾ as at announcement of the Entitlement Offer The Conversion Price is subject to adjustment(s) for certain corporate actions of Syrah during the term of the Convertible Note, in accordance with customary adjustment rules
Conversion / Redemption	<ul style="list-style-type: none"> At any time after 30 months from issue and prior to the maturity date, AustralianSuper may elect to fully convert the Convertible Note into fully paid ordinary shares of Syrah, at the Conversion Price AustralianSuper may also elect to convert the Convertible Note in circumstances where a third party makes a takeover offer for all the shares of the Company, the Company announces the execution of a scheme implementation agreement in respect of all the shares of the Company or an event of default occurs, which includes customary events including relating to failure to pay amounts due, insolvency events, material breach of warranty, etc Upon conversion, the number of shares in Syrah to be issued to AustralianSuper will be calculated as: Principal Outstanding / Conversion Price, where the Principal Outstanding is the face value of the Convertible Note together with the establishment fee and accrued and capitalised interest and the Conversion Price is as set out above If such conversion would result in AustralianSuper's voting power in Syrah exceeding 20%, then Syrah will only convert such proportion of the Principal Outstanding of the Convertible Note that would result in AustralianSuper's shareholding being 19.90% and will redeem the balance for a cash payment (unless the Board of Syrah considers that it is in the best interests of the Company to convert the whole Convertible Note, in which case the issuance of any Shares that would result in AustralianSuper's shareholding exceeding 19.9% will be subject to the approval of Syrah's ordinary shareholders). If AustralianSuper has not elected to convert the Convertible Note on or before the maturity date, then the Convertible Note is redeemable in cash upon maturity. It is also redeemable if a takeover offer or scheme of arrangement as described above becomes unconditional and AustralianSuper has not made a conversion election, or if AustralianSuper elects to redeem instead of convert the Convertible Note in connection with an event of default

- (1) The US\$ amount is based on the exchange rate of 0.684 as of 18 June 2019, which may change
- (2) TERP is the theoretical price at which New Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP is calculated by reference to Syrah's closing price on the last trading date immediately prior to announcement of the Entitlement Offer



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Convertible Note overview (continued)

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Termination	<ul style="list-style-type: none"> Syrah may terminate the Convertible Note Deed and not proceed with issuing the Convertible Note (subject to payment of a break fee, as described below), if it receives: <ul style="list-style-type: none"> a financing offer on binding terms and the Board considers that it is in the best interests of the Company to accept that offer rather than the financing available under the Convertible Note Deed; or a takeover (or other change of control event) proposal that the Board reasonably expects to succeed or become binding and be completed
Fees	<ul style="list-style-type: none"> Break fee – ~A\$0.56m, payable in cash to AustralianSuper (in full or in part) if Syrah terminates the Convertible Note in the circumstances set out above, defaults on its obligation to issue the Convertible Note or elects to reduce the face value of the Convertible note (in which case the amount payable will be adjusted by multiplying ~A\$0.56m by the proportion by which the face value has been reduced) Establishment fee – 2% of the face value of the Convertible Note will be capitalised and will accrue to the Principal Outstanding upon issuance of the Convertible Note
Governance	<ul style="list-style-type: none"> AustralianSuper has a right to propose a Non-Executive Director for appointment to the Board of Syrah (subject to certain requirements, including relating to experience, approval by Syrah's nominations committee (or equivalent) and maintenance of a Board comprised of majority independent non-executive directors)
Conditions precedent to issuance	<ul style="list-style-type: none"> Syrah completing the institutional component of the Entitlement Offer; and Shareholder approval under ASX Listing Rule 7.1⁽¹⁾
Undertakings, representations and warranties	<ul style="list-style-type: none"> Syrah and AustralianSuper give customary representations and warranties including in relation to registration, power and capacity, solvency, authorisations, compliance with law, ranking, capital structure, accuracy of information and litigation (as applicable) Syrah must comply with various customary undertakings prior to the maturity date, including in relation to the conduct of its business, non-disposal of material assets, not making material changes to its constitution and compliance with laws While the Convertible Note remains outstanding and prior to the date 5 business days after a change of control event (if any), Syrah also undertakes to consult with AustralianSuper prior to issuing any ordinary shares, equity securities or debt securities for the primary purpose of raising capital for Syrah or entering into debt financing agreements (other than any senior secured revolving debt / credit facilities), however consent of AustralianSuper is not required for any such transactions or agreements
Assignment	<ul style="list-style-type: none"> AustralianSuper may assign or transfer the Convertible Note Deed or the Convertible Note to any of its related bodies corporate with written notice to Syrah provided it is validly transferred, the assignee enters into a deed of assignment and assumption and the assignee remains a related body corporate Otherwise, the Convertible Note Deed or Convertible Note cannot be assigned or transferred without the prior written consent of the other party

(1) Further information on the Convertible Note will be set out in the Notice of Meeting relating to such shareholder approval



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Timetable - Convertible Note

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Event	Date
Execution and announcement of Convertible Note Deed	Wednesday, 19 June 2019 (pre-market open)
Notice of General Meeting to approve Convertible Note issue dispatched	Tuesday, 25 June 2019
Voting Entitlement Date for General Meeting	Tuesday, 30 July 2019, 7:00pm
General Meeting to approve Convertible Note issue	Thursday, 1 August 2019, 10:00am
Delivery of Issue Notice at expiry of 120 day holding period ⁽¹⁾	Thursday, 17 October 2019
Completion (issue of the Convertible Note)	Assuming the Issue Notice is delivered on Thursday, 17 October 2019, completion may occur on any date between Thursday, 24 October 2019 and Thursday, 7 November 2019 as determined by Syrah ⁽²⁾

Note: Timetable is indicative only. All dates and times refer to the date and time in Sydney, Australia and are subject to change.

(1) Issue Notice may be delivered by Syrah at any time after all conditions precedent are satisfied or waived and before expiry of the 120 day holding period.

(2) Completion can occur between 5 and 15 business days after the date of the Issue Notice.



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Entitlement Offer Overview

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Offer size and structure	<ul style="list-style-type: none"> 1 for 5 fully underwritten pro-rata accelerated non-renounceable Entitlement Offer ("Offer" or "Entitlement Offer") at A\$0.81 per New Share to raise approximately A\$55.8m (approximately US\$38.2m) Approximately 68.9m New Shares to be issued (equivalent to approximately 16.7% of Syrah's undiluted share capital immediately following completion of the Offer)
Offer price	<ul style="list-style-type: none"> Fixed offer price of A\$0.81 per New Share under the Offer ("Offer Price") Represents a discount of 15.3% to TERP⁽¹⁾, being A\$0.956 per share
Entitlement Offer	<ul style="list-style-type: none"> Eligible institutional shareholders will be invited to take up their entitlements in an accelerated Institutional Offer Eligible retail shareholders in Australia and New Zealand will be sent the offer materials and can take up their entitlements in a separate Retail Offer
Use of proceeds	<ul style="list-style-type: none"> Refer to page 28 for uses of proceeds
Ranking	<ul style="list-style-type: none"> New Shares will have the same ranking as existing shares
Underwriting	<ul style="list-style-type: none"> The Offer is fully underwritten

(1) TERP is the theoretical price at which New Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP. TERP is calculated by reference to Syrah's closing price of A\$0.965 on 18 June 2019



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Timetable – Entitlement Offer

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Event	Date
Trading halt and announcement of capital raising	Wednesday, 19 June 2019 (pre-market open)
Institutional Entitlement Offer opens	Wednesday, 19 June 2019
Institutional Entitlement Offer closes	Thursday, 20 June 2019
Trading halt lifted and Shares recommence trading	Friday, 21 June 2019
Record Date under Entitlement Offer	Friday, 21 June 2019, 7:00PM
Retail Entitlement Offer opens and Retail Offer Booklet and Application and Entitlement Forms dispatched to eligible retail shareholders	Tuesday, 25 June 2019
Settlement of New Shares issued under the Institutional Entitlement Offer	Friday, 28 June 2019
Issue and commencement of trading of New Shares under Institutional Entitlement Offer	Monday, 1 July 2019
Retail Entitlement Offer closes	Monday, 8 July 2019, 5:00PM
Settlement of New Shares issued under the Retail Entitlement Offer	Monday, 15 July 2019
Issue of New Shares under Retail Entitlement Offer	Tuesday, 16 July 2019
Commencement of trading of New Shares issued under Retail Entitlement Offer	Wednesday, 17 July 2019
Holding statements sent to retail shareholders	Wednesday, 17 July 2019

Note: Timetable is indicative only. All dates and times refer to the date and time in Sydney, Australia and are subject to change.



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Key risks

Photo: Balama Ore

Key risks

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<p>COMMODITY PRICE RISK</p>	<p>The demand for, and the price of, natural flake and spherical graphite is highly dependent on a variety of factors, including international supply and demand of graphite and substitutes, the price and availability of substitutes, actions taken by governments, and global economic and political developments. Syrah's operational and financial performance, as well as the ongoing economic viability of the Balama Graphite Operation, is heavily reliant on the price of graphite, among other things. In this respect, prospective investors should note that, at present, there is no transparent market for graphite pricing; rather, prices are negotiated on a bilateral basis and therefore subject to factors including those set out below as well as the preferences and requirements of customers.</p> <p>Failure by Syrah to negotiate favourable pricing terms (which terms may provide for fixed or market-based pricing) may materially affect the profitability and financial performance of Syrah. Further, failure by Syrah to negotiate favourable terms with agents or other third parties engaged to market and/or sell graphite and/or of Battery Anode Material graphite products ("Products") on its behalf, or failure by such agents or third parties to sell Products at favourable prices, may have a similar effect. Any sustained low price for Products (or low sale price achieved by Syrah, whether directly or via agents or other third parties) may adversely affect Syrah's business and financial results, its ability to finance, and the financing arrangements for its future activities or its planned capital expenditure commitments.</p> <p>The factors which affect the price for the Products (many of which are outside the control of Syrah) include, among many other factors, the quantity of global supply of graphite as a result of the capacity utilization of existing mines, the commissioning of new mines and the decommissioning of others; the approach to pricing by competitors (i.e. aggressive pricing at or below cost of production), political developments in countries which produce and consume material quantities of Products including imposition of tariffs, duties, quotas or bans; the weather in such countries; the price and availability of substitutes; advancements in technologies and the uses and potential uses of the Products, and the demand for the applications for which the Products may be used (including, for example, in the steel, manufacturing, construction, and battery industries); the grade, quality, product mix and particle size distribution of the Products produced; and sentiment or conditions in the countries and industry sectors in which Syrah and its business/commercial partners sell or intend to sell the Products.</p> <p>Given the range of factors which contribute to the price of the Products, and the fact that pricing is subject to negotiation, it is particularly difficult for Syrah to predict with any certainty the prices at which Syrah will sell its Products. The effect of changes in assumptions about future prices may include, amongst other things, changes to Mineral Resources and Ore Reserves estimates and the assessment of the recoverable amount of Syrah's assets.</p>
<p>MARKET RISK</p>	<p>Segments within the global natural graphite market are currently undergoing significant supply and demand transformation. New supply, principally driven by the ramp up of Syrah's Balama mine is competing directly with existing production sources, principally from China. New demand is evolving from the lithium ion battery demand energy storage, particularly in Electric Vehicles. This demand is expected to increase as adoption of electric vehicles increases. However, the rate and timing of such demand increase is uncertain.</p> <p>As new and existing sources of supply compete, against developing demand, there are a range of market scenarios and timeframes to which Syrah is potentially exposed. Syrah may need to adjust its operational and commercial strategies as market conditions unfold. This may include sourcing further capital to sustain and develop the business until sources of demand mature.</p>

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MINERAL RESOURCES AND ORE RESERVES	<p>Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economic extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code"). JORC Code compliant statements relating to Syrah's Ore Reserves and Mineral Resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.</p> <p>In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change and may be updated from time to time. This may result in alterations to mining plans or changes to the quality or quantity of Syrah's Ore Reserves and Mineral Resources, which may, in turn, adversely affect Syrah's operations.</p> <p>Mineral production involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.</p> <p>No assurance can be given that the anticipated tonnages or grade of minerals will be achieved during production or that the indicated level of recovery rates will be realised. In addition, long term price assumptions used in Balama's most recent Resource and Reserve statement, announced on 29 March 2019, are above prices currently being received for Balama's graphite product. While, as stated in the investor presentation, Syrah expects pricing in the long term to strengthen, if achieved sale prices do not meet medium to long term projections, as well as increased production and operating costs or reduced recovery rates, this may render any existing Resources or Reserves, including potential mineral Resources or Reserves containing relatively lower grades, uneconomic or less economic than anticipated, and may ultimately result in a restatement of such Resource or Reserve. This in turn could impact the life of mine plan and therefore the value attributable to mineral inventory and/or the assessment of recoverable amount of Syrah's assets and/or depreciation expense.</p>
OPERATIONAL RISK (INCLUDING RISKS RELATED TO PRODUCTION RAMP-UP)	<p>During the production ramp up and operational phase of the Balama Graphite Operation, there is a risk that difficulties may arise as part of the processing and production of minerals, including failures in plant and equipment, difficulties in obtaining and importing replacement equipment, spares or necessary consumables in a timely or cost effective manner, or difficulties with product liberation, separation, screening, filtration, drying and bagging.</p> <p>Other risks during the production ramp up and operational phase include, and are not limited to, weather, availability of materials, availability, continuity and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment and IT failures or disruptions. The production ramp up process may uncover failures or deficiencies in processes, systems, plant and equipment required for the Balama Graphite Operation, and addressing such failures or deficiencies may result in Syrah incurring unexpected costs and production ramp up delays. Any of these outcomes could have a material adverse impact on Syrah's results of operation and financial performance.</p> <p>Any inability to resolve any unexpected problems relating to these operational risks or adjust costs profiles on commercial terms could adversely impact continuing operations, Mineral Resources and Ore Reserves estimates and the assessment of the recoverable amount of Syrah's assets.</p> <p>Moreover, short-term operating factors relating to the need for sequential development of mineral bodies and the processing of new or different mineral types or grades, may cause mining operations to be unprofitable in any particular period.</p> <p>Production guidance and targets are as always subject to assumptions and contingencies which are subject to change as operations performance and market conditions change or other unexpected events arise. As stated in the presentation, the production guidance is dependent on a number of factors including maintenance and operation of the mine and plant without material equipment failure, loss of continuity of experienced personnel and achievement of recovery rates from the resource. These risks are discussed in more detail elsewhere in this section.</p>



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GEOLOGICAL AND GEOTECHNICAL RISKS	<p>In addition, there is a risk that unforeseen geological or geotechnical issues may be encountered when developing and mining ore reserves, such as unusual or unexpected geological conditions, pit wall failures, tailings storage facility failures, rock bursts, seismicity and cave-ins. In any of these events, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or ongoing unplanned capital expenditure in order to meet production targets.</p>
COST INFLATION	<p>Higher than expected inflation rates generally, or specific to the mining industry in particular, could be expected to increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such cost increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could adversely impact Syrah's financial performance.</p>
COUNTERPARTY RISK (INCLUDING RISKS RELATED TO QUALIFICATION OF PRODUCT AND RENEWAL OF SALES AGREEMENTS)	<p>The ability of Syrah to achieve its stated objectives will depend on the performance of contractual counterparties.</p> <p>Syrah has entered into sales, marketing and distribution agreements for the Balama Graphite Operation, and will seek to renew or replace contracts in order to match anticipated production over time or as those agreements approach their respective expiry dates. Global demand may fluctuate (based on steel production, electric vehicle and energy storage system battery demand in particular) and there is no guarantee that sales forecasts or timing will be achieved, or that supply and demand analysis will be accurate.</p> <p>The agreements are a mix of term agreements and spot sale agreements. Syrah's revenue and profitability depends on counterparties performing on their obligations under such agreements including taking all contracted volumes, and on counterparties with term agreements continuing to enter into new agreements at the end of the existing term and spot sale counterparties entering into new sales.</p> <p>In addition, the sale of Products by Syrah is subject to commercial verification and qualification processes to ensure any Products produced meet the specifications for industrial supply required by customers (including the industrial graphite markets and the battery sector). The qualification process may require approval from multiple parties in the supply chain and not just those parties with whom Syrah has contractual arrangements. Failure of Syrah's Products to qualify for purchase, or any unanticipated delay in qualifying Syrah's Products, may adversely impact Syrah's financial performance and position (including by resulting in Syrah generating less revenue or profit than anticipated and/or incurring higher costs than anticipated).</p> <p>Syrah has entered into various agreements for the Balama Graphite Operation and the Battery Anode Material Project (including the supply of key goods and services including diesel fuel supply, logistics, contract mining and other services). Risks associated with such agreements, some of which have arisen, include rising contract prices as well as disputes regarding variations, extensions of time and costs, all of which may give rise to delays and/or increased costs. The risk of variations in contract prices is a function of the inclusion of certain 'rise and fall' provisions in some of Syrah's operational agreements. Such provisions provide a mechanism by which prices charged for certain inputs are periodically adjusted based on movements in certain indices. Should any of these risks materialise, this could have a material adverse impact on Syrah's profitability, financial performance and position.</p> <p>In most circumstances, Syrah retains title documents as protection against payment defaults under sales agreements where secured payment such as Letters of Credit (LC) or Cash Against Documents (CAD) is agreed, particularly for China. Payment default for such sales may lead to a need for resale to other contracted counterparties or to new customers. This may also lead to potential spot price risk (see "Market Risk" above). If Syrah's counterparties otherwise default on the performance of their respective obligations, it may be necessary to seek enforcement or some other legal remedy in the jurisdiction specified in the sales agreement, if alternative commercial settlement cannot be reached. Such legal action can be uncertain, lengthy and costly. There is a risk that a legal remedy will not be granted on satisfactory terms or in a timely manner.</p>



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Key risks

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ENVIRONMENTAL MATTERS	<p>Environmental regulations in the jurisdictions in which Syrah has operations impose significant obligations on companies that conduct the exploration for and mining of commodities. These regulations also cover the processing of ores into final products and subsequent transportation of those produced minerals as well as the possible effects of such activities upon the environment and local communities.</p> <p>Syrah must comply with all known standards, existing laws, and regulations in each case which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how vigorously and consistently the regulations are administered by the local authorities. There are inherent environmental risks in conducting exploration and mining activities, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. These risks include the occurrence of incidents such as uncontrolled tailings containment breaches, subsidence from mining activities, escape of polluting substances and uncontrolled releases of hydrocarbons that may lead to material adverse impacts on Syrah's people, host communities, assets and/ or the Company's licence to operate.</p> <p>Changes in environmental laws and regulations or their interpretation or enforcement may adversely affect Syrah's operations, including the potential profitability of its operations. Further, environmental legislation is evolving in a manner which may require stricter standards and enforcement (with associated additional compliance costs) and expose relevant operators to the risk of increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Syrah's operations.</p> <p>Syrah currently holds an environmental licence for the Balama Graphite Operation (due to expire in 23 April 2020). Renewal of the licence is conditional on the update and resubmission of the environmental management plan and monitoring program in 2019. A detailed plan has been implemented to ensure all conditions for the renewal of the environmental licence are met in the required timeframes. Separately, in October 2017, Regulations of Safety of Tailings Dams, based on international best practice, were introduced in Mozambique. Under these new regulations, Syrah is required to acquire a Tailings Storage Facility operating license by March 2020. The Company's plans in this regard are well advanced.</p> <p>Syrah's practices are reflected in the ISO14001 and OHSAS:18001 certification status. However, there are no guarantees that environmental issues or concerns will not arise and the abovementioned environmental licence will be renewed and tailings storage facility license will be obtained. If such issues or concerns were to arise or licences are not renewed (or any renewal delayed) or obtained, this may have an adverse effect on Syrah's ability to operate, reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.</p> <p>In future periods, Syrah will be required to rehabilitate lands used for mining in accordance with environmental licence conditions and applicable laws and regulations. A closure plan and estimate of closure and rehabilitation liabilities have been prepared for the Balama Graphite Operation. These estimates of closure and rehabilitation liabilities are based on current knowledge and assumptions however actual costs at the time of closure and rehabilitation may vary. In accordance with licence conditions Syrah is also progressively placing a bank guarantee in favour of the Ministry of Mineral Resources and Energy in Mozambique in relation to the rehabilitation or removal of project infrastructure as per the closure plan.</p> <p>For the current Battery Anode Material facility in the USA, all regulatory air and water environmental discharge requirements have been met based on current qualification volumes. A commercial scale facility may require additional permits, authorisation and/or licences in relation to a variety of matters including air source emissions, water discharge, and/or hazardous materials. There can be no guarantee that Syrah will be able to successfully obtain, maintain or renew relevant authorisations in a timely manner or on acceptable terms to support its ongoing activities. An inability to obtain and maintain the necessary titles, authorisations, permits and licences could have a material adverse effect on the Battery Anode Material operations and the recoverable amount of assets.</p>
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Key risks

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REMOTE OPERATING ENVIRONMENT	Due to the remoteness of the Balama Graphite Operation, Syrah is subject to an increased number of risks including a lack of access to key infrastructure, security requirements, rising fuel costs, unexpected delays and accidents that could, singularly or collectively, materially negatively impact upon Syrah's financial performance and position. Any prolonged interruption to access to key infrastructure and logistics processes, including, for example, road access and integrity, bridge access and integrity, transport of product to the Port of Nacala, clearing of product through customs and shipping from the port, including shipping delays and rescheduling, could have significant adverse effects on the Company's ability to produce and sell product and therefore generate revenue. Further, as Syrah's primary asset is located in a remote part of Africa, it is particularly susceptible to the availability of personnel, specialist services, parts, equipment and supplies on a timely basis.
CLIMATE CHANGE	The impacts of climate change may affect Syrah's operations and the markets in which the Company sells its Products through regulatory changes, technological advances and other market/economic responses. The use of fossil fuels for energy is a significant source of greenhouse gases contributing to climate change; resulting in increasing support for alternative energy and making fossil fuels susceptible to changes in regulations, and potentially usage taxes. While the growth of alternative energy supply and storage options presents an opportunity for Syrah's Battery Anode Material strategy and products; the effects of climate change on the Company's assets may also include changes in rainfall patterns, water shortages and an increase in the ultimate cost of fossil fuels used in Syrah's operations for transport and power generation.
WATER SOURCES	Any restrictions on Syrah's ability to access water may adversely impact the costs, production levels and financial performance of its operations. There is no guarantee that there will be sufficient future rainfall, or that the water level at the Chipembe Dam will be sufficient, to support Syrah's water demands in relation to its sites and operations or that access to water will otherwise remain uninterrupted. Likewise, the availability of water for the Battery Anode Material plant cannot be guaranteed. Any interruption to water access could adversely affect production and Syrah's ability to develop or expand projects and operations in the future. In addition, and while there are potential alternative water sources, there can be no assurance that Syrah will be able to obtain access to them on commercially reasonable terms or at all in the event of prolonged drought conditions or other interruptions to existing water access arrangements.
HEALTH AND SAFETY	Mining, construction, production and logistics are potentially hazardous activities. There are various occupational health risks associated with mining and production operations and associated supporting activities such as logistics. If any injuries or accidents occur, this could have negative employee, community and/or financial implications for the Company including potential delays or stoppages in mining, production and/or logistics activities and related financial impacts. In addition, the location of the Balama Graphite Operation means Syrah's employees and contractors could be affected by mosquito borne diseases such as malaria which could adversely impact operations.
COMMUNITY RELATIONS	<p>Syrah's mining activities may cause issues or concerns with the local community in connection with, among other things, the potential effect on the environment as well as other social impacts relating to employment, use of infrastructure and community development.</p> <p>In response to such risks, Syrah has signed a Community Development Agreement with local key stakeholders and established ongoing engagement and management programs focused on optimising positive impacts and minimising the risk of negative impacts on the community. However, these programs are no guarantee that other issues or concerns will not arise with the local community. If such issues or concerns were to arise, this may have an adverse effect on Syrah's reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.</p>

Key risks

SOVEREIGN/POLITICAL RISK, WAR AND TERRORISM, FORCE MAJEURE	<p>Syrah's operations could be affected by political instability in Australia, Mozambique, the USA, UAE or China or other countries or jurisdictions in which it has operations, investment interests, conducts exploration activities or has sales into. Syrah is therefore subject to the risk that it may not be able to carry out its operations as it intends or to ensure the security of its assets and its people. Syrah is subject to the risk of, among other things, loss of revenue, property and equipment as a result of expropriation, war, insurrection, civil disturbance, acts of terrorism and geopolitical uncertainty and political or civil unrest. In particular, in respect of the Balama Graphite Operation, significant political and civil unrest has occurred in the north of Mozambique. While, such part of Mozambique is more than 300km from the Balama Graphite Operation and such incidents are currently confined to such parts, there is no certainty that will always be the case. Accordingly, Syrah has significant security measures and protocols in place, however such security measures and protocols are no guarantee that such risks will not arise.</p> <p>The effect of these risks is difficult to predict and any combination of one or other of the above may have a material adverse effect on Syrah. Syrah has a limited ability to insure against some of these risks and other 'force majeure' risks (such as natural disasters).</p> <p>Syrah's primary asset is located in Mozambique and so it is subject to risks associated with operating in that country. Risks of operations in Mozambique may include economic, social or political instability or change, hyperinflation, widespread health emergencies or pandemics, reduced convertibility of local currency, sovereign loan default or collapse of the country's financial system, difficulty in engaging with the local community, instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licencing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.</p> <p>The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations, profitability or the recoverable amount of the assets of Syrah.</p>
GOVERNMENT ACTIONS	<p>Syrah's operations could be adversely affected by government actions or trade restrictions involving Mozambique, the USA, Dubai, China or other countries or jurisdictions in which it has operational exposures, investment or exploration interests or into which it makes sales. These actions include, but are not limited to, the introduction of or amendment to or changes in the interpretation of legislation, guidelines and regulations in relation to mining and resources exploration and production, taxation, the environment, carbon emissions, competition policy, export duties, and import duties, tariffs, quotas, bans or restrictions. Such actions could impact upon land access, the granting of licences and permits, the approval of project developments and ancillary infrastructure requirements and the cost of compliance. The possible extent of the introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Syrah is difficult to predict. Any such government action may require increased capital commitments in order to ensure compliance or could delay or even prevent certain operation/activities of Syrah. Such actions could therefore have a material adverse effect on Syrah's financial condition.</p> <p>Syrah's business could be affected by new or evolving trade regulations and international standards, such as controls on exports, prices and sanctions restricting or regulating trading with, or the sale or purchase of goods or products to or from, entities in Mozambique, UAE, the United States, China or other jurisdictions relevant to Syrah's business (as well as additional costs in the form of tariffs and duties), any of which could adversely impact Syrah's sales and profitability. In particular, at this time, a large proportion of Syrah's sales are to Chinese customers. In this respect, any tariffs, duties, quotas, bans or restrictions imposed by the Chinese government on product of Mozambican origin could have a material adverse effect on Syrah's sales and revenues in the short to medium term. This risk will reduce as Syrah's sales diversifies into other jurisdictions and end markets.</p>



Key risks

NATURAL DISASTERS	<p>As with any mining operation, Syrah is also at risk of natural disasters, both to the mine site and also to the logistics chain, which may include among other matters, abnormal or severe weather conditions, floods, cyclones and other natural disasters.</p>
REGULATORY RISK	<p>Syrah's businesses are subject, in each of the countries in which it operates, or the countries into which it sells its Products, to various national and local laws and regulations relating to, among other things, construction, exploration and mining activities as well as the import, export, marketing and sale of goods. A change in the laws which apply to Syrah's businesses or the way in which they are regulated, or changes to the laws affecting the sale of the Products such as trade sanctions, restrictions, bans or tariffs could have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Syrah's businesses and financial condition.</p> <p>The Balama Graphite Operation is subject to the laws of Mozambique. Under those laws, certain rights are granted in favour of the Mozambique Government and certain obligations imposed on Syrah.</p> <p>Syrah through its wholly owned subsidiary, has entered into a binding and enforceable agreement with the Mozambique Government ("Mining Agreement"). Among other purposes, the Mining Agreement assists in managing regulatory risk. The Mining Agreement consolidates all prior project documents and approvals and provides the Company with clarity around the governing laws. It gives contractual protection to the mining rights for the Balama Graphite Operation in Mozambique. It also clarifies the obligations to provide a 5% non-diluting free carried equity interest in Twigg to the Government of Mozambique entity and to offer at market value up to 10% of the equity of Twigg to investors on the Mozambique stock exchange within 5 years from the commencement of commercial production (as defined in the Mining Agreement) which occurred on 12 April 2018. A summary of the key commercial terms of the Mining Agreement can be found in the Company's ASX Release dated 27 September 2018.</p> <p>Syrah's operations could be adversely affected by government actions in Mozambique which alter the terms or operation of the Mining Agreement in respect of the Balama Graphite Operation or otherwise impact upon the manner in which Syrah conducts its operations and/or Syrah's relationship with, and obligations to, the Mozambique Government. Such government action could adversely impact Syrah's financial and operational performance and its financial position, in particular if it results in an increase in royalty payments, taxes or similar payments that Syrah is required to make or if it otherwise reduces the proportion of revenues or profits derived from the Balama Graphite Operation which Syrah is entitled to retain.</p> <p>Syrah's business activities are also subject to obtaining, and maintaining the necessary titles, authorisations, permits and licences and associated land access agreements with the local community and various levels of Government which authorise those activities under relevant laws and regulations. There can be no guarantee that Syrah will be able to successfully obtain, maintain or renew relevant authorisations in a timely manner or on acceptable terms to support its ongoing activities. An inability to obtain and maintain the necessary titles, authorisations, permits and licences could have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Syrah's businesses and financial condition.</p>



Key risks

BATTERY ANODE MATERIAL

Relative to the Balama Graphite Operation, Syrah's Battery Anode Material Project is at an early stage. Accordingly, it is subject to a range of risks and variables which may impact upon Syrah's ability to execute that strategy. These risks and variables include:

- In relation to the commissioning of the milling equipment, the risks inherent in any commissioning activities are present including in relation to performance of the processing plant and associated infrastructure, product grade or quality and other production related activities (including failures or deficiencies in processes, plant or equipment);
- Market risk associated with Battery Anode Material including in relation to pricing and demand (see further details outlined in "Market Risk" section above);
- Construction and the commissioning risk of the purification equipment for batch processing of purified spherical graphite;
- Any subsequent expansion including risks relating to weather, availability of materials, availability and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment and IT failures or disruptions. The commissioning process may uncover failures or deficiencies in processes, systems, plant and equipment required for the Battery Anode Material Project and addressing such failures or deficiencies may result in Syrah incurring unexpected costs and production commencing later than anticipated. Any of these outcomes could have a material adverse impact on Syrah's results of operations and financial performance;
- Operational risks including that the performance of the qualification plant may be below expectations;
- Obtaining all necessary permits, authorisations and approvals for the intended purified spherical graphite and anode material operations and any expansion of those operations beyond the initial plant capacity, including in relation to the discharge of wastewater, air emissions and a potential (but unlikely) change in design basis requiring the utilisation of hazardous materials;
- The costs of developing a commercial scale Battery Anode Material plant (should this be considered in the best interests of the Company); and
- The success of any strategic relationships into which Syrah enters with third parties in connection with the execution of the Battery Anode Material strategy.

The risks and costs relating to a commercial plant development will be further assessed in the feasibility study which is currently underway. If any of these risks or variables were to materialise, costs were greater than expected or if there is lower than expected demand for Syrah's Battery Anode Material, then Syrah's Battery Anode Material related activities may not proceed as presently intended, or (if they do proceed) they may take longer or cost more than anticipated and/or not generate the expected levels of revenue or profit. This in turn could have a material adverse effect on the recoverable amount of assets.



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LIQUIDITY AND CAPITAL MANAGEMENT / FUNDING RISK

Syrah's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability to generate free cash flow, to raise funds for operations and growth activities and to service, repay and refinance debts as they fall due. The Group has commenced production of saleable Products from the Balama Graphite Operation but is not yet cash flow positive. Existing funds may not be sufficient for Balama working capital, or for expenditure that might be required for acquisitions and new or existing projects. This includes Syrah's Battery Anode Material Project, and any further optimisation projects (such as a move to dry stacking of tailings, or Vanadium) at the Balama Graphite Operation for which Syrah may require additional funding in the future to execute on that strategy.

Further, if shareholder approval for the issue of the Convertible Note is not obtained, that Note will not be issued to AustralianSuper, and Syrah will not receive the A\$55.8m in funding from Australian Super for the subscription of the Note. In these circumstances, Syrah will need to consider alternative funding sources for that amount.

If shareholder approval is obtained, and the Convertible Notes are issued to AustralianSuper on the terms summarized in this presentation, then there will be a possibility that the Note may need to be redeemed (wholly or in part) either at maturity or earlier in accordance with the terms of the note (as summarised in page 29 and 30). Specifically, Syrah may be required to redeem the Note for cash: (i) if Australian Super has not elected to convert the Convertible Note prior to maturity (5 years from issue); (ii) if a third party takeover offer or scheme of arrangement in respect of all of the shares of Syrah becomes unconditional, and Australian Super does not elect to convert the Convertible Note into fully paid ordinary shares of Syrah; or (iii) if Australian Super elects to redeem rather than convert the Convertible Note in connection with an event of default (which includes customary events such as in relation to failure to repay amounts due, insolvency events, committing an event of default under any of its debt financing arrangements over an agreed cap, liabilities over an agreed cap, fundamental and material changes to business undertaking, ceasing to be listed on the ASX or any breach of warranty or representation). In each of these cases, while Syrah believes there are a number of funding alternatives (which may include both debt and equity sources of funding), there can be no guarantee that Syrah will be able to raise additional funding on acceptable terms or at all. An inability to obtain finance on acceptable terms or at all may cause, among other things, substantial delays in, or prevent, the operation of the Balama Graphite Operation, potential Vanadium development, the Battery Anode Material plant and/or the development of Syrah's Battery Anode Material strategy.

To the extent that Syrah does require funding for its future capital needs, the availability and terms of such funding are uncertain and may be less favourable to Syrah than anticipated, which may negatively impact Syrah's future profitability and financial flexibility. Funding terms may also place restrictions on the manner in which Syrah conducts its business and impose limitations on Syrah's ability to execute its business plan and growth strategies (including its Battery Anode Material strategy).

IMPAIRMENTS

An adverse change in any of the significant assumptions used to determine the recoverable amount of the Company's non-current assets (including commodity price expectations, foreign exchange rates, discount rates, reserves and resources, and expectations regarding future operating performance and capital requirements) may give rise to the potential for impairment. The carrying amount of assets is tested against the recoverable amount where a trigger for impairment is identified. At 31 December 2018, the market capitalisation of the Company was below the book value of net assets and as a result an impairment assessment was performed. A summary of the key assumptions used to determine recoverable amount can be found in the Company's 2018 Annual Report, page 62.



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CURRENCY AND EXCHANGE RATE RISK	Syrah's activities may generate revenues, and Syrah may incur expenses, in a variety of different currencies, meaning its financial performance and position are impacted by fluctuations in the value of relevant currencies and exchange rates. In particular, it is anticipated that Syrah will be required to make certain payments under contracts for the Balama Graphite Operation in the local Mozambique currency. A lack of liquidity or depreciation in the value of the local Mozambique currency, or the failure of or difficulties in implementing exchange control mechanisms in Mozambique, could adversely impact the financial position and performance of Syrah, including by making it more difficult or costly to convert the local currency or transfer funds out of Mozambique.
KEY PERSONNEL AND LABOUR MARKET RISK	Syrah has a number of key management personnel on whom it depends to manage and run its business. From time to time, Syrah will require additional key personnel or operational staff, or key personnel may leave the business. In addition, Syrah has certain obligations regarding employment of local labour. The loss of any key personnel, coupled with any inability to attract additional or replacement suitably qualified personnel or to retain current personnel, could have a material adverse effect on Syrah's operational and financial performance. This difficulty may be exacerbated given the remoteness of facilities, the lack of infrastructure in the nearby surrounding areas (in respect of the Balama Graphite Operation), and the shortage of local, readily available skilled personnel for some roles. A limited supply of skilled workers could lead to an increase in labour costs and Syrah being ultimately unable to attract and retain the employees it needs. When new workers are hired, it may also take a considerable period of training and time before they are equipped with the requisite skills to work effectively and safely.
COMPETITION	Competition from other international graphite producers and explorers may affect the potential future cash flow and earnings which Syrah may realise from its operations. This includes competition from existing production and new entrants into the market. The introduction of new mining and processing facilities and any increase in competition and supply in the global graphite market could lower the price of this commodity. Syrah may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels. Syrah's downstream Battery Anode Material Project may also be impacted by new entrants to the market, or existing graphite producers, pursuing a similar strategy aimed at qualifying spherical graphite or other Battery Anode Material products for battery purposes.
TAX AND CUSTOMS RISK	<p>Syrah is subject to taxation and other imposts in Australia, Mozambique, the USA and the UAE, as well as other jurisdictions in which Syrah has activities, sales and investments. The breadth of Syrah's operations in various jurisdictions means Syrah is subject to a number of different tax regimes. Changes in taxation laws or changes in the interpretation or application of existing laws by courts or applicable revenue authorities (including transfer pricing, withholding taxes, tariffs, duties and availability of unused taxation losses), may affect the taxation or customs treatment of Syrah's business activities and adversely affect Syrah's financial condition.</p> <p>Syrah's international contractual arrangements, asset, liability, revenue and expense recognition and taxation administration requires management judgment in relation to the application of tax laws in a number of jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain or in relation to which tax authorities or adjudicating bodies may take a view which is different to the view taken by Syrah. Syrah recognises liabilities for tax, and if applicable taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made. To the extent Syrah seeks to appeal rulings from tax authorities, the appeal process may take some time and expense to recover tax payments or refunds and may ultimately be unsuccessful.</p> <p>Further, there may be delays in processing tax or duty rebates or refunds for which Syrah has applied. Should it become unlikely that Syrah will recover such rebates or refunds, this could also adversely affect Syrah's financial condition and require a reclassification of assets or recognition of expenses in the Company's accounts.</p> <p>The revenue and profit from the Balama Graphite Operation will be subject to certain payments to the Mozambique Government (including in the form of taxes and royalties) as provided for in the Mining Agreement (see above).</p>



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INSURANCE RISKS	Syrah maintains insurance coverage as determined appropriate by its Board and management, but no assurance can be given that Syrah will continue to be able to obtain such insurance coverage at reasonable rates (or at all) for certain events, or that any coverage it obtains will be adequate and available to cover all claims.
LITIGATION	Syrah may be involved in litigation and disputes from time to time with its contractors, sub-contractors and other parties. Litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, Syrah. They can also take up significant time and attention from management and the Board. Accordingly, Syrah's involvement in litigation and disputes could have an adverse impact on its financial performance and position.
GLOBAL ECONOMIC CONDITIONS	Economic conditions, both domestic and global, may affect the performance of Syrah. Adverse changes in macroeconomic conditions, including global and country-specific growth rates, the cost and availability of credit, the rate of inflation, interest rates, exchange rates, government policy and regulations, general consumption and consumer spending, input costs, employment rates and industrial disruptions, among others, are variables which while generally outside Syrah's control, may result in material adverse impacts on Syrah's businesses and its operational and financial performance, and position.
SECURITY OF TENURE	The maintaining of tenements, obtaining renewals, and grant of tenements or permits depends on Syrah being successful in maintaining and, where appropriate, renewing statutory approvals for its activities and proposed activities. There can be no assurance that such approvals will be obtained and there is no assurance that new conditions or unexpected conditions will not be imposed. If such approval are not obtained or new or unexpected conditions are imposed, this could have a material adverse impact on Syrah's operational and financial performance.
UNDERWRITING RISK	<p>Syrah has entered into an underwriting agreement with the underwriters, who have agreed to manage and fully underwrite the Entitlement Offer, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, the underwriters may terminate the underwriting agreement.</p> <p>Termination of the underwriting agreement could result in the Entitlement Offer not proceeding or not raising the anticipated amount of proceeds, and accordingly materially adversely affect Syrah's business, cash flow, financial condition and results of operations (including its capacity to ramp-up production of the Balama Operation and execute its BAM strategy). In this event, Syrah may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which Syrah may conduct its business and deal with its assets (for example, by way of restrictive covenants binding upon Syrah).</p>
RISK OF DILUTION	Investors should note that if they do not participate in the Entitlement Offer, then their percentage shareholding in Syrah will be diluted to a greater extent than would be the case if they participate (noting that, in any event, dilution may be caused by the Convertible Note issue).
DIVIDENDS	Any future determination as to the payment of dividends by Syrah will be at the discretion of the Directors and will depend on the financial condition of Syrah, future capital requirements and general business and other factors considered relevant by the Directors. Syrah does not currently pay dividends and no assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by Syrah.
SHARE PRICE FLUCTUATIONS	The market price of the Company's shares will fluctuate due to various factors, many of which are non-specific to Syrah, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, and investor perceptions. Fluctuations such as these may adversely affect the market price of the Company's shares. Neither Syrah nor the Directors warrant the future performance of Syrah or any return on an investment in Syrah.



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International offer restrictions

Photo: Balama flotation

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International Offer Restrictions

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.



International offer restrictions

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.



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New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.



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Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 et seqq. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.



3.3 ASX Announcement released by Syrah on Friday, 21 June 2019



SYRAH ANNOUNCES SUCCESSFUL COMPLETION OF INSTITUTIONAL ENTITLEMENT OFFER

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Syrah Resources Limited (**ASX: SYR**) (**Syrah** or the **Company**) is pleased to announce the successful completion of the institutional component of its 1-for-5 pro rata accelerated non-renounceable entitlement offer (**Institutional Entitlement Offer**).

Syrah shares are expected to resume trading on the ASX from market open today on an "ex-entitlement" basis.

The Institutional Entitlement Offer raised approximately A\$25 million (US\$17 million¹) and was well-supported with a take up rate of approximately 82% amongst eligible institutional shareholders. The shortfall from the Institutional Entitlement Offer was oversubscribed, reflecting strong demand received from new and existing institutional shareholders.

Syrah MD & CEO Shaun Verner said: *"We appreciate the support demonstrated by our long-term institutional shareholders. We remain focussed on the delivery of the world class Balama Graphite Operation and the progression of our Battery Anode Material strategy, which underpin our objective of maximising value for our shareholders"*.

The new Syrah ordinary shares to be issued under the Institutional Entitlement Offer will rank equally with existing Syrah ordinary shares from the date of their issue. Settlement of the new Syrah shares issued under the Institutional Entitlement Offer is expected to occur on Friday, 28 June 2019, with such shares expected to be issued and commence trading on ASX (on a normal settlement basis) the following business day, being Monday, 1 July 2019.

(1) A\$ proceeds converted into US\$ based on the USD/AUD exchange rate 0.6895 of as at 20 June 2019

Commencement of Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the retail component of the 1-for-5 pro rata accelerated non-renounceable entitlement offer (**Retail Entitlement Offer**), under which new Syrah ordinary shares will be offered to eligible retail shareholders at the same price as the Institutional Entitlement Offer (A\$0.81 per share).

The Retail Entitlement Offer will open on Tuesday, 25 June 2019 and close at 5.00pm (AEST) on Monday, 8 July 2019.



Eligible retail shareholders will be able to subscribe for 1 new Syrah share for every 5 existing Syrah shares held at 7.00pm (AEST) today, being Friday, 21 June 2019 (**Record Date**). Eligible retail shareholders can choose to take up all, part or none of their entitlement. Those eligible retail shareholders who take up their full entitlement may apply for additional Syrah shares in excess of their entitlement under a 'top-up' facility. Allocations under such facility will be subject to the extent of any shortfall under the Retail Entitlement Offer and will also be subject to the discretion of Syrah (including with respect to any scale-back). The directors of Syrah continue to reserve the right to issue any shortfall from the Entitlement Offer at their discretion.

The Retail Entitlement Offer is non-renounceable, and entitlements will not be traded on the ASX or otherwise transferable. Shareholders who do not take up their entitlement under the Retail Entitlement Offer in full or in part will not receive any value for their entitlement under the Retail Entitlement Offer to the extent not taken up.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and accompanying personalised entitlement and acceptance form in relation to the Retail Entitlement Offer in their entirety, which are expected to be dispatched on Tuesday, 25 June 2019. Copies of the Retail Offer Booklet are expected to be available on the Company's platform on the ASX website (www.asx.com.au) from Friday, 21 June 2019.

Retail shareholders with a registered address outside of Australia or New Zealand will be ineligible to participate in the Retail Entitlement Offer.

**Indicative timetable**

Event	Date (2019)
Record Date	Friday, 21 June, 7:00pm
Retail Entitlement Offer opens and Retail Offer Booklet dispatched to eligible retail shareholders	Tuesday, 25 June
Settlement of new Syrah ordinary shares issued under the Institutional Entitlement Offer	Friday, 28 June
Issue and commencement of trading of new Syrah ordinary shares under the Institutional Entitlement Offer	Monday, 1 July
Retail Entitlement Offer closes	Monday, 8 July, 5:00pm
Settlement of new Syrah ordinary shares issued under the Retail Entitlement Offer	Monday, 15 July
Issue of new Syrah ordinary shares under the Retail Entitlement Offer	Tuesday, 16 July
Commencement of trading of new Syrah ordinary shares under the Retail Entitlement Offer	Wednesday, 17 July

The above timetable is indicative only and subject to change without notice. All references to date and time are to the date and time in Sydney, Australia. Quotation of new Syrah ordinary shares is subject to confirmation from ASX. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and any other applicable laws, Syrah reserves the right to amend this timetable at any time at its absolute discretion, including extending the Retail Entitlement Offer period or closing it early or accepting late applications, either generally or in particular cases, without notice.

For further information about the Retail Entitlement Offer, please contact Computershare:

Telephone: 1300 850 505 or +61 3 9415 4000

www.investorcentre.com



For further information about Syrah Resources, please contact Investor Relations:

Nova Young

Telephone: +61 422 575 530

Email: n.young@syrahresources.com.au

About Syrah Resources

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah owns and developed the Balama Graphite Project (Balama) in Mozambique. Balama transitioned to operations with sales and shipments to a global customer base including the battery anode producers, from the start of 2018. Syrah produced over 100,000 tonnes of natural graphite in 2018 and is the largest and first major new natural graphite operation developed outside of China. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah is also progressing its downstream Battery Anode Material strategy with first production of spherical graphite achieved in December 2018 from its plant in Louisiana, USA. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium-ion batteries. For further information, visit www.syrahresources.com.au

**Important notices**

This announcement is not a financial product or investment advice, a recommendation to acquire Shares or financial, accounting, legal or tax advice. The information in this announcement does not contain all the information necessary to fully evaluate an investment. It should be read in conjunction with the other materials lodged with ASX in relation to the capital raising referred to herein (including the investor presentation and the key risks set out therein), and Syrah's other periodic and continuous disclosure announcements. This announcement has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the information in this announcement and in the investor presentation in relation to the Capital Raising having regard to their own objectives, financial and tax situation and needs, and should seek legal, tax and other professional advice. Syrah is not licensed to provide financial product advice in respect of an investment in shares.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws is available. This announcement must not be distributed or released in the United States. The distribution of this announcement in jurisdictions outside Australia may also be restricted by law.

This announcement contains certain forward-looking statement. The words "expect", "should", "will", and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof, the viability of future opportunities such as spherical graphite, recarburiser and vanadium, future market supply and demand. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. To the extent that this announcement contains forward looking information, the forward looking information is subject to a number of risk factors, including those generally associated with the mining industry. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no



representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this announcement speak only as of the date of this announcement. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this announcement to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this announcement will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this announcement.

Investors should note that it is a requirement of the ASX listing rules that the reporting of ore reserves and mineral resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves 2012 Edition (**JORC Code**), whereas mining companies in other countries may be required to report their mineral reserves and/or resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Investors should note that while the Company's mineral resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. In particular, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral resources, including measured, indicated or inferred resources, in SEC filings. Accordingly, if the Company were reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any mineral resources, and the amount of reserves it has estimated may be lower. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

4 Important information

4.1 Responsibility for this Offer Booklet

This Offer Booklet has been prepared by Syrah. No party other than Syrah has authorised or caused the issue of this Offer Booklet, or takes any responsibility for, or makes or gives any statements, representations or undertakings in, this Offer Booklet.

4.2 Date of this Offer Booklet

This Offer Booklet is dated 21 June 2019. Subject to the following paragraph, statements in this Offer Booklet are made only as of the date of this Offer Booklet unless otherwise stated and the information in this Offer Booklet remains subject to change without notice. Syrah is not responsible for updating this Offer Booklet.

The ASX Announcements and Investor Presentation set out in Section 3 are current as at the date on which they were released. There may be additional announcements that are made by Syrah (including after the date of this Offer Booklet) that may be relevant to your consideration of whether to take up your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Syrah before submitting an application.

4.3 Reconciliation

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date. This results in reconciliation issues. If reconciliation issues occur, it is possible that Syrah may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders receive their full Entitlement. The price at which these such New Shares would be issued is the Offer Price.

Syrah also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees/custodians fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

4.4 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your Application once it has been made.

4.5 ASX quotation

On 19 June 2019, Syrah made an application to ASX for quotation of the New Shares issued under the Entitlement Offer. New Shares will only be issued under the Entitlement Offer after permission for their quotation on ASX has been granted.

It is expected that trading will commence in relation to the New Shares issued under the Retail Entitlement Offer on Wednesday, 17 July 2019 on a normal settlement basis. Syrah and the Underwriter disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Syrah or the Registry or otherwise.

4.6 Not investment advice

This Offer Booklet is not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Syrah is not licensed to provide financial product advice in respect of the New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Offer Booklet, you are in doubt as to what to do, you should contact your stockbroker, accountant or other independent professional adviser.

4.7 Application Monies

Application Monies will be held in the Syrah Entitlement Offer Account until New Shares are issued under the Retail Entitlement Offer. This account will be established and kept by Syrah on behalf of each participating Eligible Retail Shareholder.

Interest earned on Application Monies will be for the benefit of Syrah, and will be retained by Syrah irrespective of whether New Shares are issued.

4.8 Rights attaching to New Shares

The New Shares issued under the Retail Entitlement Offer will rank equally with the existing Shares on issue. The rights and liabilities attaching to the New Shares are set out in the constitution of Syrah.

4.9 Privacy statement

If you complete an Application, you will be providing personal information to Syrah (directly or via the Registry). Syrah collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies (including the Australian Taxation Office), authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Registry at the relevant contact numbers set out in the corporate directory at the back of this Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if the information required on the Entitlement and Acceptance Form is not provided, Syrah may not be able to accept or process your application.

4.10 Taxation

Below is a general guide to the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders that are Australian resident individuals, trusts, companies or complying superannuation entities and hold their original Shares, New Shares and any additional New Shares acquired under the Top-Up Facility on capital account. This guide is based on Australian tax laws as at 19 June 2019.

This guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer. Eligible Retail Shareholders should seek their own independent advice from an appropriate professional advisor in relation to the tax implications of the Retail Entitlement Offer based on their own individual circumstances.

(a) Issue of Entitlement

The issue of the Entitlement is treated as non-assessable non-exempt income to the recipient. An Eligible Retail Shareholder is not required to include the Entitlement in its assessable income.

(b) Acquisition of New Shares

An Eligible Retail Shareholder will not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Retail Entitlement Offer or acquiring additional New Shares under the Top-Up Facility.

(c) Lapse of Entitlement

There are no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement. Eligible Retail Shareholders who do not exercise their Entitlements will not be entitled to any tax deductions or capital losses from the lapsed Entitlement.

(d) Dividends on New Shares

Any dividends paid by Syrah on a New Share will constitute assessable income of an Eligible Retail Shareholder. An Eligible Retail Shareholder should include the dividend in their assessable income in the year the dividend is paid.

Where the Eligible Retail Shareholder is a qualified person and the dividend is franked, the Eligible Retail Shareholder must also include the franking credits attached to the dividend in its assessable income and should be entitled to a tax offset equal to those franking credits. The tax offset reduces the tax payable on the Eligible Retail Shareholder's taxable income. Where the tax offset exceeds the tax payable on the Eligible Retail Shareholder's taxable income and such Eligible Retail Shareholder is:

- an individual or complying superannuation entity – the Eligible Retail Shareholder should be entitled to a refund of the excess franking offsets;
- a corporate tax entity – the excess franking offsets may be carried forward to future income years as tax losses (provided certain loss utilisation tests are satisfied); or
- a trust – the treatment of the excess franking offsets will depend upon the identity of the person liable to tax on the trust's net income.

Broadly, an Eligible Retail Shareholder is a qualified person if the Eligible Retail Shareholder:

- is an individual and would obtain franking offsets of no more than A\$5,000 in the income year in which the dividend was paid; or
- holds the New Shares and additional New Shares 'at risk' for at least 45 days during a continuous period commencing the day after the Eligible Retail Shareholder acquires the New Shares and additional New Shares (respectively) and ending on the 45th day after the New Shares and additional New Shares (respectively) become ex-dividend (but excluding the day of any disposal).

(e) Disposal of New Shares or additional New Shares

The disposal of New Shares or additional New Shares will constitute a disposal for capital gains tax (**CGT**) purposes.

On disposal of New Shares or additional New Shares, an Eligible Retail Shareholder will make a net capital gain if the capital proceeds received on disposal exceed the total cost base of the New Shares or additional New Shares. An Eligible Retail Shareholder will make a net capital loss if the capital proceeds are less than the total reduced cost base of the New Shares or additional New Shares.

In general, the capital proceeds will be the consideration received for the disposal, and the cost base and reduced cost base will be broadly equal to the Offer Price payable (plus any non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring, holding and selling the New Shares and additional New Shares).

Eligible Retail Shareholders that are individuals, trusts or complying superannuation entities and that have held their New Shares or additional New Shares for 12 months or more at the time of disposal should be entitled to apply the applicable CGT discount to reduce the capital gain (after offsetting capital losses). The CGT discount is 50% for individuals and trusts, and 33⅓% for complying superannuation entities.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset capital gains from other sources (i.e. the capital loss cannot be offset against taxable income on revenue account). If the capital loss cannot be used in a particular income year, it can be carried forward to use in future income years provided certain loss utilisation tests are satisfied.

(f) Taxation of Financial Arrangements

The application of the Taxation of Financial Arrangements (**TOFA**) provisions depends on the specific facts and circumstances of the Eligible Retail Shareholder. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

(g) GST

GST will not be payable in respect of the acquisition of the New Shares or additional New Shares. Subject to certain requirements, there may be restrictions on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST paid on costs associated with the acquisition of the New Shares or additional New Shares.

(h) Stamp duty

Stamp duty will not be payable in respect of the acquisition of the New Shares or additional New Shares on the assumption that each Eligible Retail Shareholder will act independently of each other such shareholder in respect of its holding of such shares, and no Eligible Retail Shareholder and its “associates” will hold 90% or more of the total issued shares in Syrah.

(i) Issue of Entitlements

Generally, the issue of the Entitlements should not, of itself, result in any amount being included in Eligible Retail Shareholders’ assessable income.

(j) Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements and are allocated New Shares will acquire those Shares with a cost base for CGT purposes equal to the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them.

Eligible Retail Shareholders should not make any capital gain or loss, or derive assessable income, from exercising the Entitlements or subscribing for the New Shares.

(k) New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Any future dividends or other distributions made in respect of the New Shares should generally be subject to the same taxation treatment as dividends or other distributions made on existing Shares held in the same circumstances.

On any future disposal of a New Share, the relevant Eligible Retail Shareholder will make a capital gain if the capital proceeds on disposal of the New Share exceed the cost base of that New Share. The relevant Eligible Retail Shareholder will make a capital loss if the capital proceeds on disposal of a New Share are less than the reduced cost base of that New Share.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of those New Shares (assuming the Eligible Retail Shareholder would otherwise qualify for the CGT discount), the Eligible Retail Shareholder must have held those New Shares for at least 12 months (excluding the day of acquisition and the day of disposal, in the case of both days, as determined under the CGT rules) at the time they are taken to have disposed of those New Shares.

(l) Other Australian taxes

No GST or stamp duty should be payable by Eligible Retail Shareholders in respect of the issue, lapse, sale or exercise of the Entitlements or the acquisition, holding or future disposal of New Shares.

4.11 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares.

4.12 Offer Booklet availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Offer Booklet during the period of the Retail Entitlement Offer by accessing the ASX website or accessing the Syrah website at www.syrahresources.com.au. Persons who access the electronic version of this Offer Booklet should ensure that they download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the ASX website and the Syrah website will **not** include a personalised Entitlement and Acceptance Form.

A replacement personalised Entitlement and Acceptance Form can be requested by calling the Registry at the relevant contact numbers set out in the corporate directory at the back of this Offer Booklet.

This Offer Booklet (including the accompanying ASX Announcements, Investor Presentation and personalised Entitlement and Acceptance Form) may not be distributed or released to persons in the United States.

4.13 Continuous disclosure

Syrah is a “disclosing entity” under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Syrah is required to notify ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by ASX. In particular, Syrah has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Syrah. These documents may be obtained from, or inspected at, an ASIC office.

4.14 Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of Entitlement Offers pursuant to the personalised Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

4.15 Foreign jurisdictions

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

New Zealand

The Entitlements and the New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* (New Zealand) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016* (New Zealand).

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet 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.

United States

This Offer Booklet, the accompanying ASX Announcements and Investor Presentation and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States. None of this Offer Booklet, the accompanying ASX Announcements and Investor Presentation, nor the Entitlement and Acceptance Form may be distributed or released in the United States.

The Entitlements and the New Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements and the New Shares may not be offered, sold or otherwise transferred, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act or are offered and sold in a transaction exempt from or not subject to, the registration requirements of the Securities Act and any other applicable securities laws of any state or other jurisdiction in the United States.

The Retail Entitlement Offer is not being made in the United States or to any person acting for the account or benefit of a person in the United States. Accordingly, the Entitlements and the New Shares offered in the Retail Entitlement Offer may only be offered and sold outside the United States, to persons that are not acting

for the account or benefit of a person in the United States, in each case in “offshore transactions” (as defined in n Rule 902(h) under the Securities Act) in reliance on Regulation S under the U.S. Securities Act. *Other*

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares or otherwise permit the public offering of the New Shares in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside of Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

For more information on jurisdictions other than New Zealand and the United States, see the “Foreign Selling Restrictions” section of the Investor Presentation as set out in Section 3.

4.16 Withdrawal of Retail Entitlement Offer

The Directors reserve the right to withdraw all or part of the Retail Entitlement Offer at any time prior to the issue of New Shares, in which case Syrah will refund Application Monies in accordance with the Corporations Act without payment of interest.

4.17 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Offer Booklet.

Any information or representation that is not in this Offer Booklet may not be relied on as having been authorised by Syrah, or its related bodies corporate in connection with the Entitlement Offer.

Except as required by law, and only to the extent so required, none of Syrah, or any other person, warrants or guarantees the future performance of Syrah or any return on any investment made pursuant to this Offer Booklet.

4.18 Risk factors

An investment in Syrah involves general risks associated with an investment in the share market. The price of New Shares may rise or fall.

There are also a number of risk factors, both specific to Syrah and of a general nature, which may affect the future operating and financial performance of Syrah and the value of an investment in Syrah. Before deciding to invest in Syrah, prospective investors should carefully consider the “Key Risks” section of the Investor Presentation as set out in Section 3.

4.19 Underwriting Agreement

The Entitlement Offer is fully underwritten by the Underwriter.

Syrah has entered into an underwriting agreement with the Underwriter under which it has been agreed that the Underwriter will act as lead manager and bookrunner of the Entitlement Offer (the **Underwriting Agreement**).

Under the Underwriting Agreement:

- Syrah has provided various representations and warranties;
- subject to certain exceptions, Syrah has agreed to indemnify the Underwriter, its affiliates and related bodies corporate, and its directors, officers, employees, partners, agents and advisers, (each an **Indemnified Party**) from and against all losses directly or indirectly suffered, or claims made against, an Indemnified Party arising out of or in connection with the Entitlement Offer;

- the Underwriter may terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events. Some (but not all) of those events are described below in summary form only:⁴
 - the offer documents contain any statement which is false, misleading or deceptive (whether by omission or otherwise);
 - Syrah is prevented from allotting and issuing Shares within the time required by the timetable in the Underwriting Agreement, or is removed from the official list of ASX or the Shares cease to be quoted or are suspended from trading on, or cease to be quoted on, the ASX;
 - Syrah or a material subsidiary of Syrah becomes insolvent or there is an act or omission which is reasonably likely to result in Syrah or a material subsidiary becoming insolvent;
 - (i) as at the close of trading on any trading date prior to the date on which settlement occurs in respect of the Institutional Entitlement Offer (expected to be Friday, 28 June 2019), the S&P/ASX 200 Index is 15% or more below its level as at the close of trading on Tuesday 18 June, 2019 or (ii) prior to the date on which settlement occurs in respect of the Retail Entitlement Offer (expected to be Monday, 15 July 2019), the S&P/ASX 200 Index falls by 15% or more below its level as at the close of trading on Tuesday 18 June, 2019, and remains at or below that level for at least 3 consecutive trading days or (if earlier) until the period ending at 5.00pm on the trading day immediately prior to the date on which settlement occurs in respect of the Retail Entitlement Offer;
 - a material adverse change in respect of Syrah or an event which makes it reasonably likely that such a material adverse change will occur;
 - a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared, or a material disruption in commercial banking or security settlement or clearance services in any of those countries;
 - trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect;
 - an adverse change or adverse disruption to the political or economic conditions or financial markets in Australia, the United States or the United Kingdom;
 - hostilities not existing at Wednesday, 19 June 2019 commence or a major escalation in existing hostilities occurs involving any one or more of Australia, the United States or Mozambique, or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world;
 - Syrah breaches the Underwriting Agreement or a representation or warranty made or given by Syrah under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
 - Syrah alters its share capital or constitution without the Underwriter's consent;
 - there is a change in relevant law or policy in Australia; and
 - there is a change in the board of directors, chairman, chief executive officer or chief financial officer of the Company; and
- the Underwriter will receive a total fee equal to 3.25% of the proceeds of the Entitlement Offer.

⁴ The ability of an Underwriter to terminate the Underwriting Agreement following certain termination events will depend upon whether, in the reasonable opinion of the Underwriter; (i) the event has, or is likely to have, a material adverse effect on the success, or settlement, of the Capital Raising, or the ability of the Underwriter to market or promote or settle the Capital Raising; or (ii) there is a reasonable possibility that the relevant event will lead to the Underwriter being involved in a contravention of an applicable law or that the Underwriter will incur a liability under an applicable law as a result of the event.

5 Glossary

\$ or A\$ means Australian dollars.

Application means an application to subscribe for New Shares under the Retail Entitlement Offer (including, if applicable, under the Top-Up Facility).

Application Monies means the amount specified in the personalised Entitlement and Acceptance Form, being the consideration for New Shares under the Entitlement Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it on which Shares are quoted.

ASX Announcements means the announcements released to ASX by Syrah on 3 August 2015 and 6 August 2015 in connection with the Capital Raising, copies of which are set out in Section 3.

Capital Raising means the Entitlement Offer and the Note Offer.

CGT means capital gains tax.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder means a person who:

- was identified as an Institutional Shareholder by Syrah;
- has a registered address in Australia, New Zealand, or certain other jurisdictions disclosed in the Investor Presentation;
- is eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer; and
- who has successfully received an offer under the Institutional Entitlement Offer.

Eligible Retail Shareholders has the meaning given in Section 2.6.

Eligible Shareholders means an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

Entitlement and Acceptance Form means the personalised form accompanying this Offer Booklet to be used to make an Application in accordance with the instructions set out on that form.

Entitlement means the number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Entitlement Offer, being 1 New Share for every 5 existing Shares held at the Record Date.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of 1 New Share for every 10.5 existing Shares held at the Record Date by Eligible Shareholders, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.

GST means goods and services tax.

Ineligible Institutional Shareholder means an Institutional Shareholder who is not an Eligible Institutional Shareholder.

Ineligible Retail Shareholder means a Shareholder that is not an Eligible Retail Shareholder, an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder.

Institutional Entitlement Offer means the offer of New Shares to Eligible Institutional Shareholders as part of the Entitlement Offer, as described in Section 1.2.

Institutional Investor means a person:

- in Australia, to whom an offer of securities in a company may be made in Australia without a disclosure document (as defined in the Corporations Act) on the basis that such a person is an “exempt investor” as defined in section 9A(5) of the Corporations Act (as inserted by ASIC Instrument 2016/84); or

- in selected jurisdictions outside Australia, to whom an offer of New Shares may be made without registration, lodgement of a formal disclosure document or other formal filing in accordance with the laws of that foreign jurisdiction (except to the extent to which Syrah, at its absolute discretion, is willing to comply with such requirements).

Institutional Shareholder means a Shareholder on the Record Date who is an Institutional Investor.

Investor Presentation means the presentation released to ASX by Syrah on 19 June 2019 in connection with the Capital Raising, a copy of which is set out in Section 3.

Listing Rules means the official listing rules of ASX.

New Shares means the fully paid ordinary shares issued under the Entitlement Offer or upon conversion of the convertible note issued under the Note Offer (as applicable).

Offer Booklet means this offer booklet in relation to the Retail Entitlement Offer, including the accompanying personalised Entitlement and Acceptance Form.

Offer Materials means any materials lodged or released by Syrah in relation to the Capital Raising (whether before, on or after the date of this Offer Booklet), including the ASX Announcements and the Investor Presentation, and this Offer Booklet.

Offer Price means A\$0.81 being the price payable per New Share under the Entitlement Offer.

Record Date means 7.00pm (AEST) on Friday, 21 June 2019.

Registry means Computershare Investor Services Pty Limited (ABN 48 078 279 277).

Retail Closing Date means 5.00pm (AEST) on Monday, 8 July 2019.

Retail Entitlement Offer means the offer of New Shares to Eligible Retail Shareholders as part of the Entitlement Offer (including, for the avoidance of doubt, the offer of additional New Shares under the Top-Up Facility).

Retail Entitlement Offer Period means the period during which the Retail Entitlement Offer is open.

Section means a section of this Offer Booklet.

Securities Act means the U.S. Securities Act 1933, as amended.

Share means a fully paid ordinary share in Syrah.

Shareholder means a holder of a Share.

Syrah or Company means Syrah Resources Limited ACN 125 242 284.

Syrah Entitlement Offer Account means the account established by Syrah solely for the purpose of holding any Application Monies received from Eligible Shareholders.

Top-Up Facility has the meaning given in Section 2.5.

Underwriter means Credit Suisse (Australia) Limited

Underwriting Agreement has the meaning given, and is further described, in Section 4.19.

U.S. or United States means United States of America, its territories and possessions, any state of the United States and the District of Columbia.

Corporate Directory

SYRAH RESOURCES LIMITED
ACN 125 242 284

REGISTERED OFFICE

Syrah Resources Limited
Level 28, 360 Collins Street
Melbourne VIC 3000

AUSTRALIAN LEGAL ADVISER

Gilbert + Tobin
Level 22, 101 Collins Street
Melbourne VIC 3000

UNDERWRITER

Credit Suisse (Australia) Limited
Level 31, Gateway, 1 Macquarie Place
Sydney NSW 2000

REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067