



NOTICE OF GENERAL MEETING

Syrah Resources Limited (**ASX: SYR**) ("Syrah" or "Company") advises that it has completed dispatch of the attached Notice of General Meeting, seeking shareholder approval for the convertible note as advised to market on 19 June 2019.

For further information, please refer to the attached Notice of Meeting and Proxy Form.

If you have any questions about the General Meeting or the convertible note, please contact the Syrah Resources Shareholder Information Line on **1300 388 492** (within Australia) or **+61 3 9415 4036** (outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday.

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

Nova Young

Contact: +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



SYRAH RESOURCES

**Notice of General Meeting
and Explanatory Memorandum**

General Meeting of

SYRAH RESOURCES LIMITED

ACN 125 242 284

Will be held at

10.00am (AEST) on Thursday, 1 August 2019

at

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

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

SYRAH RESOURCES LIMITED

ACN 125 242 284

Registered Office: Level 28, 360 Collins Street, Melbourne VIC 3000

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Syrah Resources Limited (**Syrah** or the **Company**) will be held at:

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

Date: Thursday, 1 August 2019

Time: 10.00am (AEST)

AGENDA

The Explanatory Memorandum and Proxy Form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Memorandum and the Proxy Form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Memorandum which accompanies this Notice.

ORDINARY BUSINESS

Resolution 1: Approval to issue Convertible Note to AustralianSuper Pty Ltd as trustee for AustralianSuper

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1, Shareholders approve the issue of a Convertible Note to AustralianSuper Pty Ltd as trustee for AustralianSuper on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

*The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), including AustralianSuper Pty Ltd as trustee for AustralianSuper (**AustralianSuper**) or any of its Associates.*

However, the Company need not disregard a vote on this Resolution 1 if:

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

By order of the Board



Jennifer Currie
Company Secretary

Dated: 27 June 2019

SYRAH RESOURCES LIMITED

ACN 125 242 284

EXPLANATORY MEMORANDUM

Resolution 1: Approval to issue Convertible Note to AustralianSuper Pty Ltd as trustee for AustralianSuper

Background

The Company has entered into a Convertible Note Deed with AustralianSuper to raise A\$55.8 million by the issue of a convertible note, being a security exercisable for Shares (**Convertible Note**). The issue of the Convertible Note is subject to Shareholder approval (Resolution 1). If Resolution 1 is approved, the Convertible Note will be issued at a price of up to A\$55.8 million¹, and otherwise on the terms and conditions set out in the Convertible Note Deed. If Resolution 1 is not approved, then either the Company or AustralianSuper may terminate the Convertible Note Deed by notice in writing to the other party.

Terms of Convertible Note

A high-level summary of the key terms of the Convertible Note Deed and the Convertible Note proposed to be issued is set out in Schedule 1 of this Explanatory Memorandum.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, within a 12 month period, issue or agree to issue equity securities (which includes convertible securities) representing more than 15% of its total fully paid ordinary securities on issue at the commencement of that 12 month period unless a specified exception applies or the issue is made with the prior approval of shareholders.

Given the issue of the Convertible Note will result in the Company exceeding this 15% threshold, Shareholder approval is now sought in accordance with ASX Listing Rule 7.1.

After Shareholder approval is obtained, any Shares issued on conversion of the Convertible Note will fall under Exception 4 in ASX Listing Rule 7.2.

Specific Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following additional information is provided in relation to Resolution 1:

- (a) the Company will issue a Convertible Note, for an issue price and with a face value of up to A\$55.8 million, on the terms and conditions contemplated in the Convertible Note Deed. The Convertible Note will be convertible into a number of Shares calculated on the basis set out in Schedule 1, below, and based on the principal outstanding under the Convertible Note, and the initial conversion price of A\$1.0036 (as adjusted in accordance with the terms of the Convertible Note Deed);
- (b) the Convertible Note will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue of Shares on conversion of the Convertible Note will depend on when and if the Convertible Note is converted by the Company or AustralianSuper;
- (d) the amount drawn down by the Company pursuant to the Convertible Note is A\$55.8 million;
- (e) the Convertible Note will be issued to AustralianSuper;
- (f) the Convertible Note has a maturity date of 5 years from the date of issue unless previously redeemed or converted. The Convertible Note may be converted at AustralianSuper's election at any time later than 30 calendar months after the issue of the Convertible Note and before the

¹ In certain circumstances, the Company may reduce the face value of the Convertible Note prior to it being issued.

maturity date, and otherwise in accordance with the terms and conditions of the Convertible Note Deed;

- (g) the Convertible Note will be issued in accordance with and subject to the terms and conditions set out in the Convertible Note Deed, as summarised in Schedule 1;
- (h) the Company intends to use the funds raised from the issue of the Convertible Note for general corporate and working capital purposes of the Group; and
- (i) a voting exclusion statement is included in the Notice preceding this Explanatory Statement.

Board Recommendation

The Board of Directors recommend that Shareholders vote in favour of Resolution 1.

PROXY AND VOTING INSTRUCTIONS

1. In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7.00pm (AEST) on Tuesday, 30 July 2019 will be entitled to attend and vote at the Meeting as a Shareholder.

Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.
2. The details of the Resolutions contained in the Explanatory Memorandum accompanying this Notice should be read together with, and form part of, this Notice.
3. On a poll, ordinary Shareholders have one vote for every Share held.
4. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
5. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - the full name of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate to attend the Meeting.
6. If you appoint the Chairman as your proxy and do not provide a direction on how to vote, the Chairman may vote as he or she sees fit (subject to any voting exclusions that apply). The Chairman intends to vote all available proxies in favour of the Resolution proposed in this Notice. If you do not mark a box next to Resolution 1 then by completing and submitting the Proxy Form, you will be expressly authorising the Chairman to vote as they see fit in respect of Resolution 1.
7. Voting exclusions apply to Resolution 1. Any person who participated in the issue of the Convertible Note and their associates (AustralianSuper and its Associates) will not be able to vote your proxy on Resolution 1, unless you direct them how to vote. If you intend to appoint such a person as your proxy, you should read the voting exclusions carefully and ensure that you direct them how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the Proxy Form.
8. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
9. A Proxy Form is attached. If required, the Proxy Form should be completed and signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned to Computershare Investor Services Pty Limited in accordance with the instructions set out in the

Proxy Form by no later than 10.00am (AEST) on Tuesday, 30 July 2019. You may lodge your proxy form:

- electronically via www.investorvote.com.au; for intermediary online subscribers only (custodians) – please visit www.intermediaryonline.com
- by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria 3067;
- by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001; or
- by fax to 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia).

GLOSSARY

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

“**\$**” means Australian Dollars;

“**AEST**” means Australian Eastern Standard Time;

“**Associate or associate**” has the meaning given to it in the ASX Listing Rules;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**ASX Listing Rules**” means the Listing Rules of the ASX;

“**AustralianSuper**” means AustralianSuper Pty Ltd as trustee for AustralianSuper ABN 65 714 394 898;

“**Board**” means the Directors acting as the Board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Company**” or “**Syrah**” means Syrah Resources Limited ABN 77 125 242 284;

“**Convertible Note**” means a security exercisable for Shares issued by the Company on the terms and conditions set out in the Convertible Note Deed;

“**Convertible Note Deed**” means the Convertible Note Deed dated 19 June 2019 between the Company and AustralianSuper;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Director**” means a Director of the Company;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Group**” means the Company and its subsidiaries;

“**Meeting**” the General Meeting of Shareholders of the Company referred to in the introductory paragraph of the Notice;

“**Notice**” means the Notice of General Meeting accompanying this Explanatory Memorandum;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Share**” means a fully paid ordinary share in the capital of the Company; and

“**Shareholder**” means a holder of Shares.

SCHEDULE 1 – Terms and conditions of the Convertible Note Deed and Convertible Note

PART A – Summary of key terms

The following is a high-level summary of the key terms of the Convertible Note Deed executed by the Company on 19 June 2019 and the Convertible Note proposed to be issued under it.

Feature	Summary
Face Value	<p>The face value of the Convertible Note is A\$55,800,000 (Face Value).</p> <p>The Company may elect prior to the issue of the Convertible Note to reduce the Face Value of the Convertible Note if it enters into a debt facility with a third party for which binding terms have been agreed. If the Face Value is so reduced, the Break Fee (as defined below) may be in part payable.</p>
Term	<p>The maturity date of the Convertible Note is the date 5 years after the date of the issue of the Convertible Note (unless redeemed or converted earlier).</p> <p>The Company may defer the issue of the Convertible Note for up to 120 days after the date of the Convertible Note Deed.</p>
Status	<p>Prior to conversion, the Convertible Note will rank equally with all other unsecured and unsubordinated debt obligations of the Company and confers rights on AustralianSuper as an unsecured creditor of the Company. However, it does not confer on AustralianSuper rights as a member of the Company or any right to attend or vote at general meetings of the Company.</p> <p>Any Shares issued on conversion of the Convertible Note will rank equally with all other fully paid ordinary shares of the Company (see “Conversion” below).</p>
Conditions to issue	<p>Issue of the Convertible Note is conditional on:</p> <ul style="list-style-type: none"> the Company completing the institutional component of the rights issue announced on or around the date of execution of the Convertible Note Deed (Rights Issue); and obtaining the approval of the Shareholders of the Company, as sought in Resolution 1 of this Notice of the issue of the Convertible Note.
Establishment fee	<p>Upon issue of the Convertible Note, an establishment fee equal to 2% of the Face Value of the Convertible Note will be capitalised and will accrue to the Principal Outstanding (as defined below) under the Convertible Note.</p>
Interest	<p>Interest will accrue from day to day on the Principal Outstanding under the Convertible Note, and will be capitalised quarterly and added to the Principal Outstanding under the Convertible Note, at a rate of 8% per annum.</p> <p>Alternatively, the Company may elect to make interest payments in cash (rather than have them be capitalised and added to the Principal Outstanding), and if so, the relevant interest will be calculated at a rate of 7.5% per annum.</p>
Termination	<p>If, prior to the issue of the Convertible Note:</p> <ul style="list-style-type: none"> the Company receives 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 the Company receives a takeover (or other change of control event) proposal that the Board reasonably expects to succeed or become binding and be completed, <p>the Company may terminate the Note Deed and not proceed with the issuing of the Convertible Note.</p>

Break Fee	<p>A break fee of A\$558,000 (Break Fee) will be payable by the Company to AustralianSuper if the Company:</p> <ul style="list-style-type: none"> • terminates the Convertible Note Deed in the circumstances set out immediately 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 of the Break Fee will be adjusted by multiplying A\$558,000 by the proportion by which the Face Value of the Convertible Note has been reduced).
Conversion	<p>AustralianSuper may elect to convert the Convertible Note:</p> <ul style="list-style-type: none"> • at any time later than 30 calendar months after the issue of the Convertible Note and prior to the maturity date; • if a third party makes a takeover offer for all the Shares of the Company, at any time within the first 21 days of the date offers under the takeover are made (subject to a 7 day extension if the offer consideration is varied); • if the Company announces the execution of a scheme implementation agreement in respect of the acquisition of all the Shares of the Company, at any time up to the date on which the scheme of arrangement becomes effective; or • at any time after the occurrence of an Event of Default (as defined below). <p>Upon conversion, the number of Shares to be issued to AustralianSuper will be calculated on the following basis:</p> $\frac{\text{Principal Outstanding}}{\text{Conversion Price}}$ <p>The Principal Outstanding is the Face Value of the Convertible Note, together with the establishment fee and accrued and capitalised interest.</p> <p>The Conversion Price is the initial conversion price of A\$1.0036 (being a price equal to a 5% premium to the theoretical ex-rights price on announcement of the Rights Issue) as adjusted for certain corporate actions of the Company during the term of the Convertible Note in accordance with the Adjustment Rules set out in Part B of this Schedule 1 (Adjustment Rules). The Conversion Price may be adjusted more than once and cannot be adjusted to increase except where permitted by rule 2.1 of the Adjustment Rules. If AustralianSuper determines that the Company has failed to make a required adjustment or disagrees with an adjustment, the Company must refer the matter to an independent financial institution for determination at the Company's cost.</p> <p>If, upon conversion of the Convertible Note, AustralianSuper would have had voting power in the Company of over 20%, then only that proportion of the Principal Outstanding will be converted so that AustralianSuper's shareholding in the Company is 19.9%. In respect of the balance of the Principal Outstanding, the Company may elect to seek Shareholder approval to convert into Shares if it considers that it is in the best interests of the Company to convert the balance. Otherwise the balance of the Principal Outstanding will be redeemed for cash.</p> <p>It should be noted that if, following a third party making a takeover offer for all the Shares of the Company, or the Company announcing the execution of a scheme implementation agreement in respect of the acquisition of all the Shares of the Company (or another change of control event occurring), the Convertible Note is not elected to be converted by AustralianSuper within the timeframes noted above, then, from the time the relevant transaction becomes unconditional, the Convertible Note can no longer be converted and must</p>

	<p>redeemed within 60 days in cash, for an amount equal to the then Principal Outstanding.</p> <p>The Company must lodge a “cleansing notice” under sections 708A(5) and 708A(6) of the Corporations Act no later than 5 business days after the date of conversion. However, if the Company (acting reasonably and having regard only to any disclosures which the Company would need to make in order to issue the cleansing notice) is not able or willing to issue the cleansing notice within the required time period, it may elect to defer the date of conversion for up to 30 business days (or such longer period as may be agreed by the parties).</p>
Redemption	<p>If AustralianSuper has not converted (or redeemed) the Convertible Note prior to the maturity date of the Convertible Note, then on the maturity date the Company must redeem the Convertible Note for the Principal Outstanding (plus any accrued interest not yet capitalised or paid).</p> <p>As noted above, the Convertible Note must be redeemed after a third party acquires control of the Company. AustralianSuper may also elect to redeem the Convertible Note upon the occurrence of an Event of Default.</p>
Event of Default	<p>It is an Event of Default if, at any time:</p> <ul style="list-style-type: none"> the Company fails to pay or repay an amount due, or fails to perform any other material obligation, under the Convertible Note Deed within 20 business days of the date due or notice from AustralianSuper to remedy that failure (as applicable); an insolvency event occurs in relation to the Company, which includes customary events such as appointment of a liquidator, administrator, receiver or controller; the Company commits an event of default under any of its debt financing arrangements for an amount in excess of A\$50 million which is not waived or remedied within 20 business days; any warranty or representation given by the Company under the Convertible Note Deed is or becomes false, misleading or incorrect in any material respect and is not remedied within 20 business days of notice from AustralianSuper; there is a fundamental and material change of the main business undertaking of the Company; the Company becomes liable for an amount of A\$25 million or more in respect of a material decision of any court, quasi-judicial body or governmental agency and that decision is not stayed, discharged, satisfied or appealed within 20 business days; or the Company ceases to be admitted to the official list of the ASX or its Shares are suspended from trading for more than 5 trading days in any 12 month period (except where the suspension is at the Company’s request in certain circumstances). <p>At any time after the occurrence of an Event of Default and while it is continuing, AustralianSuper may by notice to the Company demand immediate payment of the Principal Outstanding on the Convertible Note by way of redemption of the Convertible Note or elect to convert the Convertible Note into Shares in accordance with the terms of the Convertible Note Deed (see “Conversion” above).</p>
Undertakings	<p>The Company 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.</p>

	For so long as the Convertible Note remains outstanding and prior to the date 5 business days after a change of control event (if any), the Company 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 the Company 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.
Representations and warranties	AustralianSuper and the Company 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).
Assignment	AustralianSuper may assign or transfer the Convertible Note Deed or the Convertible Note to any of its related bodies corporate with written notice to the Company 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.
Director appointment rights	While the Convertible Note is outstanding and AustralianSuper has a shareholding in the Company greater than 15%, AustralianSuper will have the ability to propose one non-executive director for appointment to the Board of the Company, subject to certain requirements. These requirements include the person having appropriate experience for a company of the nature of the Company and being approved by the Company's board nominations committee (or equivalent). In addition, the person may only be an employee or officer of AustralianSuper if their appointment would not result in the Board becoming comprised of majority non-independent non-executive directors and they agree in writing to comply with all applicable policies and procedures of the Company, laws and regulations relating to conflicts of interest and insider trading and confidentiality obligations in favour of the Company.

PART B – Adjustment Rules

The Adjustment Rules are set out in full below.

1 DEFINITIONS

The following definitions apply in these Adjustment Rules, unless the context requires otherwise:

Capital Distribution means any Non-Cash Dividend.

Cash Dividend means:

- (a) any Dividend which is to be paid or made in cash (in whatever currency); and
- (b) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of 'Dividend',

and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of 'Dividend' shall be treated as being a Non-Cash Dividend.

Company Group means the Company and each of its related bodies corporate.

Conversion Right means a right of the Noteholder to convert the Convertible Note into Shares.

Current Market Price means, in respect of a Share at a particular time on a particular date, the average of the VWAP of one Share for the 10 consecutive trading days ending on the trading day immediately preceding such date, provided that:

- (a) if at any time during the said 10 trading days period the Shares shall have been quoted ex-dividend (or ex- any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum- any other entitlement) then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or entitlement) per Share as at the date of the first public announcement of such dividend (or entitlement); or
- (ii) if the Shares to be issued in such circumstances rank for the dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount; and
- (b) if the Shares on each of the said 10 trading days have been quoted cum-dividend (or cum- any other entitlement) in respect of a dividend (or entitlement) which has been declared or announced but the Shares to be issued do not rank for that dividend (or entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or entitlement) per Share as at the date of the first public announcement of such dividend (or entitlement); and
- (c) if such closing prices are not available on each of the 10 trading days during the relevant period, then the arithmetic average of such closing prices which are available in the relevant period shall be used (subject to a minimum of two such closing prices); and
- (d) if only one or no such closing price is available in the relevant period, then the Current Market Price shall be determined in good faith by two Independent Financial Institutions.

Dividend means any dividend or distribution to Shareholders whether of cash, assets, or other property, and however described and whether payable out of profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of the greater of (i) such cash amount and (ii) the Current Market Price of such Shares or, as the case may be, Fair Market Value of such other property or assets (as at the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or transferred and delivered is determined);
- (b) any issue of Shares falling within Rule 2.2 shall be disregarded;
- (c) a purchase or redemption or buy back of share capital of the Company or any other member of the Company Group shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Shares by or on behalf of the Company or any other member of the Company Group, the price per Share (before expenses) on any one day (a **Specified Share Day**) in respect of such purchases or redemptions or buy backs exceeds by more than 5% of the VWAP of the Shares on the five trading days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Shares at some future date at a specified price, on the five trading days immediately preceding the date of such announcement, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend to the extent that the aggregate price paid (before expenses) in respect of such shares purchased, redeemed or bought back by the Company or, as the case may be, any of other member of the Company Group exceeds the product of (i) 105% of the VWAP of the Shares and (ii) the number of Shares so purchased, redeemed or bought back; and
- (d) if the Company or any other member of the Company Group shall purchase, redeem or buy back any depositary or other receipts or certificates representing Shares, the provisions of

paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Institution.

Effective Date means the first date on which the Shares are traded on the ASX ex-the relevant Capital Distribution or in the case of a purchase, redemption or buy back of Shares or any depository or other receipts or certificates representing Shares, the date on which such purchase, redemption or buy back is made.

Non-Cash Dividend means any Dividend which is not a Cash Dividend.

Relevant Cash Dividend has the meaning given in Rule 2.2.

Scrip Dividend has the meaning given in Rule 2.2.

VWAP means the arithmetic average of the daily volume weighted average sale price of Shares sold on the ASX during the trading day (subject to excluding certain special trades, crossings, overseas trades and trades pursuant to exercise of options, and appropriate adjustments being made in respect of reconstructions, consolidations, divisions or reclassifications of Shares into a lesser or greater number of securities, other than a buyback or capital reduction, during the relevant period, and in respect of certain other market circumstances to adjust for market anomalies, such as suspensions of trading).

2 RULES

2.1 Consolidation, subdivision etc

If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

where:

$\frac{A}{B}$	A	is the number of issued Shares immediately before such alteration; and
	B	is the number of issued Shares immediately after, and as a result of, such alteration.

Such adjustment shall become effective on the date the relevant alteration takes effect.

2.2 Issue of shares by way of capitalisation of profits or reserves

If and whenever the Company shall issue any Shares credited as fully paid to its Shareholders by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (save where Shares are issued in lieu of the whole or any part of a specifically declared (or payable) cash dividend (the **Relevant Cash Dividend**) which the Shareholders concerned would or could otherwise have elected to receive (a **Scrip Dividend**)) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$\frac{A}{B}$	where:	
	A	is the number of issued Shares immediately before such issue; and
	B	is the number of issued Shares immediately after such issue.

2.3 Scrip Dividends

In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the day before such Scrip Dividend is declared exceeds 105% of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A+C

- A is the number of issued Shares immediately before such issue;
- B is the number of Shares issued by way of such Scrip Dividend multiplied by the fraction for which (i) the numerator is the relevant part of the Relevant Cash Dividend in lieu of which Shares are issued by way of the Scrip Dividend, and (ii) the denominator is the Current Market Price (on the day before such Scrip Dividend is declared) of the Shares issued by way of the relevant Scrip Dividend; and
- C is the number of Shares issued by way of such Scrip Dividend, or by making such other adjustment as two Independent Financial Institutions shall certify to the Noteholder is fair and reasonable.

Such adjustment under this Rule 2.3 shall become effective on the date of issue of such Shares or if a record date is fixed therefore, immediately after such record date.

2.4 Capital Distribution

If and whenever the Company shall pay or make any Capital Distribution (except where the Conversion Price fails to be adjusted under Rule 2.2), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one Share on the last trading day preceding the Effective Date; and
- B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy-back of Shares or any depository or other receipts or certificates representing Shares by or on behalf of the Company or any other member of the Company Group, by the number of Shares on issue immediately following such purchase, redemption or buy back and treating as not being on issue any Shares or any Shares represented by depository or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date, or if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

2.5 Discounted rights issues in respect of Shares or rights to acquire Shares

Except where the Conversion Price fails to be adjusted under Rule 2.3, if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than 95% of the Current Market Price per Share on the date of the first public announcement of the terms of such issue or grant of such Shares, options, warrants or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such issue or grant;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof would purchase at the Current Market Price per Share on the first date on which the terms of such issue or grant are publicly announced (or if that is not a trading day, the immediately preceding trading day); and

- C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase (or other rights of acquisition) in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate.

Provided that if at the time of issue or grant of any such options, warrants or rights (as used in this Rule 2.5, the Specified Date) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Rule 2.5, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription or purchase had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

2.6 Issue of Shares or rights to acquire Shares at a discount (other than by way of rights)

If and whenever the Company shall issue (otherwise than as mentioned in Rule 2.5) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for or purchase of, Shares) or shall issue or grant (otherwise than as mentioned in Rule 2.5) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 95% of the Current Market Price per Share on the last trading day preceding the date of the first public announcement of the terms of such issue or grant of such Shares, options, warranties or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the issue of such additional Shares, or for the Shares to be issued on exercise of such option, warrants or other rights to subscribe for Shares, would purchase at the Current Market Price per Share on the first date on which the terms of such issue is publicly announced (or if that is not a trading day, the immediately preceding trading day); and
- C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase (or other rights of acquisition) in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate.

Provided that if at the time of issue or grant of any such options, warrants or rights (as used in this Rule 2.6, the **Specified Date**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Rule 2.6, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription or purchase had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of any such options, warrants or other rights.

2.7 Issue of convertible or exchangeable securities

Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this Rule 2.7, in the event of the issue by the Company or any other member of the Company Group (otherwise than as mentioned in Rules 2.5 or 2.6) or (at the direction or request of or pursuant to any

arrangements with the Company or any member of the Company Group) by any other company, person or entity of any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 95% of the Current Market Price per Share on the last trading day preceding the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at the Current Market Price per Share on the first date on which the terms of such issue are publicly announced (or if that is not a trading day, the immediately preceding trading day); and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Provided that if at the time of issue of the relevant securities or date of grant of such rights (as used in this Rule 2.7, the **Specified Date**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are exchanged or rights of subscription are exercised or, as the case may be, such securities are re-designated or at such other time as may be provided) then for the purposes of this Rule 2.7, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, re-designation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such securities.

2.8 Modification of rights of convertible or exchangeable securities

In the event of any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Rule 2.7 (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent of the Current Market Price on the last trading day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at the Current Market Price per Share on the first date on which the terms of such modification are publicly announced (or if that is not a trading day, the immediately preceding trading day) or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange, subscription or purchase price or rate but giving credit in such manner as an Independent Financial Institution considers appropriate (if at all) for any previous adjustment under this Rule 2.8 or Rule 2.7

Provided that if at the time of issue of the relevant securities or date of grant of such rights (as used in this Rule 2.8, the **Specified Date**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent

time (which may be when such securities are exchanged or rights of subscription are exercised or, as the case may be, such securities are re-designated or at such other time as may be provided) then for the purposes of this Rule 2.8, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, re-designation had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

3 OTHER ADJUSTMENT EVENTS

If:

- (a) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or
- (b) one or more events or circumstances not referred to in any Adjustment Rules set out in Rule 2 have occurred which have or would have an effect on the position of the Noteholder as a class compared with the position of the holders of Shares, taken as a class (including, without limitation, any issue of securities (other than Shares or options, warranties or other rights to subscribe for, purchase, or otherwise acquire Shares), any demerger, spin-off or similar arrangement in respect of any business of the Company Group),

then, in any such case:

- (a) the Company shall promptly notify the Noteholder in writing thereof;
- (b) the Company and the Noteholder must jointly consult with an Independent Financial Institution, as to what adjustment, if any, should be made to the Conversion Price to preserve the value of the Conversion Rights; and
- (c) the Company must make any such adjustment agreed by the Company and the Noteholder (or failing such agreement, as delivered by the Independent Financial Institution).

4 OTHER EVENTS OR CIRCUMSTANCES

Notwithstanding the foregoing provisions, where:

- (a) the events or circumstances giving rise to any adjustment pursuant to paragraph 3 above have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Company (acting in good faith), a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Institution to be in its opinion appropriate to give the intended result; and
- (b) such modification shall be made to the operation of paragraph 3 above as may be advised by an Independent Financial Institution to be in its opinion appropriate to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once.

5 DECISION OF AN INDEPENDENT FINANCIAL INSTITUTION

If any doubt shall arise as to whether an adjustment fails to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, the Company and the Noteholder must jointly consult an Independent Financial Institution and the written opinion of such Independent Financial Institution in respect of such adjustment to the Conversion Price shall be conclusive and binding on all parties, save in the case of manifest or proven error.

6 COMPLIANCE WITH ASX LISTING RULES

Notwithstanding any other paragraph of these Note Terms, the rights of the holder of Convertible Notes will be changed to the extent necessary to comply with the ASX Listing Rules including, without limitation, as they apply to a reorganisation of capital undertaken by the Company at the time of the reorganisation. For the avoidance of doubt, if there are any inconsistencies between the ASX Listing Rules and the adjustment mechanisms provided for in this paragraph 6, the ASX Listing Rules will apply.



SYRAH RESOURCES

ABN 77 125 242 284

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 388 492
(outside Australia) +61 3 9415 4036

SYR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

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Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 9999999

SRN/HIN: I9999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



For your vote to be effective it must be received by 10:00am (AEST) Tuesday, 30 July 2019

How to Vote the Item of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite the item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Proxy voting restrictions: AustralianSuper Pty Ltd as trustee for AustralianSuper and its Affiliates will not be able to vote your proxy on Resolution 1 unless you direct them how to vote. If you intend to appoint such a person as your proxy, please ensure that you direct them how to vote on Resolution 1 by marking the voting boxes in Step 2 of the proxy form.

Proxy voting restrictions continued: If the Chairman of the Meeting is (or becomes) your proxy and you do not mark a voting box for Resolution 1 then by completing and submitting the proxy form you will be expressly authorising the Chairman of the Meeting to exercise your proxy in respect of Resolution 1. The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Syrah Resources Limited hereby appoint

☐

the Chairman
of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Syrah Resources Limited to be held at Gilbert + Tobin, Level 22, 101 Collins Street, Melbourne VIC, 3000 on Thursday, 1 August 2019 at 10.00am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), by completing and submitting this form, I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below).

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for the item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution 1 Approval to issue Convertible Note to AustralianSuper Pty Ltd as trustee for AustralianSuper

For

Against

Abstain

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

SYR

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Computershare +