



NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Retail Offer Booklet

Syrah Resources Limited (**ASX: SYR**) ("**Syrah**") advises that, in respect of its fully underwritten 1 for 5.9 pro rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") announced on Monday 7 February 2022, the retail component of the Entitlement Offer ("**Retail Entitlement Offer**") opens today.

Attached is a copy of the retail entitlement offer booklet ("**Retail Offer Booklet**") in respect of the Retail Entitlement Offer and a copy of the Eligible Shareholder Letter (defined below).

Syrah also advises that it will today complete despatch of the following documents:

- to Eligible Retail Shareholders (as defined in the Retail Offer Booklet) of Syrah who have a registered address (on the Syrah register) in Australia or New Zealand and who have nominated to receive documents from Syrah by electronic means, the Retail Offer Booklet and personalised Entitlement and Acceptance Form by such electronic means; and
- to any other Eligible Retail Shareholders of Syrah who have a registered address in Australia or New Zealand, a letter notifying them of the Retail Entitlement Offer and providing instructions on how to participate in the Retail Entitlement Offer ("**Eligible Shareholder Letter**").

Retail Entitlement Offer

The Retail Entitlement Offer opens today, Monday, 14 February 2022 and is expected to close at 5.00pm (AEDT) on Monday, 28 February 2022.

Eligible Retail Shareholders should carefully read the Retail Offer Booklet for further details about the Retail Entitlement Offer.

If you have any questions regarding the Entitlement Offer, please call the Syrah Offer Information Line on 1300 850 505 (for callers within Australia) or +61 3 9415 5000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEDT) on Monday to Friday until the Retail Entitlement Offer closes on Monday, 28 February 2022.

This ASX release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

For further information contact Investor Relations

Viren Hira

Contact: +61 3 9670 7264

Email: v.hira@syrahresources.com.au

About Syrah Resources

Syrah Resources (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

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 Entitlement Offer (including the investor presentation (released on 7 February 2022) 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 Entitlement Offer 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.

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This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



SYRAH RESOURCES

Retail Offer Booklet

Syrah Resources Limited
ACN 125 242 284

1 for 5.9 accelerated non-renounceable entitlement offer of new fully paid ordinary shares at an offer price of A\$1.48 per New Share

Retail Entitlement Offer closes at 5.00pm (AEDT) on Monday, 28 February 2022

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If you are an Eligible Retail Shareholder, 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) or +61 3 9415 5000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEDT) on Monday to Friday during the Retail Entitlement Offer Period.



Contents

Important notices	1
Letter from the Chairman	3
Key dates for the Retail Entitlement Offer	5
1 Overview of the Entitlement Offer	6
2 How to apply	8
3 ASX Announcements and Investor Presentation	14
4 Important information	65
5 Glossary	72
Corporate Directory	74



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. **You are strongly cautioned not to place undue reliance on forward looking statements, particularly given the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19.**

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.

Taxation

There may be tax implications associated with participating in the Retail Entitlement Offer and/or receiving New Shares. Section 4.10 provides a general summary of the Australian tax, good and services tax and duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents and who hold their Shares on capital account. This summary does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Syrah strongly recommends that you consult your professional tax adviser on the tax implications for you in relation to the Retail Entitlement Offer.

Jurisdictions

This Offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders. This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

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 U.S. 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 U.S. Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. 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 U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

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Trading of New Shares

Syrah and the Lead Manager 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.

Lead Manager

Merrill Lynch Equities (Australia) Limited (the **Lead Manager**) is acting as lead manager and underwriter of the Equity Raising. Neither the Lead Manager, its affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor their directors, employees, officers, representatives, agents, partners, consultants and advisers (together the **Lead Manager Parties**), nor the advisers to Syrah or any other person, has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Offer Booklet (or any other materials released by Syrah) and none of them makes or purports to make any statement in this Offer Booklet and there is no statement in this Offer Booklet that is based on any statement by any of them. The Lead Manager Parties take no responsibility for any part of this Offer Booklet or liability for any loss or damage whatsoever arising from the use of any part of this Offer Booklet or otherwise arising in connection with it.

The Lead Manager Parties may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Syrah.

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

14 February 2022

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 5.9 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 5.9 existing Shares they held at 7.00pm (AEDT) on Wednesday, 9 February 2022, at an offer price of A\$1.48 per New Share (**Offer Price**).

Equity Raising

On Monday, 7 February 2022, Syrah announced that it had approved a final investment decision on the initial expansion of its Vidalia active anode material (**AAM**) facility in Louisiana, USA (**Vidalia**) to 11.25ktpa AAM production capacity (**Vidalia Initial Expansion**). This final investment decision is a pivotal step in Syrah's strategy to become a vertically integrated natural graphite AAM supply alternative for USA and European battery supply chain participant and OEM customers and will establish Syrah as a large-scale vertically integrated natural graphite AAM supply option outside of China.

At the same time, Syrah also announced:

- a fully underwritten 1 for 5.9 pro rata accelerated non-renounceable entitlement offer of New Shares at the Offer Price, to raise approximately A\$125 million (**Entitlement Offer**); and
- a fully underwritten institutional placement of New Shares at the Offer Price, to raise approximately A\$125 million (**Placement**),

(the Entitlement Offer and the Placement, together the **Equity Raising**). The Equity Raising is fully underwritten by Merrill Lynch Equities (Australia) Limited.

Proceeds of the Equity Raising, combined with Syrah's existing cash balance will be used to¹:

- fully fund all remaining estimated installed capital costs required for the Vidalia Initial Expansion;
- fund estimated costs associated with Vidalia's existing operations, expansion studies and product development for 2022;
- pay the transaction costs of the Equity Raising; and
- fund Balama working capital, Balama tailings storage facility expansion and sustaining capital costs, and for general corporate purposes.

Please refer to the ASX Announcements and the Investor Presentation included in Section 3 of this Offer Booklet for further information.

Details of the Entitlement Offer

The Entitlement Offer has an accelerated institutional component (the Institutional Entitlement Offer) and a retail component (the Retail Entitlement Offer). This Offer Booklet relates to the Retail Entitlement Offer.

As announced by Syrah on Wednesday, 9 February 2022, the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) and the Placement was successfully completed and raised approximately A\$67 million and A\$125 million respectively.²

The Offer Price under the Retail Entitlement Offer is the same as under the Institutional Entitlement Offer and the Placement. The Offer Price of A\$1.48 per New Share represents:

- a 10.3% discount to the closing price of Syrah ordinary shares on Friday, 4 February 2022 (A\$1.65), being the last trading day before the Entitlement Offer was announced; and

¹ Please refer to page 12 of the Investor Presentation for further details about the uses of the proceeds of the Equity Raising and Syrah's existing cash balance.

² In each case subject to settlement, which is scheduled to occur on Wednesday, 16 February 2022.



- a 7.9% discount to TERP³ (A\$1.61).

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, and you are not a Related Party of Syrah, you may also apply for additional New Shares in excess of your Entitlement under a Top-Up Facility. The maximum number of additional New Shares that an Eligible Retail Shareholder may apply for is 50% of their Entitlement.

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.

Offer Booklet

This Offer Booklet and personalised Entitlement and Acceptance Forms contain important information about the Retail Entitlement Offer and can be accessed by Eligible Retail Shareholders either online at the offer website or by requesting a paper copy from the Registry:

- **Online** – this Offer Booklet and personalised Entitlement and Acceptance Forms (including the BPAY^{®4} payment details) can be accessed via the offer website at: <https://www.syrahooffer.com.au>; or
- **Paper** – this Offer Booklet and personalised Entitlement and Acceptance Forms can be sent to Eligible Retail Shareholders via post. Please call the Registry on 1300 850 505 (for callers within Australia) or +61 3 9415 5000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEDT) on Monday to Friday to request a paper copy.

I encourage you to read this Offer Booklet 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 Equity Raising and Vidalia Initial Expansion, which provide further information on the Equity Raising, the Vidalia Initial Expansion 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 (AEDT) on Monday, 28 February 2022**.

If you have any questions please contact your professional adviser or call the Registry on 1300 850 505 (for callers within Australia) or +61 3 9415 5000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEDT) 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

³ 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\$1.65 on Friday, 4 February 2022.

⁴ ® Registered to BPAY Pty Limited ABN 69 079 137 518.



Key dates for the Retail Entitlement Offer

Event	Date (2022)
Announcement of Equity Raising	Monday, 7 February
Record Date for the Entitlement Offer	7:00pm (AEDT) on Wednesday, 9 February
Retail Entitlement Offer opens	Monday, 14 February
Retail Entitlement Offer closes	5.00pm (AEDT) on Monday, 28 February
Settlement of Retail Entitlement Offer	Friday, 4 March
Issue of New Shares under Retail Entitlement Offer	Monday, 7 March
Commencement of trading of New Shares under Retail Entitlement Offer	Tuesday, 8 March

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 Daylight Time (AEDT), 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 and Placement

Syrah proposes to raise approximately A\$125 million under the Entitlement Offer, which has been structured as a 1 for 5.9 pro rata accelerated non-renounceable entitlement offer of New Shares at the Offer Price of A\$1.48 per New Share. The Entitlement Offer comprises:

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

In conjunction with the Entitlement Offer, Syrah is undertaking the Placement, which raised approximately A\$125 million³.

Syrah raised approximately A\$67 million through the Institutional Entitlement Offer⁵ and is seeking to raise approximately A\$58 million under the Retail Entitlement Offer.

The proceeds of the Equity Raising will be used as described in the Chairman's letter on page 3 of this Offer Booklet.

The Equity Raising is fully underwritten by Merrill Lynch Equities (Australia) Limited (the **Lead Manager**).

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

Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlements under the Institutional Entitlement Offer at the Offer Price of A\$1.48 per New Share.

New Shares equivalent to the number not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer, as well as Entitlements of certain Ineligible Institutional Shareholders, were offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlement, as well as to certain other institutional investors.

The Institutional Entitlement Offer was successfully conducted between Monday, 7 February 2022 and Tuesday, 8 February 2022, and settlement of the Institutional Entitlement Offer is expected to occur on Wednesday, 16 February 2022.

Subject to settlement occurring, the Institutional Entitlement Offer will raise approximately A\$67 million through the issue of approximately 45 million New Shares.

1.3 Placement

Institutional investors were invited to bid for New Shares under the Placement at the Offer Price of A\$1.48 per New Share.

The Placement was successfully conducted between Monday, 7 February 2022 and Tuesday, 8 February 2022, and settlement of the Placement is expected to occur on Wednesday, 16 February 2022.

Subject to settlement occurring, the Placement will raise approximately A\$125 million through the issue of approximately 84 million New Shares.

1.4 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to subscribe for 1 New Share for every 5.9 existing Shares held at 7.00pm (AEDT) on Wednesday, 9 February 2022, at the Offer Price of A\$1.48 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 (except for Related Parties of Syrah) who take up their full Entitlement may also apply for additional New Shares at the same Offer Price of A\$1.48 per New Share (**Top-Up Facility**). The

⁵ Subject to settlement of the Institutional Entitlement Offer, which is scheduled to occur on Wednesday, 16 February 2022.

maximum number of additional New Shares that an Eligible Retail Shareholder may apply for is 50% of their Entitlement. Further details on how to take up your Entitlement and additional New Shares under the Top-Up Facility are contained in Section 2 and the 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. Determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal requirements, logistical and registry constraints, and the discretion of Syrah. Syrah and the Lead Manager disclaim any liability in respect of the exercise or otherwise of that determination and discretion, to the maximum extent permitted by law.

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 (AEDT) on Monday, 28 February 2022 (**Retail Closing Date**), with New Shares expected to be issued on Monday, 7 March 2022 and commence trading on Tuesday, 8 March 2022.



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 and you are not a Related Party of Syrah, 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 your personalised Entitlement and Acceptance Form, which can be accessed:

- via the offer website at: <https://www.syrahooffer.com.au>; or
- by contacting the Registry and requesting a paper copy.

Your Entitlement has been calculated as 1 New Share for every 5.9 existing Shares you held as at the Record Date, being 7.00pm (AEDT) on Wednesday, 9 February 2022. If you have more than one registered holding of Shares, 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;
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form, or
- by making an electronic funds transfer payment if you are an Eligible Retail Shareholder with a registered address in New Zealand and unable to pay by BPAY® as set out on the personalised Entitlement and Acceptance Form,

in each case, by no later than the Retail Closing Date (5.00pm (AEDT) on Monday, 28 February 2022). 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 Monday, 7 March 2022. Syrah's decision on the number of New Shares allotted to you will be final.

If you take up your Entitlement in full and you are not a Related Party of Syrah, 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 have more than one registered holding of Shares, please only use the reference number specific to the Entitlement on the relevant Entitlement and Acceptance 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 (who are not Related Parties) under the Top-up Facility or otherwise acquired by the Lead Manager 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.

The directors of Syrah reserve the right to issue any New Shares not issued in the Entitlement Offer (**Shortfall Shares**) to new investors or existing Shareholders within 3 months of close of the Entitlement Offer at a price no less than the Offer Price. The allocation of Shortfall Shares will be within the complete discretion of Syrah, having regard to factors such as Syrah's desire for an informed and active trading market, its desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors, the likelihood that particular investors will be long-term shareholders, and any other factors Syrah considers appropriate.

2.5 Top-Up Facility

Eligible Retail Shareholders (who are not Related Parties of Syrah) who take up their Entitlement in full may apply for additional New Shares at the same Offer Price of A\$1.48 per New Share under the Top-Up Facility. The maximum number of additional New Shares that an Eligible Retail Shareholder (who are not Related Parties of Syrah) may apply for is 50% of their Entitlement.

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, which may include having regard to the pro rata Entitlement of Eligible Retail Shareholders who apply for additional New Shares.

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 (AEDT) on Wednesday, 9 February 2022;
- (b) have a registered address on the Syrah register 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® or electronic fund transfer (in the case of Eligible Retail Shareholders with a registered address in New Zealand), 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®, electronic funds transfer (in the case of Eligible Retail Shareholders with a registered address in New Zealand), 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®, electronic funds transfer (in the case of Eligible Retail Shareholders with a registered address in New Zealand), 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\$1.48 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 Lead Manager, 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®, electronic funds transfer (in the case of Eligible Retail Shareholders with a registered address in New Zealand) 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® or electronic funds transfer (in the case of Eligible Retail Shareholders with a registered address in New Zealand), 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 Lead Manager, 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 Lead Manager and their 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 U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- (m) the Entitlements and the New Shares have not been, and will not be, registered under the U.S. 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 transactions on ASX conducted in the usual way (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®;
- electronic funds transfer (for Eligible Retail Shareholders in New Zealand only); or
- cheque, bank draft or money order.

Given potential delays to postal services, it is recommended by the Registry that Eligible Retail Shareholders apply via BPAY®.

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 (AEDT) on Monday, 28 February 2022. 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) Electronic funds transfer for Eligible Retail Shareholders in New Zealand

Eligible Retail Shareholders in New Zealand who do not have a BPAY® facility, may make payments via electronic funds transfer. Please follow the instructions on the personalised Entitlement and Acceptance Form and the offer website at: <https://www.syrahooffer.com.au>.

It is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (AEDT) on Monday, 28 February 2022. 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.

(c) 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\$1.48 multiplied by the number of New Shares that you are applying for; 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, bank draft or money order for Application Monies (or the amount for which the cheque, bank draft or money order 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.

(d) Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the Retail Closing Date (5.00pm (AEDT) on Monday, 28 February 2022). Given potential delays to postal services, the Registry recommends that Eligible Retail Shareholders apply via BPAY®. 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 Monday, 7 February 2022



SYRAH ANNOUNCES VIDALIA FINAL INVESTMENT DECISION AND EQUITY RAISING

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Highlights

- Syrah Board approves final investment decision for Vidalia's initial expansion to 11.25ktpa AAM production capacity
- FID paves the way to Syrah becoming a vertically integrated natural graphite AAM supplier for USA and European battery supply chain participant and OEM customers
- Detailed engineering and long-lead item procurement significantly progressed with Worley; strong definition, enhanced understanding of critical path and readiness to proceed with construction
- Optimised design of the Vidalia Initial Expansion – estimated maximum production capacity increased to 11.25ktpa AAM, estimated unit operating costs marginally reduced, and total estimated installed capital costs updated to US\$176 million¹ with US\$165 million remaining²
- Fully underwritten institutional placement and 1 for 5.9 pro rata accelerated non-renounceable entitlement offer to raise a total of approximately A\$250 million (US\$178 million³)
- Proceeds of the Equity Raising will be used to: 1) fully fund remaining estimated installed capital costs for the Vidalia Initial Expansion, 2) fund estimated costs associated with Vidalia operations, expansion studies and product development in 2022, 3) pay the transaction costs of the Equity Raising and 4) fund Balama TSF expansion and sustaining capital costs, Balama working capital and for general corporate purposes.

Vidalia Final Investment Decision

Syrah Resources Limited (**ASX: SYR**) ("**Syrah**" or the "**Company**") announces that its Board has approved a final investment decision ("**FID**") on the initial expansion of its Vidalia active anode material ("**AAM**") facility in Louisiana, USA ("**Vidalia**") to 11.25ktpa AAM production capacity ("**Vidalia Initial Expansion**"). The Vidalia FID is a pivotal step in Syrah's strategy to become a vertically integrated natural graphite AAM supply alternative for USA and European battery supply chain participant and

¹ Includes all actual and estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 December 2020 and an unutilised contingency.

² Includes all estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 January 2022 and an unutilised contingency.

³ A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.71 as of 4 February 2022.

OEM customers and establishes Syrah as a first mover as a large-scale vertically integrated natural graphite AAM supply option outside of China.

Syrah has invested US\$79 million⁴ de-risking its entry into the downstream AAM market ahead of the Vidalia FID, including construction and operation of the existing, commercial scale qualification facility in Vidalia, technical product development, product qualification with target customers and various phases of studies and engineering on the Vidalia Initial Expansion.

Detailed engineering and updated key project parameters

Syrah has undertaken detailed engineering and long-lead item procurement with Worley Group (ASX: WOR) ("**Worley**") in advance of the Vidalia FID. Detailed engineering is approximately 50% completed and has largely confirmed the technology, design and assumptions in the 2020 Bankable Feasibility Study ("**BFS**")⁵. The Company has a better level of project definition with optimised design in specific areas, a detailed understanding of the critical path schedule and an improved readiness to proceed with construction of the project. A detailed capacity assessment was completed to identify capacity bottlenecks and improvements in each processing area. Based on this assessment, the maximum production capacity estimate of the Vidalia Initial Expansion has been increased to 11.25ktpa AAM. Equipment availability and downtime assumptions to achieve this higher production capacity estimate have not changed materially from the BFS. Estimated operating costs are marginally lower than in the BFS with increased production capacity and design optimisations delivering efficiency and quality improvements. Prior to the Vidalia FID, Syrah completed an updated estimate of total installed capital costs. Total installed capital costs of the 11.25ktpa AAM Vidalia facility are estimated at US\$176 million⁶ incorporating design optimisations, scope savings and cost inflation. Syrah estimates US\$165 million⁷ in remaining installed capital costs from 1 January 2022, including an unutilised contingency.

A summary of the estimated Vidalia Initial Expansion project parameters is shown in Table 1.

Table 1: Summary of updated Vidalia Initial Expansion project parameters

Metric	Unit	2020 BFS	2022 Vidalia FID	% Change
AAM production	ktpa	10	11.25	+12%
Annual processed natural graphite	ktpa	18	21	+13%
Operating cost estimate (all-in) ⁸	US\$/t AAM (real)	3,149	3,109	-1%
Total installed capital cost estimate ⁹	US\$m	138	176	+28%

⁴ Includes all capitalised costs associated with Vidalia to 31 December 2021.

⁵ Refer ASX release 1 December 2020.

⁶ See footnote 1.

⁷ See footnote 2.

⁸ Includes US\$400/t (FOB Nacala) for Balama natural graphite, reflecting an approximate all-in cost of production at Balama at full plant utilisation. Includes costs of transporting Balama natural graphite from Nacala to Vidalia, AAM delivery costs from Vidalia to representative US battery manufacturing facilities and maintenance costs.

⁹ See footnote 1.

Vidalia Construction

The Company intends to award Worley a contract to provide construction management services for the Vidalia Initial Expansion¹⁰. Worley is well positioned to maintain continuity in engineering and procurement execution and through the construction phase of the Vidalia Initial Expansion due to its significant knowledge of Vidalia's proposed processing technologies and key equipment packages and integration with Syrah's project team. To preserve the project schedule, Worley and Syrah are jointly advancing transition construction management to deliver early works and long-lead items.

Syrah is employing a contracting strategy for the Vidalia Initial Expansion that balances its key objectives of maintaining fixed price competitive bidding for installed costs, optimising construction management and costs, minimising delay in the project schedule and the fair allocation of risks between Syrah and its contractors. Detailed engineering has been significantly progressed and the Company is well placed to commence construction. Syrah has directly ordered, and is continuing to order, critical long-lead equipment at fixed prices in the near-term, including power distribution centres, milling equipment and carbonisation furnaces. The critical path schedule will inform the sequence of remaining detailed engineering and procurement to ensure accurate and timely packages are available to be issued by Syrah for bidding, contracting and construction by contractors. The Company plans to control installed capital costs by directly purchasing certain major equipment and bulk materials to avoid mark-ups and employing lump-sum fixed price contracts or contracts with locked-in rates for the majority of the overall project scope by value.

Construction for the Vidalia Initial Expansion is proposed to commence immediately with installed capital costs to be fully funded by proceeds from the Equity Raising and Syrah's existing cash balance. Geotechnical testing and surveying have been completed and early works for site preparation are underway with earthworks, road preparation, temporary power connection and construction of temporary facilities scheduled by the end of the March 2022 quarter.

Construction of the 11.25ktpa AAM Vidalia facility is scheduled to be completed in the June 2023 quarter and, following commissioning, start of production is expected in the September 2023 quarter with an 18-month ramp-up period to the full estimated 11.25ktpa AAM production rate.

Vidalia Offtake Strategy

In December 2021, the Company announced it had executed an offtake agreement ("Agreement") with Tesla, Inc. ("Tesla") to supply natural graphite AAM from Vidalia¹¹. The offtake obligation is conditional on the parties agreeing the final specifications of AAM by no later than 31 December 2022 and achieving final qualification of AAM to Tesla's satisfaction by no later than 31 May 2025. The Agreement may also be terminated if production has not started by 31 May 2024. Subject to satisfaction of the above conditions, Tesla will offtake 8ktpa AAM of the proposed initial expansion of AAM production capacity at Vidalia at a fixed price for an initial term of four years commencing from the achievement of a

¹⁰ Syrah will otherwise engage contractors to provide construction services to deliver the Vidalia Initial Expansion project.

¹¹ Refer ASX release 1 December 2020.

commercial production rate, subject to final qualification. Tesla also has an option to offtake additional volume from Vidalia subject to Syrah expanding its capacity beyond the initial expansion.

Market growth and segmentation (e.g. localisation / ESG) over the next 18 months is expected to benefit Syrah in its commercial engagements with target customers for the 3.25ktpa AAM uncontracted volume from the 11.25ktpa AAM Vidalia facility. Accordingly, Syrah is aiming to secure additional AAM offtake agreements with target customers, at AAM prices consistent with or better than assumed for the Vidalia FID, prior to start of production of the 11.25ktpa AAM Vidalia facility.

Syrah's engagement with target customers and the rapid growth of the battery manufacturing pipeline in North America has demonstrated that AAM volumes demanded from Vidalia by 2026 are expected to significantly exceed 11.25ktpa AAM and the Company is therefore developing a pathway to an accelerated expansion of Vidalia beyond 11.25ktpa AAM production capacity. With consideration of customer demand, as well as the improved definition in design and feasibility of a larger expansion of Vidalia developed since the BFS, Syrah intends to complete an updated bankable feasibility study on the expansion of Vidalia's overall production capacity to 45ktpa AAM, inclusive of 11.25ktpa AAM, in 2022. The potential expansion of Vidalia to a scale beyond 11.25ktpa AAM is underpinned by Balama and its world-class, large scale graphite resource.

Syrah Managing Director and CEO Shaun Verner said, *"Announcing the Vidalia FID and fully funding the Vidalia Initial Expansion are pivotal steps for Syrah in its history and in its strategy to becoming a vertically integrated producer of natural graphite AAM. We now have greater certainty over the project and financing for the Vidalia Initial Expansion and our path to entering the downstream AAM market, with the start of production scheduled for the September 2023 quarter. Further, funds from the Equity Raising will contribute towards studies for potential future expansion of Vidalia to a 45ktpa AAM production capacity and working capital and capital costs at Balama, and ensures that the Company will maintain a strong balance sheet"*.

Equity Raising

Syrah is undertaking a fully underwritten institutional placement and pro rata accelerated non-renounceable entitlement offer to raise a total of A\$250 million (US\$178 million¹²) (collectively, the **"Offer"** or the **"Equity Raising"**).

The Equity Raising has the following components:

- a fully underwritten Placement of new fully paid ordinary shares (**"New Shares"**) to eligible institutional shareholders and new institutional investors (**"Placement"**) to raise approximately A\$125 million (US\$89 million¹²); and
- a fully-underwritten 1 for 5.9 pro rata accelerated non-renounceable Entitlement Offer of New Shares to eligible shareholders (the **"Entitlement Offer"**) to raise approximately A\$125 million (US\$89 million¹²).

¹² A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.71 of 4 February 2022. The net proceeds of the Offer are expected to be converted into US\$ (representing the underlying currency in which the majority of the Vidalia Initial Expansion expenditure will be incurred).

The Equity Raising will be at a fixed price of A\$1.48 per New Share (the “**Offer Price**”), which represents a discount of:

- 10.3% to Syrah’s closing price of A\$1.65 per share on the ASX on 4 February 2022; and
- 7.9% to the theoretical ex-rights price (“**TERP**”) ¹³ of A\$1.61 per New Share.

AustralianSuper Pty Ltd as trustee for AustralianSuper has committed to apply for its full entitlement to New Shares under the Entitlement Offer and New Shares under the Placement to maintain its current approximate 15% shareholding that it beneficially owns in Syrah upon completion of the Equity Raising.

AustralianSuper has also agreed to sub-underwrite a portion of the Retail Entitlement Offer. If AustralianSuper takes up its full sub-underwriting commitment, its relevant interest in Syrah will remain less than 19.9%.

As a result of the Equity Raising, the conversion price of AustralianSuper’s Series 1 and Series 3 convertible notes issued to Syrah will be adjusted to A\$0.9685 (previously A\$1.0036) ¹⁴.

Merrill Lynch Equities (Australia) Limited is acting as sole lead manager, underwriter and bookrunner to the Equity Raising and Foster Stockbroking is a co-lead manager to the Equity Raising.

1. Rationale for the Equity Raising and Use of Proceeds

Proceeds of the Equity Raising, combined with Syrah’s existing cash balance, will be used to:

- 1) Fully fund the remaining US\$165m ¹⁵ of estimated installed capital costs of the Vidalia Initial Expansion, including all remaining detailed engineering, equipment, materials, construction and construction-related capital costs from 1 January 2022 until the start of production, including an unutilised contingency of ~US\$12m informed by detailed engineering and capital spend to date;
- 2) Fund estimated Vidalia operating costs, expansion studies and product development for 2022, including:
 - Vidalia qualification facility operations and upgrades, and operational readiness costs for the 11.25ktpa AAM facility;
 - Bankable Feasibility Study on Vidalia’s expansion to 45ktpa AAM production capacity; and
 - Product development and equipment trials to support a larger expansion of Vidalia;
- 3) Transaction costs of the Offer; and

¹³ TERP is the theoretical ex-rights 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.

¹⁴ Refer to ASX releases from 19 June 2019 and 10 December 2020. Adjustment is effective upon the issue of New Shares.

¹⁵ See footnote 2.

- 4) Fund Balama tailings storage facility expansion and sustaining capital costs, Balama working capital, and for general corporate purposes.

2. Placement

Syrah is undertaking a fully underwritten Placement of New Shares to eligible institutional shareholders and new institutional investors to raise approximately A\$125 million (US\$89 million¹⁶). The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

New Shares offered under the Placement will be offered at the Offer Price of A\$1.48 per share, and will result in the issue of 84m New Shares. The New Shares issued under the Placement represent approximately 16.9% of the Company's current ordinary shares outstanding, and will be issued pursuant to Syrah's available placement capacity under ASX Listing Rule 7.1. Syrah has been granted a waiver from ASX Listing Rule 7.1 to enable it to use expanded placement capacity by reference to the New Shares to be issued under the fully underwritten Entitlement Offer.

3. Entitlement Offer

Syrah will offer eligible shareholders the right to participate in the Entitlement Offer to raise approximately A\$125 million (US\$89 million¹⁷). Eligible shareholders will have the opportunity to apply for 1 New Share for every 5.9 existing Syrah shares held at the Record Date (being 7.00pm (AEDT) on Wednesday, 9 February 2022). New Shares under the Entitlement Offer will be offered at the Offer Price of A\$1.48 per share (the same Offer Price as the Placement).

The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferrable.

Institutional Entitlement Offer

Eligible shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (the "**Institutional Entitlement Offer**"), which is being conducted today, Monday, 7 February 2022 and Tuesday, 8 February 2022, along with the Placement.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their entitlement to New Shares. Entitlements not taken up under the Institutional Entitlement Offer will be offered by the Lead Manager to eligible institutional investors at the Offer Price concurrently with the Institutional Entitlement Offer.

Retail Entitlement Offer

The retail component of the Entitlement Offer (the "**Retail Entitlement Offer**") will be open from 10.00am (AEDT) on Monday, 14 February 2022 to 5.00pm (AEDT) Monday, 28 February 2022, to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date.

¹⁶ See footnote 12.

¹⁷ See footnote 12.

Eligible retail shareholders who take up their full entitlement under the Retail Entitlement Offer will also be eligible to subscribe for additional New Shares over and above their entitlement, up to a maximum of 50% above their entitlement (subject to the overall level of participation in the Entitlement Offer and at the discretion of Syrah's Board of Directors).

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which Syrah expects to lodge with the ASX and make available to eligible shareholders on Monday, 14 February 2022. The retail offer booklet will also enclose a personalised entitlement and acceptance form and other details about how to apply for New Shares in the Retail Entitlement Offer.

4. Indicative timetable

The indicative timetable for the Equity Raising is set out below.

Indicative Equity Raising timetable

Event	Date
Announcement of the Equity Raising	Monday, 7 February 2022
Trading Halt	Monday, 7 February 2022
Institutional Entitlement Offer and Placement opens	Monday, 7 February 2022
Institutional Entitlement Offer and Placement closes	Tuesday, 8 February 2022
Announcement of the results of Institutional Entitlement Offer and Placement	Wednesday, 9 February 2022
Trading Halt Lifted	Wednesday, 9 February 2022
Entitlement Offer record date	7.00pm (AEDT), Wednesday, 9 February 2022
Retail Entitlement Offer opens and Booklet dispatched	Monday, 14 February 2022
Settlement of Institutional Entitlement Offer and Placement	Wednesday, 16 February 2022
Issue and quotation of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 17 February 2022
Retail Entitlement Closing Date	5:00pm (AEDT), Monday, 28 February 2022
Settlement of Retail Entitlement Offer	Friday, 4 March 2022
Issue of New Shares under the Retail Entitlement Offer	Monday, 7 March 2022
Normal trading of New Shares under the Retail Entitlement Offer	Tuesday, 8 March 2022

Debt Financing

As part of Syrah's overall funding strategy, Syrah is progressing discussions on debt financing with the United States Department of Energy ("DOE") for Vidalia and the United States International Development Finance Corporation ("DFC") for Balama. There are various matters to conclude prior to a binding debt commitment being provided to Syrah by either the DOE or the DFC.

United States Department of Energy debt financing

In June 2021, Syrah submitted an application for the Advanced Technology Vehicles Manufacturing ("ATVM") Loan Program to the Loans Programs Office ("LPO") of the DOE for the Vidalia Initial Expansion project. The ATVM Loan Program has authority to loan up to US\$17.7 billion to support US-based manufacturing of eligible advanced technology vehicles, including EVs, and qualifying components and materials. US-based processing of critical minerals, such as graphite, for use in EV battery systems qualifies for the ATVM Loan Program¹⁸.

The Company has applied for a debt facility of US\$100-125 million from the ATVM Loan Program, for which the loan tenor could be up to 15 years. These terms are subject to negotiation and could be different to the terms Syrah applied for. Interest on debt financing extended by the ATVM Loan Program is set at US Treasury rates. Following Syrah's application, in July 2021, the LPO invited Syrah into its due diligence process and the LPO's due diligence is ongoing. Syrah recently received a non-binding term sheet from the LPO for debt financing, and this is being reviewed by the Company.

The finalisation and issuance of a term sheet and conditional commitment remains subject to completion of due diligence, negotiation and mutual acceptance of a term sheet and conditional commitment, and US Government and Syrah Board approvals. Syrah understands that advancing from the term sheet and conditional commitment (if mutually agreed) to execution of final definitive loan agreements will involve the satisfactory completion of due diligence, negotiation and execution of mutually agreed definitive loan documents and require confirmation of various regulatory and government approvals. Syrah is currently targeting financial close for ATVM Loan Program financing by the end of June 2022, which is expected to coincide with the planned capital spending profile for the Vidalia Initial Expansion.

United States International Development Finance Corporation debt financing

In May 2021, Syrah submitted an application to the DFC for debt financing for (i) initial working and sustaining capital, (ii) expansion of the tailings storage facility, and (iii) feasibility studies for development of the vanadium resource at Balama. The DFC is the US Government's development finance institution and partners with the private sector to finance solutions to the most critical challenges facing the developing world, investing across sectors including energy, healthcare, critical infrastructure and technology¹⁹.

¹⁸ Further information about the ATVM Loan Program is available at <https://www.energy.gov/lpo/products-services/advanced-technology-vehicles-manufacturing-loan-program>.

¹⁹ Further information about the DFC is available at <https://www.dfc.gov/>.

The Company applied for a term loan facility of approximately US\$74 million from the DFC. The DFC has been undertaking due diligence, which is ongoing. Loan tenor remains subject to completion of due diligence and negotiation, however, it may be up to 12 years. The interest rate is set at a margin to US Treasury rates and various other fees and charges apply, subject to negotiation. In November 2021, Syrah received an indicative, non-binding term sheet for debt financing from the DFC. The Company understands that the finalisation of a binding conditional commitment, and its terms, from the DFC remains subject to completion of due diligence, negotiation of binding terms and DFC's credit and policy approvals, including approval by DFC's Board of Directors. Syrah is currently targeting financial close for DFC debt financing in the second half of 2022.

There is no certainty that debt financing from the DOE or DFC will be committed to Syrah, or if committed, on terms consistent with Syrah's applications, or in Syrah's targeted timeframe. These matters remain subject to ongoing negotiation.

Additional Details

Further details of the Vidalia FID, Vidalia Initial Expansion and Equity Raising are set out in the investor presentation released to the ASX today. The investor presentation contains important information that shareholders and investors should consider, including information about risk factors and the foreign selling restrictions with respect to the Equity Raising.

Syrah's Managing Director and Chief Executive Officer Shaun Verner will host a conference call on Monday, 7 February 2022 at 10:30am AEDT, on the Vidalia Initial Expansion and Equity Raising. The details of the conference call are set out below.

In order to pre-register for the conference call, please follow the link below. You will be given a unique pin number which is to be quoted when dialing into the call. Investors are advised to register for the conference in advance by using the Diamond Pass link to avoid delays in joining the call directly through the operator.

<https://s1.c-conf.com/diamondpass/10019613-xasm22.html>

Alternatively, you may dial in with the following details and provide the Conference ID to an operator.

Conference ID: **10019613**

Participant Dial-in Numbers:

Australia:	1800 265 784
Australia Local:	+61 7 3107 6325
New Zealand:	0800 886 078
China:	400 1209 216
France:	0800 919 377
Germany:	0800 181 0896
Hong Kong:	800 930 639
Japan (Tokyo Local):	50 6864 8269
Singapore:	800 101 3223
South Africa:	0800 995 604
UK:	0800 031 4295
US/Canada:	1855 883 1031

This ASX release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

For further information contact Investor Relations

Viren Hira

Contact: +61 3 9670 7264

Email: v.hira@syrahresources.com.au

About Syrah Resources

Syrah Resources (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Forward Looking Statements

This document contains certain forward - looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward - looking statements. Forward - looking statements in this document include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof; the capital and operating costs, timetable and operating metrics for the Balama Project; the viability of future opportunities such as spherical graphite, future agreements and offtake partners; future market supply and demand; and future mineral prices. 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 document 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. This document contains such statements that are subject to risk factors associated with the mineral and resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. 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 document 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 document speak only as of the date of this document. 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 document 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 document will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this document.

Important notices

This announcement should be read subject to the important notice and disclaimer in the investor presentation released by the Company to the ASX today (as if references in that important notice and disclaimer to “this presentation” were to “this announcement”). 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 Equity Raising (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 Equity 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 release to US wire services or distribution in the United States

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3.2 Investor Presentation released by Syrah on Monday, 7 February 2022



Vidalia Final Investment Decision and Equity Capital Raising

7 February 2022



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- an accelerated non-renounceable entitlement offer of new fully paid ordinary shares in Syrah ("New Shares") to be made to eligible institutional shareholders of Syrah ("Institutional Entitlement Offer") and eligible retail shareholders of Syrah ("Retail Entitlement Offer") under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("Entitlement Offer"); and
- a placement of New Shares to institutional investors and certain existing institutional shareholders under section 708A of Corporations Act as modified by ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 ("Placement"), the Entitlement Offer and Placement together, the "Offer".

Summary information

This presentation contains summary information about the Company and its activities which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete nor does it provide or contain all the information that would be required in a prospectus or other disclosure document prepared in accordance with the requirements of the Corporations Act, or that an investor should consider when making an investment decision. No representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. This presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au.

JORC Reporting

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 Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the "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 and Ore Reserve estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) SEC Industry Guide 7, which governs disclosures of mineral reserves in registration statements filed with the U.S. Securities and Exchange Commission ("SEC").

Investor Relations

Viren Hira
T: +61 3 9670 7264
E: v.hira@syrahresources.com.au

Media Enquiries

NWR Communications

Nathan Ryan
T: 0420 582 887
E: nathan.ryan@nwrcommunications.com.au

Syrah Contact Information

c/- Vistra Australia (Melbourne) Pty Ltd
Level 4, 96-100 Albert Road
South Melbourne, VIC 3205
T: +61 3 9670 7264
E: enquiries@syrahresources.com.au
W: www.syrahresources.com.au

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JORC Reporting (cont'd)

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No new information or data

This presentation contains references to exploration results, Mineral Resource and Ore Reserve estimates, and feasibility study results including production targets, all of which have been cross referenced to previous ASX market announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources and Ore Reserves, and feasibility study results including production targets, that all material assumptions and technical parameters underpinning the estimates in the relevant ASX market announcement continue to apply and have not materially changed.

Not financial or product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This presentation has not been, nor will it be, lodged with the Australian Securities and Investments Commission ("ASIC"). This presentation is not financial product or investment advice, a recommendation to acquire New Shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of any individual. Any references to, or explanations of, legislation, regulatory issues or any other legal commentary (if any) are indicative only, do not summarise all relevant issues and are not intended to be a full explanation of a particular matter. You are solely responsible for forming your own opinions and conclusions on such matters and the market, and for making your own independent assessment of the information in this presentation. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs, and seek legal and taxation advice appropriate to their jurisdiction and personal circumstances. The Company is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to the acquisition of New Shares.

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An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Investors should have regard (amongst other things) to the risk factors outlined in this presentation under the heading "Key risks" when making their investment decision.

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All dollar values are in Australian dollars (\$) or (\$) unless stated otherwise. The information contained in this presentation may not necessarily be in statutory format. Certain figures, amounts, percentages, estimates, calculations of value and fractions provided in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

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Past performance and any pro forma information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views, nor anyone else's, on its future performance, financial position or condition, including the future trading price of the Company's securities. Investors should note that past performance, including past share price performance, of Syrah cannot be relied upon as an indicator of (and provides no guidance as to) future performance including future share price performance.

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Non-IFRS financial measures

Any pro forma financial information included in this presentation has been prepared by the Company in accordance with the measurement and recognition principles, but not the disclosure requirements, prescribed by the Australian Accounting Standards. Investors should also be aware that certain financial data included in this presentation may be "non-IFRS financial information" under ASIC Regulatory Guide 230: Disclosing non-IFRS financial information or "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934. The Company believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of Syrah. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios included in this presentation. Such financial information does not purport to be in compliance with Article 3-05 of Regulation S-X under the U.S. Securities Act.

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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. Forward-looking statements may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of Ore Reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. 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 presentation 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 presentation speak only as of the date of this presentation. 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 presentation 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 presentation will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this presentation.

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Disclaimer

The lead manager and underwriter of the Offer ("Lead Manager"), nor any of the Company's advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and associates, have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

To the maximum extent permitted by law, the Company, the Lead Manager, and their respective affiliates, related bodies corporate, directors, officers, partners, employees, agents and advisers (the "Extended Parties"): (i) exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in any offer of the New Shares and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and (ii) make no representation or warranty, express or implied, as to the currency, accuracy, reliability, timeliness or completeness of information in this presentation, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement.

Pursuant to ASX Listing Rule 7.2, the directors of the Company give notice that they reserve the right to issue any New Shares not issued in the Entitlement Offer ("Shortfall Shares") to new investors or existing shareholders within 3 months of the close of the offer at a price no less than the Offer Price. The allocation of Shortfall Shares will be within the complete discretion of the Company, having regard to factors such as the Company's desire for an informed and active trading market, its desire to establish a wide spread of shareholders, the size and type of funds under management of particular investors, the likelihood that particular investors will be long-term shareholders, and any other factors the Company considers appropriate.

You acknowledge and agree that determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Lead Manager and each of the Company and the Lead Manager (and their respective Extended Parties) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. Further, you acknowledge and agree that any allocation of New Shares (other than pursuant to an entitlement under the Entitlement Offer) is at the sole discretion of the Company and the Lead Manager and each of the Company and the Lead Manager (and their respective Extended Parties) disclaim any duty or liability (including for negligence) in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law. The Company and the Lead Manager reserve the right to change the timetable in their absolute discretion including by closing the Offer early, withdrawing the Offer entirely or extending the Offer closing time (generally or for particular investor(s)) in their absolute discretion (but have no obligation to do so), without recourse to them or notice to you.

Syrah's Value Proposition



Electric Vehicles require graphite

- Electric Vehicle ("EV") adoption is gaining momentum
- Anodes in lithium-ion batteries used in EVs are made of graphite



Graphite is a strategic critical mineral

- Global anode supply chain is currently 100% reliant on China
- Graphite is designated as a strategic critical mineral in USA, EU, Japan & Australia



Balama Graphite Operation: A Tier 1 asset

- Long life (>50 years¹) and high grade (16% TGC²)
- Largest integrated natural graphite mine and processing operation globally
- Significant vanadium resource at Balama is a valuable option³



Vertical Integration in USA

- Balama to be vertically integrated with AAM⁴ facility at Vidalia, USA
- Large scale ex-Asia AAM supply option that is ESG verifiable

1. Life of mine based on current 108Mt Graphite Ore Reserves being depleted at 2Mt throughput per annum. Refer to 2020 Annual Report released to ASX 29 March 2021 for Reserves as at 31 December 2020. All material assumptions underpinning the Reserves and Resource statement in this presentation continue to apply, other than as updated in subsequent ASX releases.

2. TGC = Total graphitic carbon.

3. Scoping study on potential to refine vanadium as per ASX release 30 July 2014.

4. AAM = Active anode material.

Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets

Syrah's Positive ESG Profile





 Leading ESG standards	<ul style="list-style-type: none"> ✓ ISO:45001 and ISO:14001 certification at Balama ✓ ISO:9001 certification at Vidalia ✓ Vidalia expansion project being developed in line with best practice health, safety and environmental standards ✓ Critical Risk Management Framework embedded across the Group
 Best practice sustainability frameworks	<ul style="list-style-type: none"> ✓ Sustainability frameworks guided by: <ul style="list-style-type: none"> • Global Reporting Initiative (GRI) • United Nations Sustainable Development Goals • International Council on Mining and Metals ✓ Robust Community Development and Stakeholder Engagement Strategy
 Low carbon footprint	<ul style="list-style-type: none"> ✓ Lower carbon emissions footprint (life cycle) of natural versus synthetic graphite ✓ Independent life cycle assessment (LCA) completed ✓ Implementing initiatives to lower carbon footprint further
 Auditable back to source	<ul style="list-style-type: none"> ✓ Fully integrated by Syrah from mine to customer ✓ Vidalia products will have a single chain of custody back to the source

Table of Contents

Company Update and Equity Raising Overview	9
Vidalia Final Investment Decision	14
Market and Supply Chain Update	23
Balama Graphite Operation	29
Debt Financing	37
Transaction Details	39
Key Risks	42
International Offer Restrictions	57



Company Update and Equity Raising Overview



9

Company Update

Syrah is progressing to become a vertically integrated natural graphite AAM supply alternative for USA and European customers

Health and Safety	<ul style="list-style-type: none"> Total Recordable Injury Frequency Rate ("TRIFR") of 0.5 for Balama and 0.0 for Vidalia at quarter end
Market	<ul style="list-style-type: none"> Positive momentum in EV sales and penetration, a key leading indicator for natural graphite and active anode material ("AAM") demand growth Continued strong global EV sales, with 119% growth in 2021, versus 2020, to more than 6.3 million units¹ Global EV sales were almost 850,000 units in December 2021 Pace of battery capacity commitments and vertical integration of the EV supply chain is accelerating in the USA
Vidalia Update	<ul style="list-style-type: none"> Final investment decision ("FID") taken for the initial expansion of the Vidalia AAM facility to 11.25ktpa AAM production capacity ("Vidalia Initial Expansion") Detailed review completed in detailed engineering to optimize the Vidalia Initial Expansion project and improve definition – production capacity increased from 10ktpa to 11.25ktpa AAM, unit operating costs marginally reduced, and overall installed capital costs updated to US\$176m² with US\$165m remaining³ Offtake agreement executed with Tesla to supply 8ktpa AAM from Vidalia at a fixed price for an initial term of four years⁴ Interest from target customers provides strong basis for a potential accelerated, larger expansion at Vidalia – updated bankable feasibility study on Vidalia expansion to 45ktpa AAM production capacity due in 2022 First production expected in the September 2023 quarter
Balama Update	<ul style="list-style-type: none"> December 2021 quarter production and sales constrained by container shipping market disruption – additional breakbulk shipment option expected to materially improve production and sales from the March 2022 quarter 13kt natural graphite produced at 82% recovery and 19kt sold and shipped during the December 2021 quarter Product quality consistent with previous quarters with stable recovery and grade – 89% recovery achieved in the December 2021 month Balama C1 cash costs (FOB Nacala) of US\$1,159/t for the December 2021 quarter – Balama C1 cash costs (FOB Nacala) guidance is US\$430–470/t at a 15kt per month production rate Weighted average sales price increased to US\$530/t (CIF) with very strong incremental demand and higher contracting prices Strong sales order book with more than 80kt of natural graphite sales orders for the March 2022 quarter, demonstrating robust underlying demand conditions First 10kt spot shipment from Pemba port to China in February 2022, creating additional export option and significantly increasing Balama sales
Corporate	<ul style="list-style-type: none"> LCA⁵ completed, confirming the superior environmental position of Syrah's integrated operations versus Chinese natural and synthetic graphite AAM Quarter end cash balance of US\$53m

1. Source: MarkLines.

2. Includes all actual and estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 December 2020 and an unutilised contingency.

3. Includes all estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 January 2022 and an unutilised contingency.

4. Refer to ASX releases from 23 December 2021 and 29 December 2021.

5. Independent "origin to gate" lifecycle assessment.

Equity Raising Overview and Debt Financing Progress

Equity Raising

- Syrah is undertaking a fully underwritten equity raising of ~A\$250m consisting of an institutional placement of A\$125m (the "Placement") and a 1 for 5.9 pro-rata accelerated non-renounceable entitlement offer of A\$125m (the "Entitlement Offer") (collectively the "Offer" or the "Equity Raising")
- The Entitlement Offer is fully underwritten, and comprises:
 - An accelerated institutional component; and
 - A retail component
- Fixed offer price of A\$1.48 per New Share under the Offer ("Offer Price")
- Represents a discount of 10.3% to Syrah's closing price of A\$1.65 per share on the ASX as at 4 February 2022, and 7.9% to the Theoretical Ex-Rights Price ("TERP")² of A\$1.61 per New Share
- Approximately 169 million new ordinary shares ("New Shares") to be issued, representing 33.9% of Syrah's existing shares on issue
- The New Shares issued under the Offer will rank equally with existing Syrah shares on issue
- AustralianSuper Pty Ltd as trustee for AustralianSuper has committed to apply for its full entitlement to New Shares under the Entitlement Offer and New Shares under the Placement to maintain its current approximate 15% shareholding that it beneficially owns in Syrah on completion of the Equity Raising
- AustralianSuper has also agreed to sub-underwrite a portion of the Retail Entitlement Offer. If AustralianSuper takes up its full sub-underwriting commitment, its relevant interest in Syrah will remain less than 19.9%
- As a result of the Equity Raising, the conversion price of AustralianSuper's Series 1 and Series 3 convertible notes will be adjusted to A\$0.9685 (previously A\$1.0036)³

Debt Financing¹

- Debt financing processes are progressing with the U.S. Department of Energy ("DOE") for Vidalia and U.S. International Development Finance Corporation ("DFC") for Balama
- Syrah has submitted applications for debt financing to the DOE and DFC and due diligence is ongoing
- Syrah is currently targeting financial close for debt financing with the DOE by the end of June 2022, which is expected to coincide with Vidalia's planned capital spending profile, and financial close for DFC financing in the 2nd half of 2022
- There is no certainty that DOE nor DFC debt financing will be committed to Syrah, or if committed, on terms consistent with Syrah's applications, or in Syrah's targeted timeframe
- To the extent Syrah receives commitments and draws down on either facility, surplus proceeds from the Equity Raising will be used to accelerate studies and detailed engineering of a potential larger expansion of Vidalia, to fund construction of a potential expanded 45ktpa Vidalia facility, to provide additional balance sheet flexibility and/or for capital management initiatives

1. Refer to slide 38 for additional information on debt financing processes being progressed.

2. TERP is the theoretical ex-rights 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.

3. Refer to ASX releases from 19 June 2019 and 10 December 2020. Adjustment is effective upon the issue of New Shares.



Sources and Uses

Overview

- A\$232m (US\$165m)^{2,3} of Offer proceeds and existing cash, expected to fund all estimated remaining installed capital costs for the Vidalia Initial Expansion
 - Includes all remaining detailed engineering, equipment, materials, construction and construction-related capital costs from 1 January 2022 until the start of production
 - Includes an unutilised contingency of ~US\$12m informed by detailed engineering and capital spend to date
 - Equity Raising positions Syrah to deliver the Vidalia Initial Expansion on schedule, targeting start of production in the September 2023 quarter
- A\$21m (US\$15m)² of Offer proceeds and existing cash will fund estimated costs associated with Vidalia operations, expansion studies and product development in 2022, including:
 - Vidalia qualification facility operations and upgrades, and operational readiness costs for the 11.25ktpa AAM facility
 - BFS on Vidalia's potential expansion to 45ktpa AAM production capacity
 - Product development and equipment trials to support a potential larger expansion of Vidalia
- A\$7m (US\$5m)² balance of Offer proceeds and existing cash will fund the transaction costs of the Offer
- A\$65m (US\$46m)² balance of Offer proceeds and existing cash will fund:
 - Balama working capital under a range of future scenarios for natural graphite market conditions and shipping availability
 - Balama estimated TSF⁴ expansion and sustaining capital costs
 - General corporate purposes

Sources and Uses¹

Sources	A\$m	US\$m
Cash balance at 31 December 2021	75	53
Gross proceeds from Equity Raising	250	178
Total sources	325	231
Uses ²	A\$m	US\$m
Vidalia Initial Expansion capital ³	232	165
Vidalia operating costs, expansion studies and product development	21	15
Transaction costs of the Offer	7	5
Balama and general corporate purposes	65	46
Total uses	325	231

1. A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.71 on 4 February 2022. 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. US\$ estimated expenditures converted into A\$ based on the USD/AUD exchange rate of 0.71 as of 4 February 2022.

3. Includes all estimated engineering, equipment, materials, construction and construction-related costs for the Vidalia Initial Expansion project from 1 January 2022 and an unutilised contingency.

4. Tailings storage facility.

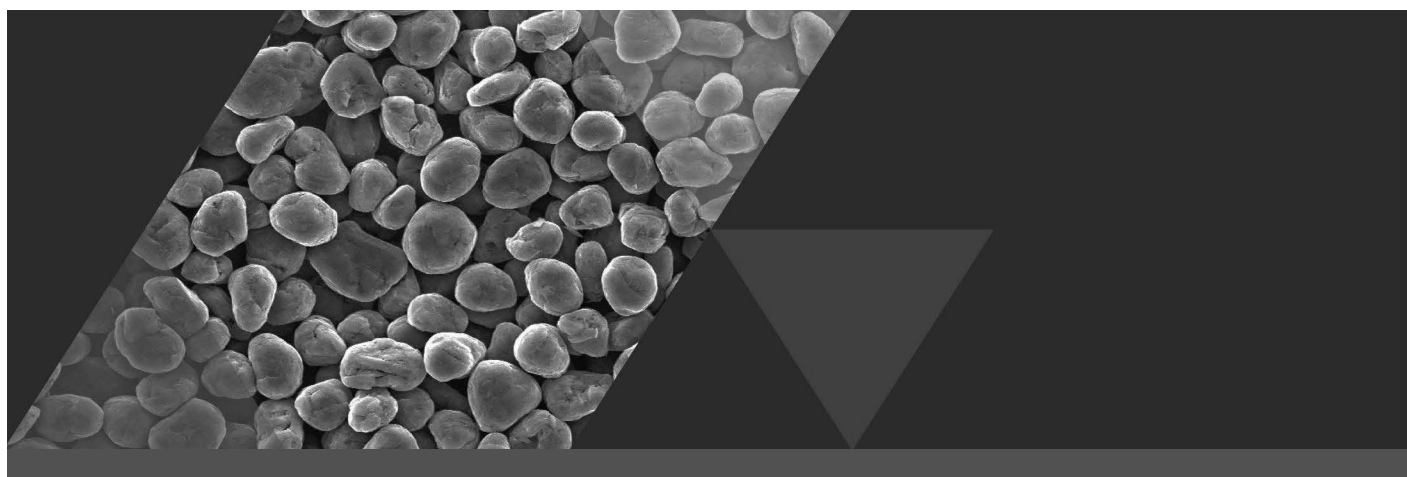


Fully Funded 11.25ktpa AAM Vidalia Facility To Start of Production

Syrah to become a vertically integrated producer of natural graphite	<ul style="list-style-type: none"> Syrah has received all required approvals to begin construction of the Vidalia Initial Expansion project Detailed engineering on the Vidalia Initial Expansion project is advanced – strong definition, enhanced understanding of critical path and readiness to proceed with construction Significant capital US\$79m¹ already invested de-risking Syrah's entry into the downstream AAM market Syrah is a first mover in establishing an independent, vertically integrated ex-Asia supply chain for AAM Graphite is a strategic critical mineral in the USA, European Union, Japan & Australia, principally for its use as a precursor material for AAM, which is the most significant anode material used in lithium-ion batteries
Fully funded for Vidalia Initial Expansion preserving project schedule and accelerating Syrah's market entry	<ul style="list-style-type: none"> Proceeds from the Equity Raising expected to fully fund Vidalia Initial Expansion to start of production Construction phase proposed to commence immediately with construction scheduled to complete in the June 2023 quarter and start of production expected in the September 2023 quarter
Positioned to capitalise on end market demand growth via Vidalia Initial Expansion	<ul style="list-style-type: none"> Offtake agreement with Tesla, and strategy defined for remaining uncontracted volumes with the Company engaged with multiple target battery supply chain participant and auto OEM customers on qualification Market growth and segmentation over the next 18 months expected to benefit Syrah and support further expansions at Vidalia
Balance sheet flexibility maintained	<ul style="list-style-type: none"> Significant liquidity on balance sheet to fund ramp-up of production from the 11.25ktpa AAM Vidalia facility and existing Vidalia operations, Syrah's downstream growth strategy, Balama working capital and capital costs, and for general corporate purposes Engaged with US Government agencies on debt financing² for both Vidalia and Balama

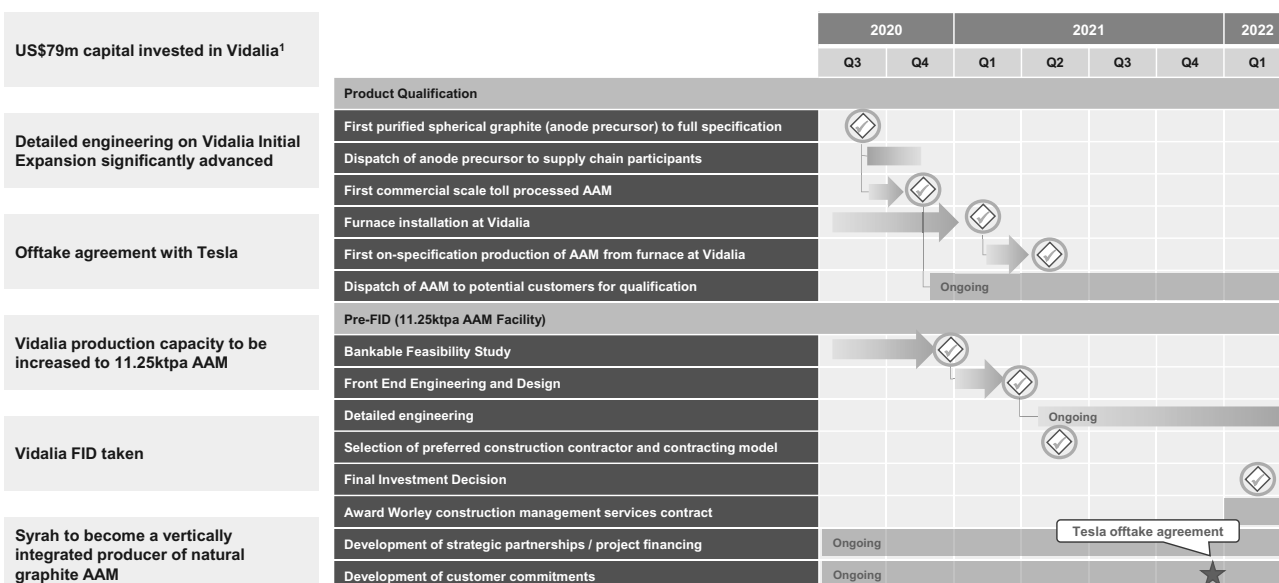
1. Includes all capitalised costs associated with Vidalia to 31 December 2021.

2. Refer to slide 38 for additional information on debt financing processes being progressed.



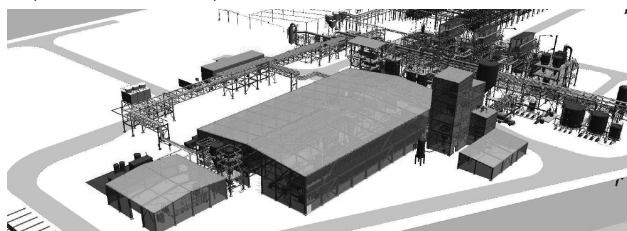
Vidalia Final Investment Decision

Vidalia FID paves way to Syrah becoming an integrated natural graphite AAM producer for battery supply chain participant and OEM customers

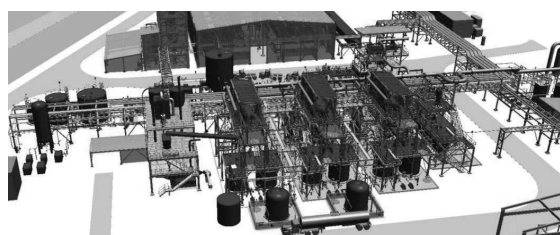


Syrah has significantly advanced detailed engineering and long-lead equipment procurement

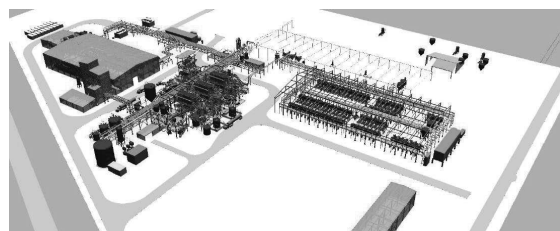
- Bankable Feasibility Study on the Vidalia Initial Expansion was completed in December 2020¹
- Subsequently, Syrah has completed front-end engineering and design, detailed engineering and long-lead equipment procurement on the Vidalia Initial Expansion
- Detailed engineering is almost ~50% complete and has confirmed the technology, design and assumptions in the BFS with a better level of definition with optimised design in specific areas
- Vendor data being procured on further non-critical equipment to advance construction packages for bidding
- Ordering critical long-lead equipment, including power distribution centres, milling equipment and carbonisation furnaces
- Vendor data being procured on further non-critical equipment to advance construction packages for bidding
- Syrah has achieved an understanding of critical path schedule and level of readiness to proceed to the construction phase



Furnace buildings for Vidalia expanded facility.



Purification/waste neutralisation for Vidalia expanded facility.



Vidalia expanded facility looking north west.

1. Refer ASX release 1 December 2020.

Updated Vidalia Initial Expansion project parameters

- Updated estimate of maximum production capacity, operating costs and installed capital costs for the Vidalia Initial Expansion project completed

Estimated Production Capacity	<ul style="list-style-type: none"> Maximum production capacity estimate increased by 12% to 11.25ktpa AAM with process improvements and debottlenecking
Estimated Operating Costs	<ul style="list-style-type: none"> Estimated unit operating costs reduced by 1%¹ Recruited Vidalia leadership team and labour strategy / organisation structure developed for operational readiness
Estimated Installed Capital Costs	<ul style="list-style-type: none"> Estimated installed capital costs for the Vidalia Initial Expansion project updated to US\$176m² (including ~US\$12m contingency), with US\$165m remaining³ Increase primarily resulting from cost inflation and milling area design optimisation offset by scope savings

Vidalia Initial Expansion Project Parameters

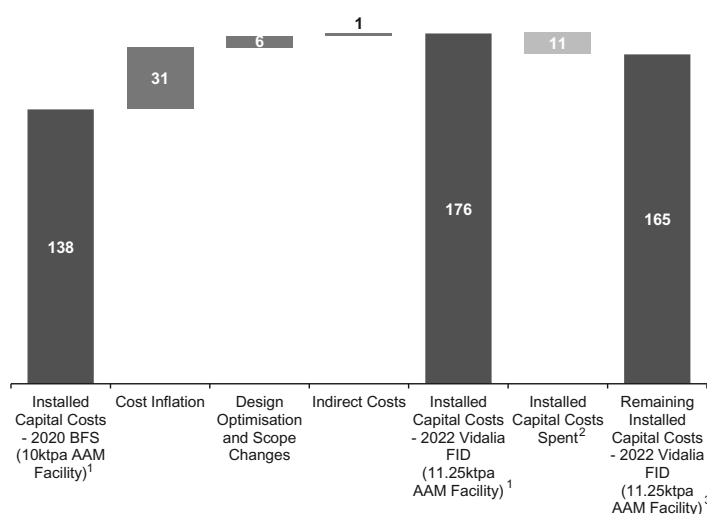
Metric	Units	2020 BFS ⁴	2022 Vidalia FID	% Change
AAM production	ktpa	10	11.25	+12%
Annual processed graphite	ktpa	18	21	+13%
Operating cost estimate (all-in) ¹	US\$/t AAM (real)	3,149	3,109	-1%
Capital cost estimate ²	US\$m	138	176	+28%

- Includes cost of US\$400/t (FOB Nacala) for Balama natural graphite, reflecting an approximate all-in cost of production at Balama at full plant utilisation. Includes costs of transporting Balama natural graphite from Nacala to Vidalia, AAM delivery costs from Vidalia to representative US battery manufacturing facilities and maintenance costs.
- Includes all actual and estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 December 2020 and an unutilised contingency.
- Includes all estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 January 2022 and an unutilised contingency.
- Refer to ASX release 1 December 2020, "Syrah confirms robust economics for large-scale Active Anode Materials production at Vidalia".

Vidalia Initial Expansion estimated installed capital costs

- Updated installed capital costs estimate for the Vidalia Initial Expansion project to improve accuracy and reduce levels of contingency
- Installed capital costs are estimated to be US\$176m¹:
 - US\$31m increase due to inflation in materials costs (steel, electrical equipment and piping) and re-assessment of unit rate labour costs for installation (piping, instrumentation, electrical and concrete)
 - US\$6m net increase in scope primarily related to milling area optimisations offset by cost savings
 - US\$1m net increase indirect construction costs (detailed engineering, contingency and construction management)
- Strategy to mitigate further inflation in installed capital costs
 - Lump-sum, fixed-price contracts, won via competitive tenders, and contracts with locked-in rates
 - Purchasing major equipment and bulk materials directly to avoid mark-up costs

Installed Capital Costs for the Vidalia Initial Expansion Project (US\$m)¹

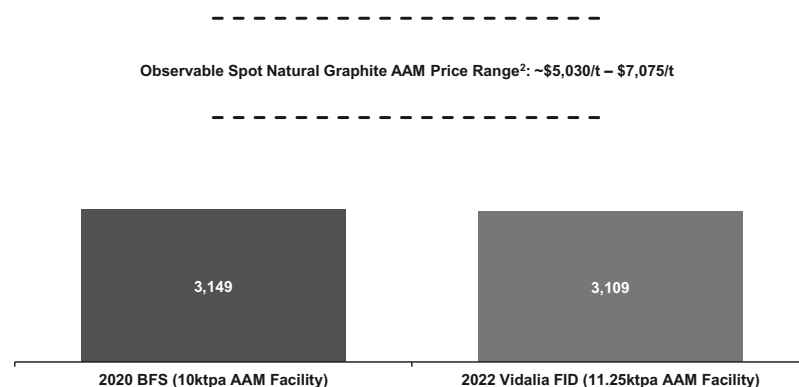


- Includes all actual and estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 December 2020 and an unutilised contingency.
- Includes all actual engineering, equipment, materials, construction, construction-related capitalised costs for the Vidalia Initial Expansion project between 1 December 2020 and 31 December 2021.
- Includes all estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 January 2022 and an unutilised contingency.

Vidalia is expected to exhibit robust operating margins

- 11.25ktpa AAM Vidalia facility is expected to exhibit a competitive operating cost structure versus existing AAM suppliers in Asia and robust operating margins based on unadjusted observed spot China domestic natural graphite AAM prices
- Vidalia operating costs are an estimated all-in cost, including Balama natural graphite feed (FOB Nacala), transport of natural graphite feed from Nacala port and transport of finished AAM to representative US battery manufacturing locations
- Vidalia's vertical integration with Balama provides Syrah with a significant advantage over non-vertically integrated AAM suppliers in Asia in operating costs and cost protection
- Operating cost (all-in) is now estimated to be US\$3,109/t being reduced from US\$3,149/t estimated in the BFS

Operating Cost Estimate (All-in) for 11.25ktpa AAM Vidalia Facility (US\$/t AAM Real)¹



- Includes US\$400/t (FOB Nacala) cost for Balama natural graphite, reflecting an approximate all-in cost of production at Balama at full plant utilisation, costs of transporting Balama natural graphite from Nacala port to Vidalia gate, AAM delivery costs from Vidalia to representative US battery manufacturing facilities and maintenance costs.
- Price range is the low to high of "domestic/mid-range" natural graphite anode material price as of 28 January 2022, converted at a USD/CNY exchange rate of 6.36. The price shown is the Chinese domestic observable spot price for natural graphite AAM as reported by ICCSino. The price range shown is not necessarily indicative of a landed USA price for AAM nor the price that Vidalia AAM will be sold at.

Vidalia Initial Expansion construction and production timetable

<2 Years

Target to start of production

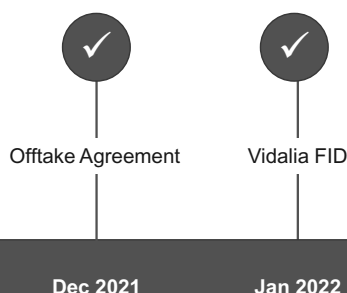
Key Steps in Construction

- Order critical long-lead items
- Execute construction contracts sequentially
- Secure additional offtake agreements
- Final construction permitting
- Recruit operating team

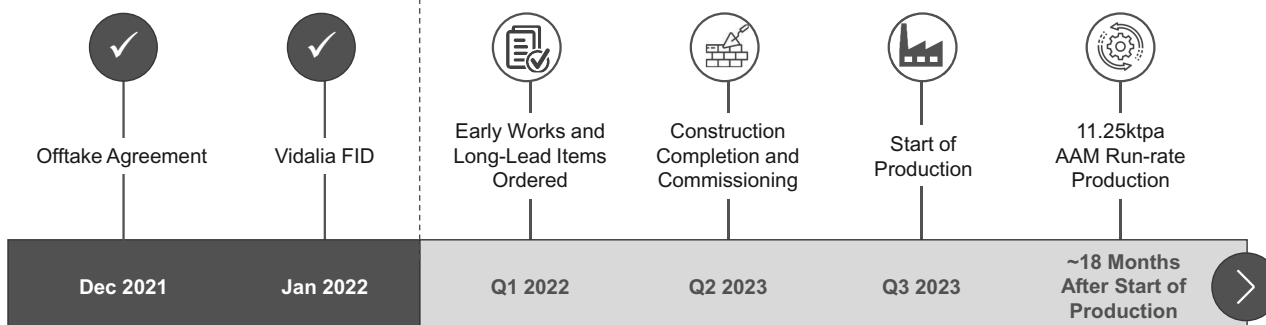
Ongoing Activities

- Product development and testing (small particle sizes)
- Equipment trialing (purification, carbonization and coating) and R&D for optimization of future larger expansion of Vidalia
- BFS and detailed engineering on 45ktpa AAM Vidalia facility

Key Project Milestones Achieved



Defined Schedule to 11.25ktpa AAM Production at Vidalia



US\$79m invested in Vidalia¹

US\$165m+ to be invested in Vidalia²

- Includes all capitalised costs associated with Vidalia to 31 December 2021.
- Includes all estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 January 2022 and an unutilised contingency.

Vidalia FID underpinned by contracted volumes and defined strategy for uncontracted volumes

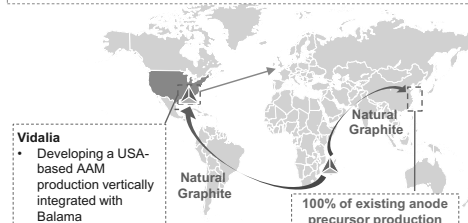
Vidalia Offtake Strategy

Tesla Offtake Agreement¹	<ul style="list-style-type: none"> Offtake agreement with Tesla for 8ktpa AAM, at a fixed price, for an initial term of four years commencing from the achievement of a commercial production rate (subject to final qualification) Offtake obligation is conditional on agreement of final AAM specifications by no later than 31 December 2022 and final qualification of AAM to Tesla's satisfaction by no later than 31 May 2025. The Agreement may also be terminated if production has not started by 31 May 2024 Tesla has an option to offtake additional volume from Vidalia subject to Syrah expanding production capacity beyond 11.25ktpa AAM Provides a compelling foundation to proceed with the Vidalia Initial Expansion – terms of the Tesla offtake agreement including volume, pricing and term have assisted Syrah in finalising the Vidalia FID
Uncontracted Volumes	<ul style="list-style-type: none"> Targeting customers that are incumbent global producers of electric vehicles and/or battery cells with significant existing or planned ex-Asia battery cell manufacturing positions Multiple target customers undertaking qualification and testing of AAM from the qualification facility at Vidalia In conjunction with technical workstreams, engagement on commercial parameters and ESG aspects progressing with selected target customers Market growth and segmentation (e.g. localisation / ESG) over the next 18 months is expected to benefit Syrah in its commercial engagements with target customers for the 3.25ktpa AAM uncontracted volume Syrah is aiming to secure additional offtake agreements with target customers, at AAM prices consistent with or better than AAM prices assumed for the Vidalia FID, prior to the start of production

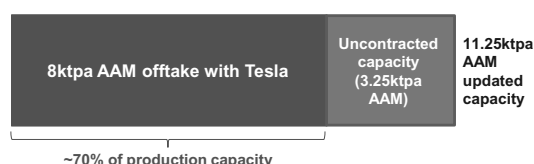
1. Refer to ASX releases from 23 December 2021 and 29 December 2021.

Vidalia to supply USA and European customers

- Potential for Syrah to export from USA to markets where graphite has been declared a strategic critical mineral such as Europe
- Vidalia provides ex-China supply chains with an alternate source of AAM



Contracted / uncontracted Vidalia Capacity



Syrah's long term vision is to become a leading supplier of value-added anode products for the rapidly growing global battery supply chain

AAM Production Base		Vidalia, USA		
		Vidalia FID Taken		Potential ² Asia Tolling (>20ktpa)
				Europe
Target Markets and Potential AAM Production Capacity	Customer Qualification Facility	Initial Expansion	Potential Additional Expansion ² : Vidalia Expansion + Europe Exports	Potential Further Vidalia Expansion ² + Europe AAM Facility
		11.25ktpa	45ktpa ¹	>100ktpa
Potential Timeline	2015 – now	2023	2024 – 2025	2025 – 2030
Ownership Model	100% owned	100% owned	100% owned or joint venture	100% owned or joint venture
Syrah Product Development	Entry product strategy established via 6-year process with industry & customers	18-micron natural graphite AAM (drop-in) product	18 & 12-micron natural graphite AAM products	Portfolio of AAM (blended natural / artificial graphite, silicon coated) & anode precursor products

Syrah's downstream expansion strategy is underpinned by integration with a scalable mining/processing operation and world-class graphite resource at Balama

1. BFS on potential Vidalia expansion to 45ktpa AAM production capacity due in 2022.

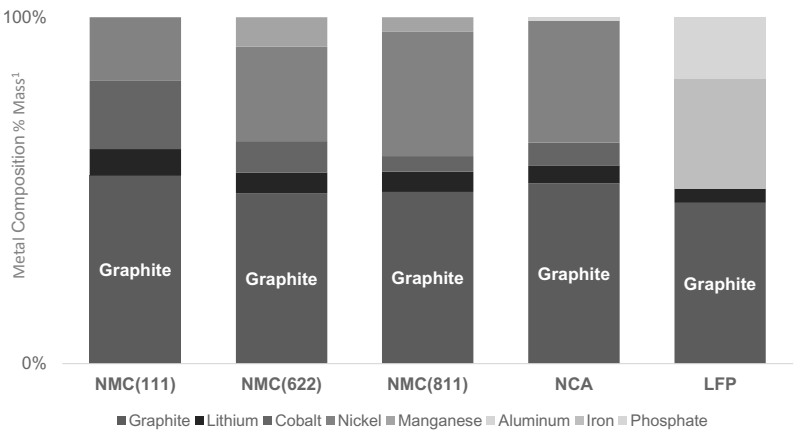
2. Potential expansions referred to on this slide are medium and long term aspirations. They are not forecasts or projections. The realisations or otherwise of these aspirations are dependant on a number of matters including the BFS, the actual performance of the Initial Expansion and various matters outside the control of Syrah. Therefore the visions are provided as a general guide to Syrah's aspirations only and should not be relied upon as an indication or guarantee of future performance.



Market and Supply Chain Update

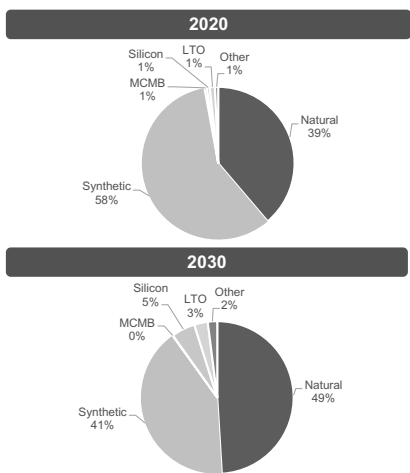
Graphite is a high intensity material in EV batteries, with costs/emissions expected to drive shift towards natural graphite

Battery Mineral Composition of Batteries



Source: Syrah Resources analysis, data from Gaines, L., Richa, K., & Spangenberg, J. (2018) Key issues for Li-ion battery recycling (excludes oxygen), Benchmark Mineral Intelligence.
 NMC: Lithium nickel manganese cobalt oxide battery.
 NCA: Lithium nickel cobalt aluminium oxide battery.
 LFP: Lithium iron phosphate battery.
 1. Shown as percent of the total sum by elemental mass featured in the analysis for each battery chemistry, excludes oxygen (cathode).

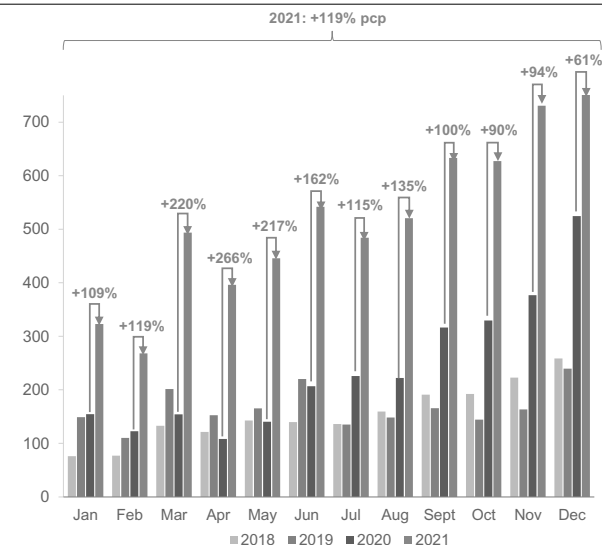
Natural Graphite Demand for Batteries



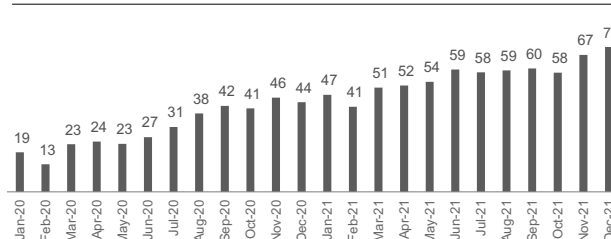
Source: Benchmark Mineral Intelligence Flake Graphite Forecast, Q4 2021.

EV sales and anode volumes have continued to strengthen

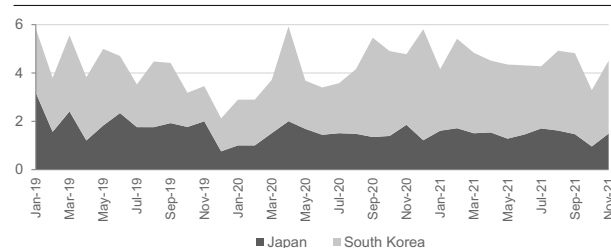
Global EV Sales ('000 Units)



Chinese Anode Production (kt)

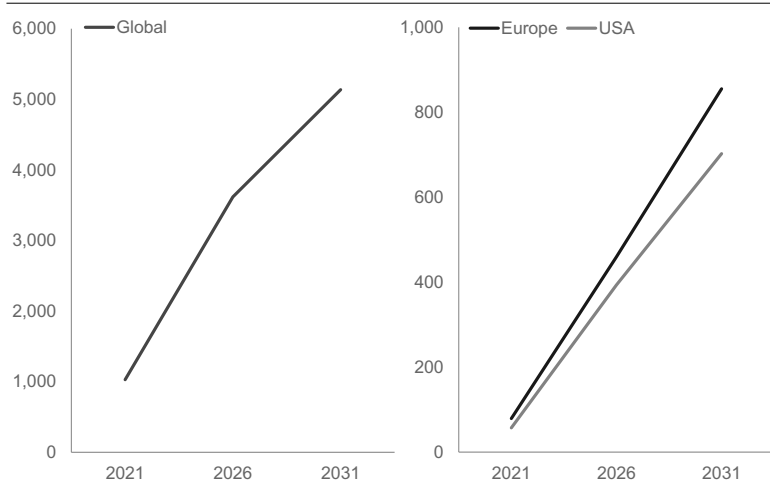


Chinese Purified Spherical Graphite Exports (kt)

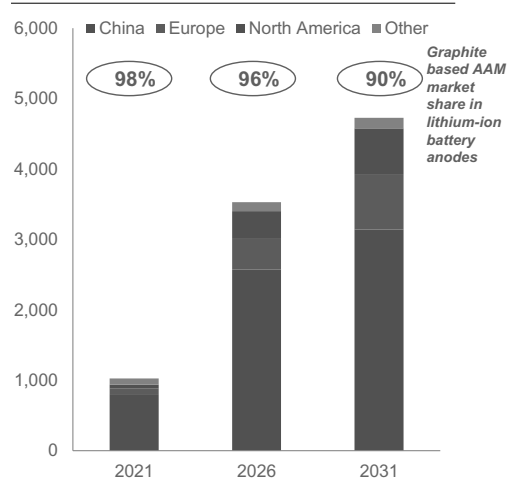


Estimated battery manufacturing capacity is expected to rapidly increase across key regions, with substantial localised anode material supply required

Estimated Battery Manufacturing Capacity Pipeline (GWh)^{1,2}



Graphite Battery Anode Material Requirement (kt)^{1,2}

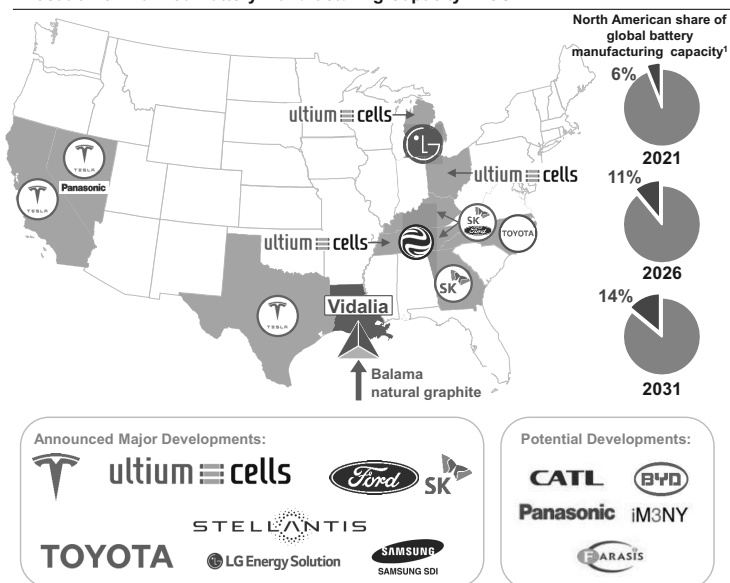


11.25kt AAM and 45kt AAM capacity at Vidalia equates to 3% and 12%, respectively, of graphite AAM required for estimated USA-based estimated battery manufacturing capacity by 2026³

- 2026 forecast USA battery manufacturing capacity of 393GWh, 85% battery manufacturing capacity utilisation, 96% graphite anode market share and 1.2kg/kWh intensity of graphite in anode. Source: Benchmark Mineral Intelligence Battery Megafactory Assessment, January 2022 and Flake Graphite Forecast, Q4 2021, excluding capacity utilisation assumptions which reflects Syrah's assumptions.
- Intensity by mass of graphite in battery anode.
- 2026 forecast USA battery manufacturing capacity of 393GWh, 85% battery manufacturing capacity utilisation, 96% graphite anode market share and 1.2kg/kWh intensity of graphite in anode.

USA battery market is maturing rapidly to support a large-scale EV manufacturing base in the region

Location of Planned Battery Manufacturing Capacity in USA



Planned Battery Manufacturing Capacity in USA¹

Company	Size (GWh)	Location	Status / Start
Stellantis / Samsung SDI	40	TBC	Planning / 2025
Stellantis / LGES	40	TBC	Planning / 2024
Toyota	TBC	NC	Planning / 2025
FREYR / Koch	50	TBC	Planned / 2030
Ford / SKI (BlueOvalSK)	129	KY	Planning / 2025
Ford / SKI (BlueOvalSK)		TN	Planning / 2025
LG (Green Field Project)	75	MI / TBC	Planning / From 2025
GM / LGES (Ultium Cells 1)	35	OH	Under construction / 2022
GM / LGES (Ultium Cells 2)	35	TN	Planning / 2023
GM / LGES (Ultium Cells 3)	50	MI	Planning / 2024
SKI	~10 + ~12	GA	Under construction / 2022
Tesla	95	TX	Under construction / 2022
Panasonic (PENA)	49	NV	Construction / 2022 (35 GWh operating)
Tesla	10	CA	Pilot / Operating
LG	5	MI	Operating
AESC Envision	10	TN	Planned / 2025 (3 GWh operating)
IM3NY	5	NY	Planned / 2025 (1 GWh operating)
Farasis	8-16	TBC	Planning / 2023-4

1. Source: Benchmark Mineral Intelligence Battery Megafactory Assessment, January 2022.

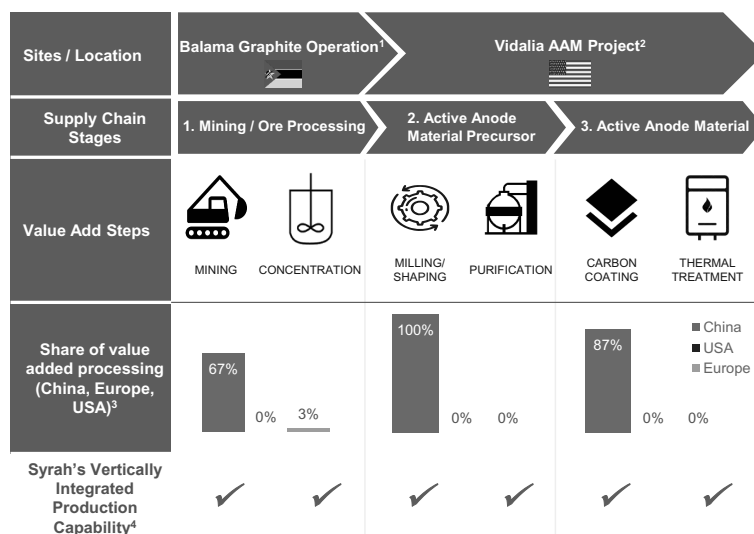
Vertical integration through to AAM in USA will be a key differentiator for Syrah as the market matures

Benefits of vertical integration to Syrah:

- Margin capture / cost protection
- Attractive financial returns
- Enhanced channel to market and customer diversity

Benefits of vertical integration to battery makers / auto OEMs:

- Security of supply
- Optimisation of supply chain management
- Single chain of custody / full ESG auditability



1. Balama has capacity to produce 350ktpa natural graphite. Syrah has the option to use 3rd party natural graphite concentrate for toll feed at Vidalia subject to feed being appropriately qualified.
2. Vidalia Initial Expansion will increase production capacity to 11.25ktpa AAM, with potential additional expansion to 45ktpa capacity.
3. Estimated market share for 2021. Syrah Resources analysis, data from Benchmark Mineral Intelligence.
4. Once commercial scale qualification facility is complete.



Balama Graphite Operation

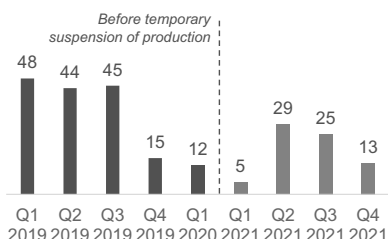
Q4 2021: Balama Production and Operations

- December 2021 quarter production constrained by maximum inventory positions and container shipping market disruption – additional breakbulk shipment option expected to materially improve production and sales from the March 2022 quarter
- 13kt natural graphite produced at 82% recovery during the December 2021 quarter
- Product quality consistent with previous quarters with stable recovery and grade – record 89% recovery achieved in December 2021 month
- Strong operational performance demonstrated during campaign production runs in the quarter with an average and maximum daily production run-rate of 16kt per month and 24kt per month, respectively
- C1 cash costs (FOB Nacala) of US\$1,159/t
- Balama C1 cash costs (FOB Nacala) guidance is US\$430–470/t at a 15kt per month production rate. Balama unit costs are expected to reduce materially as production rate increases beyond 15kt per month
- Planned maintenance brought forward and optimisation works completed
- Positive COVID-19 cases recorded during the quarter had no impact on Balama operations. Vaccination program was completed in December 2021, with 97% participation by Syrah employees and contractors, and is ongoing for the Balama community
- Material improvement in security situation in northern Cabo Delgado

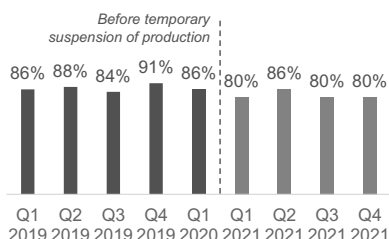


Q4 2021: Balama Production and Operations

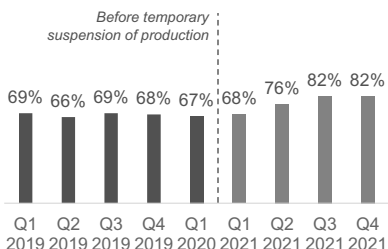
Natural Graphite Production (kt)



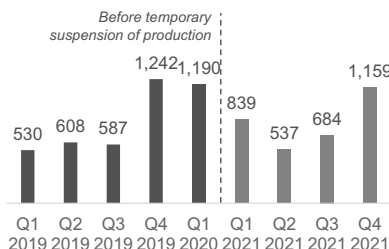
Product Mix (% Fines)



Plant Recovery



C1 Costs (US\$/t)



Balama is the largest natural graphite mining/processing operation globally

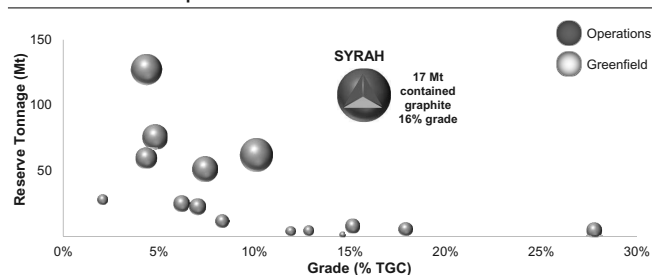
Asset Overview

Location	Southern Cabo Delgado Province, Mozambique
Reserve & Resource ¹	108Mt (16% TGC) Graphite Ore Reserve 1,422Mt (10% TGC) Graphite Mineral Resource
Life of Mine ²	~50 years
Mining	Simple open pit mining, low strip ratio
Processing	Conventional – includes crushing, grinding, flotation, filtration, drying, screening and bagging
Plant Capacity	2Mtpa ore throughput yielding ~350ktpa; 342kt produced since 2018
Product	94% to 98% fixed carbon graphite concentrate
C1 Cost ³	Forecast ~US\$330/t at full capacity

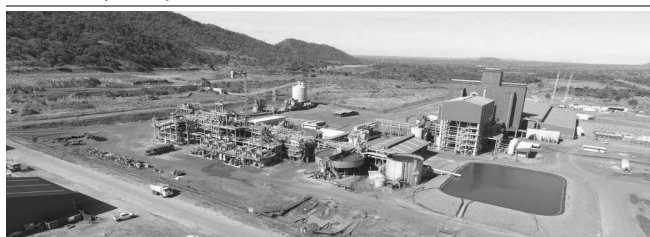
Key Dates

Mar 2021	Production recommenced at Balama
Mar 2020	Temporary suspension of production at Balama
Sep 2019	In response to drop in flake graphite prices, production moderated
Mar 2019	Graphite Mineral Resources and Ore Reserves updated
Jan 2019	Commercial production declared, with quarterly production of 33kt
Dec 2018	Balama produced >100kt in 2018
Sep 2018	Mining Agreement finalised with Government of Mozambique
Jan 2018	Balama transitions to operations, global sales commenced
Nov 2017	First production of natural graphite
Jul 2016	Balama process plant construction commenced
May 2015	Feasibility Study completed

Ex-China Natural Graphite Reserves⁴



Balama Graphite Operation



- As at 31 December 2020. The Ore Reserve is based on, and fairly represents, Syrah's ASX announcement dated 30 March 2021 (Annual Report 2020), which was prepared by competent persons, Mr Jon Hudson and Mr Christopher Hull. The Mineral Resource is based on, and fairly represents, Syrah's ASX announcement dated 30 March 2021 (Annual Report 2020), which was prepared by competent person, Mr Jonathon Abbot.
- Life of Mine based on Ore Reserves being depleted at 2Mt per annum of mill throughput.
- Cash operating cost Free on Board (FOB) Nacala, excluding government royalties and taxes. ~50% of C1 costs are fixed at ~50% capacity utilisation.
- Source: Company filings; Notes: Selected ASX / TSX-listed graphite projects with declared Reserves only and excludes Chinese producers. Bubble size reflects contained graphite reserves.

Q4 2021: Balama Sales and Marketing

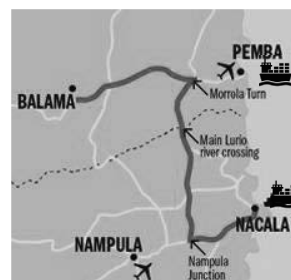
- Sold and shipped 19kt natural graphite and all 20kt finished product inventory contracted to customers
- Unprecedented container shipping market disruption continued to impact the Company's ability to secure container capacity for Balama products on vessels sailing from Nacala
- Exceptionally strong demand and forward contracting with end-user customers – more than 80kt of sales orders for the March 2022 quarter
- New sales contracts are at higher prices than achieved in the December 2021 quarter
- Weighted average sales price increased to US\$530/t (CIF) in the December 2021 quarter and further price support is evident in coarse and fines markets post quarter end
- Fines sales accounted for approximately 80% of overall product sales during the quarter
- Chinese monthly anode production increased to 71kt in December 2021
- Chinese natural graphite supply disruption and the challenges in the shipping market severely affected Chinese inventory and restocking of natural graphite ahead of the winter production outages
- Container shipping availability expected to improve through the March 2022 quarter with additional capacity being added and lower competition expected from the agricultural sector
- Major logistics and export option has been developed in breakbulk shipments through Pemba port



33

Syrah has developed a major additional export option in breakbulk shipments through Pemba port

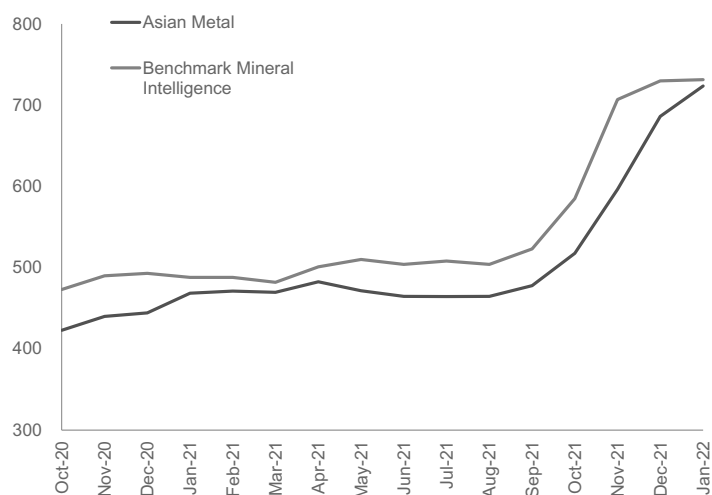
- Whilst Syrah expects container shipping availability to improve, a major new logistics option has been developed to commence breakbulk shipments through Pemba port
- Breakbulk shipments through Pemba port will provide an additional export route for Syrah, enabling:
 - Flexibility in managing inventory between Balama, Nacala and Pemba
 - Significantly higher Balama product sales than could be achieved solely through Nacala port in containers
 - Higher production rates at Balama, facilitating >15kt per month production
- A first 10kt breakbulk shipment from Pemba to China is scheduled in mid-February 2022
- Significant further customer demand for such shipments is evident
- Syrah expects to make additional breakbulk shipments through the first half of 2022 to China and Europe
- Pemba is approximately half the distance of Nacala from Balama by road
- Syrah's integrated logistics service provider is providing transport, port and customs services for exports from Pemba, with additional warehousing contractors added



China domestic graphite fines price has increased due to Chinese supply disruptions and strong demand flowing through the supply chain

- A constructive market is supporting increasing China domestic graphite fines price
- Spot graphite pricing is currently opaque. However, according to two independent price reporting agencies, China domestic prices for natural graphite fines (-100 mesh) have increased over the last 12 months
 - Prices reported in 2021 may not reflect future sales prices for Syrah natural graphite fines products
- Graphite fines demand is strong
 - EV sales increased 119% in 2021
 - Chinese anode production at ~71kt in December 2021
- Graphite supply (volume and quality) disrupted through winter production outage in China
 - Chinese production in Heilongjiang province disrupted by power cuts and unexpected shutdowns due to environmental issues
 - Disruption in the shipping market has affected Chinese import restocking that would ordinarily occur prior to winter

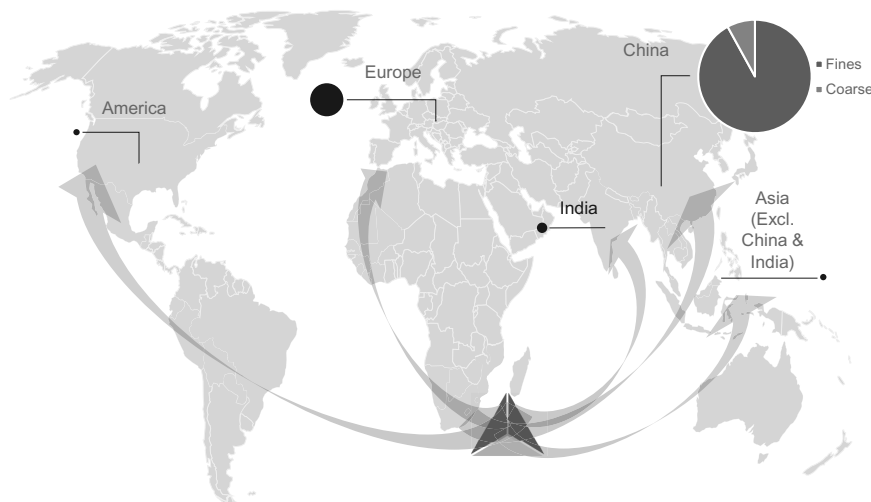
Natural Graphite Fines Prices (US\$/t)¹



1. Source: Benchmark Mineral Intelligence and Asian Metal (Price Reporting Agencies). China domestic prices for natural graphite fines (94-95% grade; -100mesh) are shown. Syrah's historical weighted average sales prices include sales under a mix of contract types and pricing mechanisms and are not necessarily representative of natural graphite spot prices nor consistent with the natural graphite price assessments of price reporting agencies. Furthermore, prices of China sales, within Syrah's historical weighted average sales prices, are exclusive of China VAT.

Balama products have a strong track record of customer acceptance across customer geographies

Bubble size = 2018–2021 natural graphite tonnes sold into each geography. Total 311kt natural graphite sold from Balama.
Note the majority of Syrah's ex-China sales are for coarse natural graphite.



Key considerations in customer sourcing decisions:

- Quality consistency (high carbon grade, low impurities)
- Price
- Production consistency (seasonality)
- Volumes and reliability of supply
- Delivery lead time
- Payment terms
- FX
- Transaction simplicity (import administration)

Source: Syrah Resources. Cumulative sales up to 31 December 2021.

Note: While fines / coarse split are not shown for ex-China product sales, the majority of Syrah's ex-China sales are for coarse natural graphite.



Debt Financing



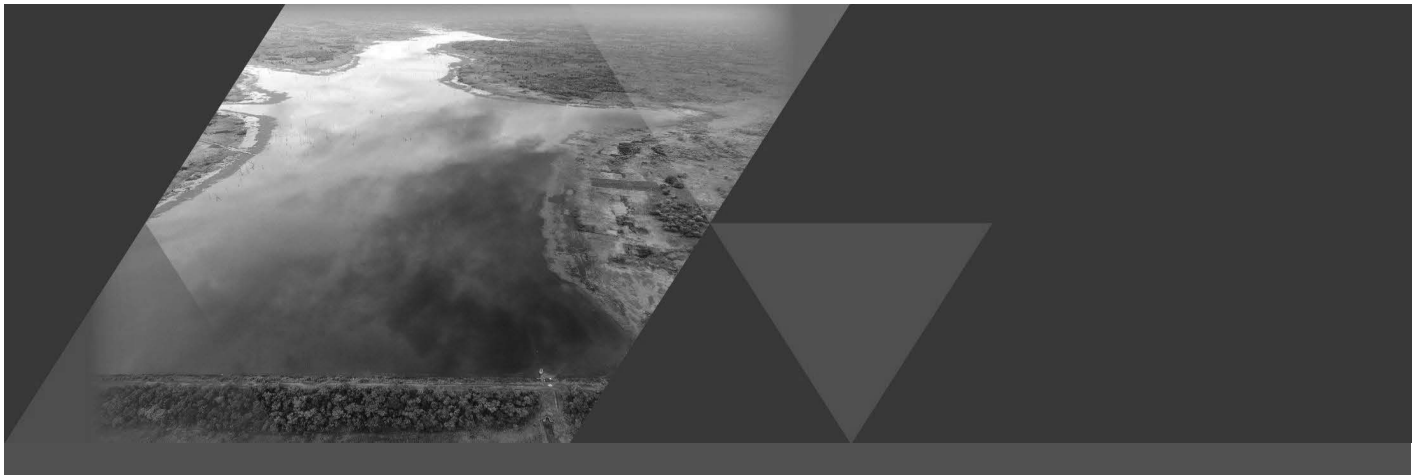
37

U.S. Government Debt Financing

	U.S. DoE ATVM ¹ Loan Program debt financing	U.S. International DFC ² debt financing
Overview	<ul style="list-style-type: none"> Authority to loan up to US\$17.7 billion to support US-based manufacturing of eligible advanced technology vehicles, including EVs, and qualifying components and materials, such as AAM³ 	<ul style="list-style-type: none"> U.S. Government's development finance institution that partners with the private sector to advance development in emerging economies globally⁴
Syrah engagement timeline	<ul style="list-style-type: none"> <u>June 2021</u>: Syrah submitted an application to the LPO⁵ of the DoE for ATVM Loan Program debt financing for the Vidalia Initial Expansion <ul style="list-style-type: none"> Applied for US\$100-125m debt to be repaid over a term of up to 15 years Interest rate is set at US Treasury rates <u>July 2021</u>: Syrah invited into the LPO's due diligence process <u>January 2022</u>: Non-binding term sheet received 	<ul style="list-style-type: none"> <u>May 2021</u>: Syrah submitted an application to the DFC for debt financing to fund working and sustaining capital, TSF expansion and vanadium feasibility studies for Balama <ul style="list-style-type: none"> Applied for ~US\$74m debt to be repaid over a term of up to 12 years Interest is set at a margin to US Treasury rates <u>November 2021</u>: Non-binding term sheet received
Status and next steps	<ul style="list-style-type: none"> The LPO's due diligence on Syrah is ongoing The finalisation of a term sheet and conditional commitment, and its terms, remain subject to completion of due diligence, negotiation and mutual acceptance of a term sheet and conditional commitment, and US Government and Syrah Board approvals Syrah is currently targeting financial close for ATVM Loan Program financing by the end of June 2022, which is expected to coincide with Vidalia's planned capital spending profile 	<ul style="list-style-type: none"> DFC's due diligence on Syrah is ongoing The finalisation of a binding conditional commitment, and its terms, remains subject to completion of due diligence, negotiation of binding terms and DFC's credit and policy approvals, including approval by DFC's Board of Directors Syrah is currently targeting financial close for DFC financing in the 2nd half of 2022

- There is no certainty that debt financing from the DOE or DFC will be committed to Syrah, or if committed, on terms consistent with Syrah's applications, or in Syrah's targeted timeframe
- To the extent Syrah receives commitments and draws down on either facility, surplus proceeds from the Equity Raising will be used to enable acceleration of studies and detailed engineering of a potential larger expansion of Vidalia, to fund construction of such a potential expanded Vidalia facility, to provide additional balance sheet flexibility and/or for capital management initiatives

1. Department of Energy Advanced Technology Vehicles Manufacturing.
2. Development Finance Corporation.
3. Further information about the ATVM Loan program is available at <https://www.energy.gov/lpo/products-services/advanced-technology-vehicles-manufacturing-loan-program>.
4. Further information about the DFC is available at <https://www.dfc.gov/>.
5. Loans Programs Office.



Transaction Details

Equity Raising Overview

Offer Structure	<ul style="list-style-type: none"> Syrah is undertaking a fully underwritten equity raising of ~A\$250m (the "Offer" or the "Equity Raising") consisting of the following: <ul style="list-style-type: none"> A fully underwritten Placement of new fully paid ordinary shares ("New Shares") to eligible institutional shareholders and new institutional investors ("Placement") to raise approximately A\$125 million (US\$89 million¹); and a fully-underwritten 1 for 5.9 pro-rata non-renounceable Entitlement Offer of New Shares to eligible shareholders (the "Entitlement Offer") to raise approximately A\$125 million (US\$89 million¹). Merrill Lynch Equities (Australia) Limited is acting as Sole Lead Manager, Underwriter and Bookrunner to the Equity Raising and Foster Stockbroking is a Co-Lead Manager to the Equity Raising
Offer Price	<ul style="list-style-type: none"> The Equity Raising will be conducted at A\$1.48 per New Share (the "Offer Price") representing a discount of: <ul style="list-style-type: none"> 10.3% to Syrah's closing price of A\$1.65 per share on the ASX as at 4 February 2022; and 7.9% to the Theoretical Ex-Rights Price ("TERP")² of A\$1.61 per New Share
Placement and Institutional Offer	<ul style="list-style-type: none"> The Placement and institutional component of the entitlement offer ("Institutional Entitlement Offer") will be conducted by way of a book build process, opening on Monday, 7 February 2022 and closing on Tuesday, 8 February 2022
Retail Entitlement Offer	<ul style="list-style-type: none"> The retail component of the Entitlement Offer ("Retail Entitlement Offer") will be open from 10.00am (AEDT) on Monday, 14 February 2022 to 5.00pm (AEDT) Monday, 28 February 2022, to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date
Use of proceeds	<ul style="list-style-type: none"> The proceeds of the Offer will be used to fund³: <ul style="list-style-type: none"> All remaining installed capital costs required to expand Vidalia's production capacity to 11.25ktpa AAM; Estimated costs associated with Vidalia existing operations, expansion studies and product development downstream technology development; Transaction costs of the Equity Raising; and Balama TSF and sustaining capital costs, Balama working capital and / or general corporate purposes Any additional liquidity will be used for balance sheet flexibility, enable acceleration of studies and works related to a larger expansion of Vidalia and/or capital management initiatives
Ranking	<ul style="list-style-type: none"> New Shares issued under the Placement and Entitlement Offer will have the same ranking as existing shares
Underwriting	<ul style="list-style-type: none"> Both the Placement and Entitlement Offer are fully underwritten
AustralianSuper	<ul style="list-style-type: none"> AustralianSuper Pty Ltd as trustee for AustralianSuper has committed to apply for its full entitlement to New Shares under the Entitlement Offer and New Shares under the Placement to maintain its current approximate 15% shareholding that it beneficially owns in Syrah on completion of the Equity Raising AustralianSuper has also agreed to sub-underwrite a portion of the Retail Entitlement Offer. If AustralianSuper takes up its full sub-underwriting commitment, its relevant interest in Syrah will remain less than 19.9% As a result of the Equity Raising, the conversion price of AustralianSuper's Series 1 and Series 3 convertible notes will be adjusted to A\$0.9685 (previously A\$1.0036)⁴

1. A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.71 of 4 February 2022.

2. TERP is the theoretical ex-rights 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.

3. Refer to page 12 for further detail on sources and uses of the Equity Raising.

4. Refer to ASX releases from 19 June 2019 and 10 December 2020. Adjustment is effective upon the issue of New Shares.

Equity Raising Timetable

Indicative Timetable¹

Event	Date
Announcement of Offer	Monday, 7 February 2022
Trading Halt	Monday, 7 February 2022
Institutional Entitlement Offer and Placement opens	Monday, 7 February 2022
Institutional Entitlement Offer and Placement closes	Tuesday, 8 February 2022
Announcement of the results of Institutional Entitlement Offer and Placement	Wednesday, 9 February 2022
Trading Halt Lifted	Wednesday, 9 February 2022
Entitlement Offer record date	7.00pm (AEDT), Wednesday, 9 February 2022
Retail Entitlement Offer opens and Booklet dispatched	Monday, 14 February 2022
Settlement of Institutional Entitlement Offer and Placement	Wednesday, 16 February 2022
Issue and Quotation of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 17 February 2022
Retail Entitlement Closing Date	5pm (AEDT) on Monday, 28 February 2022
Settlement of Retail Entitlement Offer	Friday, 4 March 2022
Issue of New Shares under the Retail Entitlement Offer	Monday, 7 March 2022
Normal trading of New Shares under the Retail Entitlement Offer	Tuesday, 8 March 2022

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



Key risks

Photo: Balama Ore

Key risks

KEY RISKS OVERVIEW	This section discusses some of the key risks associated with any investment in Syrah, which may affect the value of Syrah shares. The risks set out below are not necessarily listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Syrah. Before investing in Syrah, you should be aware that an investment in Syrah has a number of risks which are specific to Syrah and some of which relate to listed securities generally, and some of which are beyond the control of Syrah. Before investing in New Shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Syrah (such as that available on the websites of Syrah and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision. Many of the risks highlighted in this section may be heightened due to the current and potential future impacts of COVID-19.
COMMODITY PRICE RISK	<p>The demand for, and the price of, natural graphite flake and natural graphite Active Anode Material products ("Products") 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 (including, without limitation, global events such as the COVID-19 pandemic, as well as the global geopolitical situation). 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 factors. 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>Depressed graphite prices and/or the 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 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 and/or its ability to finance its current or planned operations and 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. Such sentiment or conditions are further affected by global trends and/or events such as the COVID 19 pandemic and the global geopolitical situation.</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>
MARKET RISK	<p>Segments within the global natural graphite market are currently undergoing significant supply and demand transformation. New supply of Products, principally driven by Syrah's Balama mine, are competing directly with existing production sources, principally from China. Demand for lithium ion battery energy storage continues to gain momentum, 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, and any market forecasts provided may not be accurate.</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>

Key risks

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. 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>Failure to achieve the anticipated tonnages or grade of minerals during production or to achieve the indicated level of recovery rates and additionally, material price fluctuations, as well as increased production and operating costs or reduced recovery rates, may render any 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> <p>Moreover, short term operating factors relating to such potential mineral Resources or Reserves, such as changes in the mine sequence and the processing of new or different mineral types or grades, may cause a mining operation to be unprofitable in any particular period. In any of these events, a loss of revenue or profit may be caused due to the lower-than-expected production or ongoing unplanned capital expenditure in order to meet production targets, or the higher than expected operating costs.</p>
VIDALIA EXPANSION	<p>Expansion of the Vidalia facility is subject to a range of risks and variables which may impact upon Syrah's ability to achieve large scale Active Anode Material production at the site.</p> <p>Syrah will rely on a number of third-party contractors to undertake the expansion of the Vidalia site. If Syrah and those contractors do not manage the project effectively or consistently with Syrah's expectations, construction may be delayed or cost more than anticipated. Such contractors may not be available to perform services for Syrah when required or may only be willing to do so on terms that are not acceptable to Syrah. Further, construction may be constrained or hampered by the contractor's capacity constraints, mobilisation issues, plant, equipment, materials and staff shortages, industrial and environmental accidents, industrial disputes and unexpected increases in the costs of labour, consumables, spare parts, plant and equipment, and IT failures or disruptions and other global trends or events (such as the COVID-19 outbreak and global geopolitical uncertainty and national or regional governmental response to such events). In the event that a contractor underperforms or is terminated by Syrah, Syrah may not be able to find a suitable replacement on satisfactory terms within a reasonable time or at all. These circumstances may have a material adverse effect on the timeliness and cost of the development and construction of the expansion at Vidalia.</p> <p>Further, expansion of the Vidalia operation may not deliver the volumes, production efficiencies or product quality expected by Syrah. This could occur where plant and equipment does not perform as required or as expected, including in accordance with its nameplate design capacity. In such circumstances, Syrah may be required to make additional investments in plant and equipment.</p> <p>Delays in construction or underperforming operations could result in cost overruns, or impact customer arrangements, which may result in a reduction in revenues, contractual claims against Syrah by customers, or deteriorating relationships with customers. Cost overruns may also result in the plant expansion not delivering the margins Syrah expects, and as a result negatively impact its financial performance.</p>

Key risks

LIQUIDITY AND CAPITAL MANAGEMENT / FUNDING RISK	<p>Details of the sources and uses of the funds to be raised under the Offer are set out on page 12 of this presentation. The funds raised under the Offer, together with Syrah's existing cash reserves, are currently expected to be sufficient to fully meet all remaining estimated detailed engineering, equipment, materials, construction and construction-related capital costs from 1 January 2022 until the start of production for a 11.25ktpa Active Anode Material facility at Vidalia, as well as to fund Syrah's other business operations and growth initiatives described on page 12. However, no assurance can be given by Syrah that its short term funding requirements will not change owing to events that unexpectedly and adversely impact Syrah's business. For example, if any of the risks identified in this 'Key Risks' section were to occur and materially and adversely impact Syrah's business, including risks associated with the expansion of Vidalia, commodity price risks, market risks, operational risks, impacts caused by the COVID-19 pandemic, shipping constraints and counterparty risks, then Syrah may require additional funding in the short term.</p> <p>Further, Syrah's continued ability to operate its business and effectively implement its business plan over the medium and long term 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 (including for example any redemption of the Convertible Notes issued to AustralianSuper in accordance with their terms as summarised in Syrah's ASX announcements of 19 June 2019 and 10 December 2020). As described on page 38 of this presentation, Syrah is currently engaged in discussions with the DOE and DFC in relation to those US government agencies providing Syrah with long term debt financing. There is no certainty that debt financing from the DOE or DFC will be committed to Syrah, or if committed, on terms consistent with Syrah's applications to the DOE and DFC, or in the timeframes specified.</p> <p>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.</p>
OPERATIONAL RISKS	<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 any 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, security concerns globally and in Mozambique, unanticipated changes in government regulation and risks associated with increased global uncertainty and/or global events such as the COVID-19 pandemic (including the national or regional governmental responses to such events). Any further production ramp up 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>Production guidance and targets are as always subject to assumptions and contingencies which are subject to change as operational performance and market conditions change or other unexpected events arise. Any 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>
GEOLOGICAL AND GEOTECHNICAL RISKS	<p>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, 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>

Key risks

COVID-19 PANDEMIC	<p>The outbreak in late 2019 of a novel strain of coronavirus ("COVID-19") has triggered a global downturn and global economic contraction, causing disruptions in demand and supply chains. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic.</p> <p>A significant proportion of Syrah's revenues are generated by sales of natural graphite products to customers in China, and Syrah sources a range of supplies and equipment from companies in China and other countries for use at Balama, and Vidalia. COVID-19 has impacted, and is likely to continue impacting, a range of sectors of the Chinese economy, and the global economy, including Syrah's direct customers and suppliers, the electric vehicle supply chain including battery manufacturing, consumer demand for electric vehicles, people movement, and logistics. All the countries in which Syrah operates have previously implemented, or are continuing to implement, restrictions on business activities and people movement, including Mozambique where measures have been implemented which restrict people movement both internationally and domestically.</p> <p>By way of example, the operations of Syrah have been impacted by the COVID-19 pandemic, most notably resulting in the suspension of production at the Balama Graphite Operation from 28 March 2020 to early March 2021, and the temporary closure of the Vidalia facility from 23 March 2020 to 1 May 2020, specifically due to:</p> <ul style="list-style-type: none"> • travel restrictions, limiting the mobility of the Balama workforce, the Vidalia workforce, Management and Board; and • weak end user demand due to lockdowns, mobility restrictions and economic uncertainty negatively impacting EV sales in the first half of 2020. <p>The COVID-19 pandemic is still ongoing and the actual extent of the pandemic and its impact on domestic, regional and the global economy, and Syrah, remain uncertain.</p> <p>The spread of COVID-19 globally may impact the financial performance and future growth of Syrah due to other longer term adverse economic impacts. Influencing factors outside of Syrah's control include the level of government support, restrictions on movement and travel imposed by governments, the extent of spread of COVID-19 in Syrah's specific countries of operation and how well these countries manage these health and economic impacts.</p> <p>The ongoing impact of the COVID-19 pandemic on Syrah's operations is not currently ascertainable and could continue to have a detrimental effect on Syrah's financial performance, and depending on the extent of the disruption, any such effect could be material to Syrah.</p>
SHIPPING CONSTRAINTS	<p>Syrah's business is being impacted by the disruption currently being experienced by the global shipping market, which in part has been caused by the COVID-19 pandemic. In particular, the Balama Graphite Operation has been impacted by a vessel and container shortage since mid-2021, as shipping lines have prioritised vessel capacity and container allocation to more profitable routes primarily from Asia to the United States and Europe. As well, there is competition to secure container allocation in Mozambique, primarily coming from the agriculture sector. Further impacts include scheduling uncertainty, shipping cost increases, and delivery delays which may impact customer payment timing, and the ability to meet customer delivery timing requirements.</p> <p>As a result, Syrah's capacity to ship graphite from the Balama Graphite Operation in Mozambique in a timely manner is currently significantly constrained. Due to these constraints, Syrah has in some cases been forced to delay shipping graphite to customers, which has adversely impacted the timing and recognition of sales. As well, limited availability of shipping services may cause Syrah to moderate its production levels if sufficient warehouse capacity cannot be utilised while shipping services are secured. Shipping costs have also increased significantly, and such costs cannot always be passed onto Syrah's customers.</p> <p>As an additional alternative, Syrah is planning to implement break bulk shipping services in addition to container shipping services. Break bulk shipping is on a voyage charter basis directly with the ship owner, and may be exposed to additional costs if planned loading or discharge rates are not achieved (the demurrage rate). The risk of Syrah incurring such fees may be heightened given the need for service providers and customers to develop experience in bulk handling, potential port delays due to COVID-19 and related impacts, or unpredictability in vessel scheduling and transit times.</p> <p>Syrah's Vidalia facility is also importing equipment from China for use in construction of the Vidalia Initial Expansion, which may also be impacted by global shipping conditions including costs and delays.</p>

Key risks

COST INFLATION	Higher than expected inflation rates generally, specific to the mining industry, or specific to the countries where Syrah operates or sources supplies, 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.
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. The agreements for products from the Balama Graphite Operation 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. Global events and/or trends such as the COVID 19 pandemic and global geopolitical factors may also affect the ability of Syrah's customers to carry out their obligations under such agreements and/or influence renewal or subsequent contracting decisions.</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 Vidalia including the supply of key goods and services including diesel fuel supply, logistics, power, 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, and global events impacting contract performance and liability (such as the COVID 19 pandemic and global geopolitical uncertainty), all of which may give rise to delays and/or increased costs. Furthermore, 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>
OFFTAKE AGREEMENTS	<p>As announced to ASX on 23 December 2021 and 29 December 2021, Syrah entered into an offtake agreement with Tesla, Inc. to supply 8kt per annum of natural graphite Active Anode Material from Syrah's production facility in Vidalia. The offtake obligation is subject to the conditions described in those ASX announcements being satisfied. If any of the conditions are not satisfied, then the agreement with Tesla may be terminated, which would result in significant excess production capacity at Vidalia.</p> <p>Further, while Syrah will seek to secure other offtake agreements in respect of the excess production capacity not taken by Tesla, there is no certainty that Syrah will be able to enter into such agreements in a timely manner, with acceptable parties, for sufficient volumes or on reasonable terms with new customers. Any of these circumstances may adversely impact Syrah's financial performance and position including by resulting in Syrah generating less revenue than anticipated.</p>

Key risks

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, or industrial materials processing. These regulations also cover the processing of ores or other material into final products and subsequent transportation of those Products as well as the possible effects of such activities upon the environment and local communities. Syrah recognises the possible effects of such activities and has recently completed an independent origin to gate lifecycle assessment of its integrated operations (see Syrah's December 2021 Quarterly Activities Report for further details).</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, or industrial materials processing, 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 on 1 January 2025), having successfully renewed this licence for a further five-year period in January 2020. Renewal of the licence is conditional on the update and resubmission of the environmental management plan and monitoring program. 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. If such issues or concerns were to arise, 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>Syrah is also required to close each of its operations at the conclusion of their operating life and rehabilitate the lands that it disturbs in accordance with environmental licence conditions and applicable laws and regulations.</p> <p>A closure plan and estimate of closure and rehabilitation liabilities have been prepared for Balama. 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 bank guarantees 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 mine closure plan for Balama.</p> <p>For the current Vidalia facility in the USA, all regulatory air and water environmental discharge requirements have been met based on current qualification volumes. For the 11.25ktpa AAM facility, Syrah has obtained the additional permits in relation to air source emissions, water discharge, and/or hazardous materials. There can be no guarantee that Syrah will be able to successfully maintain or renew relevant permits in a timely manner or on acceptable terms to support its ongoing activities. An inability to maintain the necessary permits could have a material adverse effect on the Vidalia operations and the recoverable amount of assets.</p>
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, road weight limits, 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.

Key risks

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 strategy and products, the impacts of climate change may also affect the Company's assets through changes in rainfall patterns and more frequent occurrences of extreme weather events, 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, which supplies the Balama Graphite Operation, 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 Vidalia 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, industrial materials processing and logistics are potentially hazardous activities. There are various occupational health risks associated with mining and production operations, industrial materials processing 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. Changes in health, safety and environmental laws and regulations or their interpretation or enforcement or unexpected global health risks and/or events (such as the COVID 19 pandemic) may adversely affect Syrah's obligations and/or operations.
COMMUNITY RELATIONS	Syrah's mining and industrial materials processing 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. Syrah has established ongoing engagement and management programs focused on optimising positive impacts and minimising the risk of negative impacts on the community at Balama and Vidalia. However, these programs are no guarantee that other issues or concerns will not arise with the local communities. 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.

Key risks

SOVEREIGN/POLITICAL RISK, WAR AND TERRORISM, FORCE MAJEURE	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 makes 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 does not guarantee that such risks will not arise. 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). Syrah's Balama Graphite Operation 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. 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.
GOVERNMENT ACTIONS	Syrah's operations could be adversely affected by government actions or trade restrictions involving, Mozambique, the USA, the UAE, 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, industrial materials processing, 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, the sale of products, the supply of materials, 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. 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. 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 or graphite products more generally 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.
NATURAL DISASTERS	As with any mining operation, Syrah is also at risk of natural disasters, both to the Balama Graphite Operation and Vidalia and also to the logistics chain, which may include among other matters, abnormal or severe weather conditions, floods, cyclones and other natural disasters or unexpected global trends (such as the COVID 19 pandemic).

Key risks

REGULATORY RISK	<p>Syrah's businesses are subject to, in each of the countries in which it operates, or the countries into which it sells its Products or receives supplies, 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 or receipt of supplies 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>To manage the impact of this risk, Syrah through its wholly owned subsidiary Twigg Exploration and Mining Limitada, 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 way 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, 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>In all jurisdictions in which Syrah operates, 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>
IMPAIRMENTS	<p>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. A trigger for impairment may include the market capitalisation of the Company compared to the net book value of the assets. A summary of the key assumptions used to determine recoverable amount can be found in the Company's 2020 Annual Report and the Interim Financial Statements for the period ending 30 June 2021.</p>
CURRENCY AND EXCHANGE RATE RISK	<p>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. 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. In addition, to date Syrah has raised capital in Australian dollars, while development costs are largely in US dollars or other currencies. Syrah may also hold funds on deposit in a number of currencies. Changes in exchange rates may impact the extent to which Australian dollar denominated capital is able to fund development in other currencies. The competitiveness of pricing of Syrah's products might also be impacted by changes in global exchange rates, particularly in relation to fluctuations between USD and the domestic currencies of Syrah's customers.</p>

Key risks

KEY PERSONNEL AND LABOUR MARKET RISK	<p>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 labour and global events/trends (such as the COVID 19 pandemic and global geopolitical uncertainty), including the national or regional governmental response to such events, which may impact a number of factors including but not limited to personnel availability, mobility and health and safety. 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.</p>
COMPETITION	<p>Competition from other international graphite producers and explorers may affect the potential future cash flow and earnings which Syrah may realise from its Balama Graphite Operation. 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.</p> <p>Syrah's downstream Vidalia operation 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 Active Anode Material products for battery purposes.</p>
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 several 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 any 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>
INSURANCE RISK	<p>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, or that claims it makes will be paid by insurance providers.</p>

Key risks

LITIGATION	Syrah may be involved in claims, litigation and disputes from time to time including in relation to contractual disputes, native title claims, tenure disputes, environmental claims, occupational health and safety claims, intellectual property disputes and employee claims. Claims, 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 claims, 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, other significant global matters (such as the COVID 19 pandemic and global geopolitical uncertainty) 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 is not obtained or new or unexpected conditions are imposed, this could have a material adverse impact on Syrah's operational and financial performance.

Key risks

UNDERWRITING RISK	<p>Syrah has entered into an underwriting agreement with Merrill Lynch Equities (Australia) Limited ("Lead Manager"). The Lead Manager has agreed to act as sole lead manager and underwriter in relation to the Entitlement Offer and Placement, subject to certain terms and conditions. Details of the fees payable to the Lead Manager are included in the Appendix 3B released to ASX on the date of this presentation.</p> <p>If certain customary conditions are not satisfied or certain customary termination events occur, then the Lead Manager may terminate the underwriting agreement. A summary of the events which may trigger termination of the underwriting agreement include (but are not limited to) the following:</p> <ul style="list-style-type: none"> ASIC: <ol style="list-style-type: none"> makes an application for an order under section 1324 or 1325 of the Corporations Act in relation to the Entitlement Offer, the Placement or the documents issued or published by or on behalf of Syrah in respect of the Entitlement Offer and the Placement ("Offer Documents") or gives notice of an intention to prosecute Syrah or any of its directors; or makes an application for an order under Part 9.5 of the Corporations Act in relation to the Entitlement Offer, the Placement or the Offer Documents, or commences any hearing or investigation under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the Entitlement Offer, the Placement or the Offer Documents and any such application, investigation or hearing either becomes public or is not withdrawn within 5 business days after it was made or commences, or where it is made less than 5 business days before a settlement date, it has not been withdrawn before the relevant settlement date; Syrah ceases to be admitted to the official list of ASX or the ordinary shares in Syrah are suspended from trading on, or cease to be quoted on, ASX (which does not include a trading halt requested by Syrah for the purposes of conducting the Entitlement Offer and Placement); unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the Lead Manager, have a material adverse effect on the success of the Entitlement Offer and the Placement) by ASX for official quotation of all of the New Shares to be issued under the Entitlement Offer and the Placement is refused, or not granted by the relevant settlement date (or such later date agreed in writing by the Lead Manager in its absolute discretion) or is withdrawn on or before the relevant settlement date, or ASX makes an official statement that official quotation of all or any of the New Shares to be issued under the Entitlement Offer and the Placement will not be granted; Syrah alters its share capital or its constitution without the prior written consent of the Lead Manager; other than as set out in the Offer Documents or otherwise disclosed to ASX prior to the date of the underwriting agreement, a material adverse change occurs in the business, assets, liabilities, financial position or performance, profits, losses, operations, results or prospects of Syrah or the group, or an event occurs which makes it reasonably likely that such a material adverse change will occur; any event specified in the timetable is delayed for more than 2 business days without the prior written approval of the Lead Manager; a director of Syrah: <ol style="list-style-type: none"> is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the director in his or her capacity as a director of Syrah or announces that it intends to take any such action; or is disqualified from managing a corporation under the Corporations Act;
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Key risks

UNDERWRITING RISK	<ul style="list-style-type: none"> a certificate which is required to be furnished by Syrah under the underwriting agreement is not furnished when required or a statement in that certificate is untrue, incorrect or misleading or deceptive; the Offer Documents contain (whether by omission or otherwise) any statement which is false, misleading or deceptive, or any material statement or estimate in an Offer Document which relates to a future matter is or becomes incapable of being met; Syrah or a material subsidiary (being a subsidiary, as defined in the Corporations Act, of Syrah which at the date of the underwriting agreement represents in excess of 5% of the consolidated assets or earnings of the group) is insolvent or there is an act or omission which is reasonably likely to result in Syrah or a material subsidiary becoming insolvent; Syrah fails to perform or observe any of its obligations under the underwriting agreement; 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 is prevented from allotting and issuing the New Shares to be issued under the Entitlement Offer and the Placement within the time required by the timetable, the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a government agency; there is introduced, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia or the Republic of Mozambique a law or any new regulation is made under any law, or a government agency adopts a policy, or there is any official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a government agency that such a law or regulation will be introduced or policy adopted (as the case may be); as at the close of trading on any trading day between the date the institutional offer opens and the institutional settlement date (each inclusive), the S&P/ASX 200 Index is 15% or more below its level as at the close of trading on the last trading day immediately prior to the date of the underwriting agreement; or (ii) between the institutional settlement date and the retail settlement date (each inclusive), the S&P/ASX 200 Index falls by 15% or more below its level as at the close of trading on the last trading day immediately prior to the date of the underwriting agreement, 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 retail settlement date; either of the Entitlement Offer or Placement cleansing notice is or becomes defective (within the meaning of the Corporations Act), or any amendment or update to either cleansing notice is issued or is required to be issued under the Corporations Act where that defective cleansing notice or amendment or update to the cleansing notice is adverse from the point of view of an investor; hostilities not existing at the date of the underwriting agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States, Mozambique, or Russia or a national emergency is declared by any of those countries, or a significant terrorist act is perpetrated anywhere in the world; any of the following occurs: <ul style="list-style-type: none"> a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is 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; or the occurrence of any other adverse change or adverse disruption to the political or economic conditions or financial markets in Australia, the United States or the United Kingdom; or there is a change (other than a change which has been disclosed prior to the date of the underwriting agreement) in the Board, the Chairman, the Chief Executive Officer or the Chief Financial Officer of Syrah.
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Key risks

UNDERWRITING RISK	<p>The ability of the Lead Manager to terminate the underwriting agreement in respect of the events set out above, in some cases, is limited to circumstances where, in the reasonable opinion of the Underwriter:</p> <ul style="list-style-type: none"> the event has, or is likely to have, a materially adverse effect on the success of the Entitlement Offer and the Placement or settlement of the Entitlement Offer and the Placement or the ability of the Lead Manager to market or promote or settle the Entitlement Offer and the Placement; or there is a reasonable possibility that the event will lead to the Lead Manager being involved in a contravention of an applicable law or of the Lead Manager incurring a liability under an applicable law as a result of the event. <p>Syrah also gives certain representations, warranties and undertakings to the Lead Manager and an indemnity to the Lead Manager and its respective affiliates and related bodies corporate and their respective directors, officers, employees, partners and agents subject to certain limited exceptions.</p> <p>If the underwriting agreement is terminated by the Lead Manager, Syrah would need to find alternative financing to meet its future funding requirements. There is no guarantee that alternative funding could be sourced, either at all or on satisfactory terms and conditions. See also the 'Liquidity and Capital Management / Funding Risk' disclosure above. Termination of the underwriting agreement could materially adversely affect Syrah's business, cash flow, financial condition and results of operations.</p>
RISK OF DILUTION	<p>Investors who do not participate in the Offer, or do not take up all of their entitlement under the Entitlement Offer, will have their percentage security holding in Syrah diluted (in addition to the dilution resulting from the Placement). Investors may also have their investment diluted by future capital raisings by Syrah. Syrah may issue new shares to finance acquisitions, capital expenditure or pay down debt which may, under certain circumstances, dilute the value of an investor's interest. Syrah will only raise equity if it believes that the benefit to investors of conducting the capital raising is greater than the short-term detriment caused by the potential dilution associated with a capital raising.</p>
DIVIDENDS	<p>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.</p>
SHARE PRICE FLUCTUATIONS	<p>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.</p>



International Offer Restrictions

Photo: Balama flotation

International offer restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("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"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the 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. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, 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 Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

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 there are Canadian tax implications 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.*

European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

International offer restrictions

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"). Accordingly, this document may not be distributed, and the New Shares may 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.

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 Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

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 no. 75. 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. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

International offer restrictions

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 "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). If you are not an investor falling within one of these categories, 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.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. 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 or marketing 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 investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). 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.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed 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 investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

International offer restrictions

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

3.3 ASX Announcement released by Syrah on Wednesday, 9 February 2022



SYRAH ANNOUNCES SUCCESSFUL COMPLETION OF PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER

NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

Overview

Syrah Resources Limited (**ASX: SYR**) ("**Syrah**" or the "**Company**") is pleased to announce the successful completion of its fully underwritten institutional placement ("**Placement**") and the accelerated institutional component ("**Institutional Entitlement Offer**") of its 1 for 5.9 pro rata accelerated non-renounceable entitlement offer ("**Entitlement Offer**") of new fully paid Syrah shares ("**New Shares**") announced on Monday, 7 February 2022.

The Placement raised approximately A\$125 million (US\$89 million¹) and the Institutional Entitlement Offer raised approximately A\$67 million (US\$47 million¹).

The Placement was supported by both existing shareholders and new investors. Approximately 76% of entitlements available to eligible institutional shareholders in the Institutional Entitlement Offer were taken up. New Shares not taken up by both eligible institutional shareholders and ineligible institutional shareholders have been fully allocated to existing shareholders and new investors.

The Placement and Institutional Entitlement Offer were conducted at a fixed price of A\$1.48 per New Share (the "**Offer Price**"), representing a discount of:

- 10.3% to Syrah's closing price of A\$1.65 per share on the ASX on 4 February 2022; and
- 7.9% discount to the theoretical ex-rights price ("**TERP**")² of A\$1.61 per New Share.

Syrah Managing Director and CEO Shaun Verner said, *"We are delighted by the strong support received from existing shareholders, and we are pleased to welcome new investors to Syrah's register. The Company is in a strong financial position to progress construction of the 11.25ktpa active anode material facility at Vidalia."*

Syrah expects its trading halt to be lifted and Syrah's shares to recommence trading on ASX from market open today.

¹ A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.71 of 8 February 2022.

² TERP is the theoretical ex-rights 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.

Placement and Institutional Entitlement Offer

Under the Placement, Syrah will issue approximately 84 million New Shares at the Offer Price. No shareholder approval is required for the Placement, as Syrah will utilise available placement capacity under Listing Rule 7.1. Syrah was granted a waiver from Listing Rule 7.1 to enable it to use expanded placement capacity by reference to the New Shares to be issued under the fully underwritten Entitlement Offer.

Under the Institutional Entitlement Offer, Syrah will issue approximately 45 million New Shares at the Offer Price.

New Shares issued under the Placement and Institutional Entitlement Offer will rank equally with existing Syrah shares on issue.

Settlement of the Placement and Institutional Entitlement Offer is scheduled for Wednesday, 16 February 2022, with New Shares expected to be allotted on Thursday, 17 February 2022 and trading of those shares on ASX to commence on a normal settlement basis on the same day.

Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is expected to raise approximately A\$58 million (US\$41 million³).

The Retail Entitlement Offer will open on Monday, 14 February 2022, and close at 5:00pm (AEDT) on Monday, 28 February 2022.

Eligible retail shareholders on the Record Date of 7:00pm (AEDT), Wednesday, 9 February 2022 will have the opportunity to apply for 1 New Share for every 5.9 existing Syrah shares they hold at the Offer Price. Under the Retail Entitlement Offer, eligible retail shareholders who take up their entitlement in full may also apply for additional New Shares in excess of their entitlement at the Offer Price (subject to scale back, at Syrah's discretion). The maximum amount of additional New Shares that an eligible retail shareholder may apply for is 50% of their entitlement.

The terms and conditions under which eligible retail shareholders with a registered address in Australia or New Zealand may apply will be outlined in the Retail Offer Booklet, which will be available to eligible retail shareholders on Monday, 14 February 2022. The retail offer booklet will also enclose a personalised entitlement and acceptance form and other details about how to apply for the New Shares in the Retail Entitlement Offer.

The Retail Entitlement Offer is non-renounceable and entitlements will not be tradable or otherwise transferable.

³ See footnote 1.

Key Dates

Event	Date
Announcement of the Equity Raising	Monday, 7 February 2022
Trading Halt	Monday, 7 February 2022
Institutional Entitlement Offer and Placement opens	Monday, 7 February 2022
Institutional Entitlement Offer and Placement closes	Tuesday, 8 February 2022
Announcement of the results of Institutional Entitlement Offer and Placement	Wednesday, 9 February 2022
Trading Halt Lifted	Wednesday, 9 February 2022
Entitlement Offer record date	7.00pm (AEDT), Wednesday, 9 February 2022
Retail Entitlement Offer opens and Booklet dispatched	Monday, 14 February 2022
Settlement of Institutional Entitlement Offer and Placement	Wednesday, 16 February 2022
Issue and quotation of New Shares under the Institutional Entitlement Offer and Placement	Thursday, 17 February 2022
Retail Entitlement Closing Date	5:00pm (AEDT), Monday, 28 February 2022
Settlement of Retail Entitlement Offer	Friday, 4 March 2022
Issue of New Shares under the Retail Entitlement Offer	Monday, 7 March 2022
Normal trading of New Shares under the Retail Entitlement Offer	Tuesday, 8 March 2022

Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Syrah, with the consent of the Lead Manager, 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.

This ASX release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

For further information contact Investor Relations

Viren Hira

Contact: +61 3 9670 7264

Email: v.hira@syrahresources.com.au

About Syrah Resources

Syrah Resources (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Forward Looking Statements

This document contains certain forward - looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward - looking statements. Forward - looking statements in this document include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof; the capital and operating costs, timetable and operating metrics for the Balama Project; the viability of future opportunities such as spherical graphite, future agreements and offtake partners; future market supply and demand; and future mineral prices. 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 document 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. This document contains such statements that are subject to risk factors associated with the mineral and resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. 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 document 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 document speak only as of the date of this document. 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 document 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 document will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this document.

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 Equity Raising (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 Equity 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 release to US wire services or distribution in the United States

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



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 14 February 2022. 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

Syrah will make 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 Tuesday, 8 March 2022 on a normal settlement basis. Syrah and the Lead Manager 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 summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

The comments in this section cover the Australian taxation implications of the Retail Entitlement Offer for Eligible Retail Shareholders that are Australian resident for Australian income tax purposes and hold their Shares, New Shares and Top-Up Shares on capital account for Australian income tax purposes.

The comments in this section do not apply to an Eligible Retail Shareholder if the Eligible Retail Shareholder:

- is a non-resident for Australian income tax purposes;
- is subject to the taxation of financial arrangements provisions contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth);
- holds its Shares as revenue assets or trading stock;
- acquired its Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme;
- acquired Entitlements otherwise than because it is an Eligible Retail Shareholder; or
- is exempt from Australian income tax.

The comments in this section are based on Australian tax legislation and administrative practice in force as at the date of this Offer Booklet. They do not take into account or anticipate changes in Australian tax legislation or future judicial or administrative interpretations of law after this time unless otherwise specified. The comments also do not take into account tax law of any country other than Australia.

This section does not take account the individual circumstances of Eligible Retail Shareholders and does not constitute tax advice. It does not purport to be an authoritative or a complete analysis of all the potential tax consequences of the Retail Entitlement Offer. As the taxation implications of the Retail Entitlement Offer will

vary depending upon an Eligible Retail Shareholder's particular circumstances, 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.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to taxation consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered in this summary. This summary also does not consider the application of any of Australia's double tax agreements. Such shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither Syrah nor any of its officers or employees, nor its taxation or other advisers, accept any liability or responsibility in respect of any taxation consequences of the Retail Entitlement Offer or any associated statements made within this Offer Booklet.

(a) Issue of Entitlement

The issue of the Entitlements should not, of itself, result in any amount being included in the assessable income of an Eligible Retail Shareholder.

(b) Exercise of Entitlements and acquisition of Top-Up Shares

Eligible Retail Shareholders should not make a capital gain or loss, or derive assessable income, at the time of exercising their Entitlements under the Retail Entitlement Offer.

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. Top-Up Shares may be issued in the circumstances detailed in section 2.5.

For Australian capital gains tax (**CGT**) purposes:

- each New Share and Top-Up Share should be taken to have been acquired on the date the New Share and Top-Up Share, respectively, is issued to the Eligible Retail Shareholder; and
- each New Share and Top-Up Share should have a cost base (and reduced cost base) that is equal to the Offer Price payable for the New Share and Top-Up Share, respectively, plus certain non-deductible incidental costs incurred in acquiring, holding and disposing of the New Share and Top-Up Share.

(c) Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions, that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration. There are no tax implications for an Eligible Retail Shareholder from the lapse of some or all of their Entitlement.

(d) Dividends

Any dividends paid by Syrah on a New Share or Top-Up 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, together with any franking credit attached to that dividend. Such an Eligible Retail Shareholder should be entitled to a tax offset equal to the franking credits attached to the dividend subject to satisfying the 'holding period' and 'related payment' rules (refer to comments below) and provided the benefit of franking credits is not denied under various franking integrity rules. The tax offset can be applied to reduce 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 company – the excess franking offsets may be carried forward to future income years as tax losses (provided certain loss utilisation tests are satisfied); or
- a trustee (other than a trustee of a complying superannuation entity) – the treatment of the excess franking offsets will depend upon the identity of the person liable to tax on the trust's net income.

Where a dividend paid by Syrah is wholly or partly unfranked, the Eligible Retail Shareholder should include the unfranked amount in their assessable income and there will be no tax offset entitlement to that extent.

(e) New Shares and Top-Up Shares held 'at risk'

In order to be eligible for the benefit of franking credits and tax offsets, an Eligible Retail Shareholder must satisfy both the 'holding period' and 'related payment' rules. This broadly requires that an Eligible Retail Shareholder holds the New Shares and Top-Up Shares 'at risk' for at least 45 days continuously (not including the date of acquisition and disposal) during the holding period.

The holding period commences on the day after the Eligible Retail Shareholder acquires the New Shares and Top-Up Shares (respectively) and ending on the 45th day after the New Shares and Top-Up Shares (respectively) become ex-dividend.

Any day on which an Eligible Retail Shareholder has a materially diminished risk of loss or opportunity for gain in respect of the New Shares or Top-Up Shares will not be counted as a day on which the Eligible Retail Shareholder held the shares 'at risk', but such days do not break the continuity of holding. Where the shares are funded by limited recourse loans, or there are options or other derivatives in respect of the shares, these may adversely affect the ability of a shareholder to satisfy the 'at risk' requirement.

Where these rules are not satisfied, the Eligible Retail Shareholder will not be able to include an amount for the franking credits in their assessable income and will not be entitled to a tax offset.

The holding period rule is subject to certain exceptions, including where the total franking offsets of an individual in a year of income do not exceed A\$5,000.

The related payment rule applies where the Eligible Retail Shareholder has made, or is under an obligation to make, a related payment (broadly, a payment whereby the benefit of the dividend is passed to another person) in relation to a dividend paid by Syrah. The related payment rule requires the Eligible Retail Shareholder to have held the New Shares and Top-Up Shares at risk for a period commencing on the 45th day before, and ending on the 45th day after, the day the New Shares and Top-Up Shares become ex-dividend.

(f) Disposal of New Shares or Top-Up Shares

The disposal of New Shares or Top-Up Shares will constitute a disposal for CGT purposes.

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

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares or Top-Up Shares for 12 months or more (excluding the date of acquisition and the date of disposal) at the time of disposal should be entitled (subject to meeting other conditions) to apply the CGT discount to reduce the capital gain (after utilising current or prior year capital losses). The CGT discount is 50% for individuals and trustees, and 33⅓% for complying superannuation entities. The CGT discount is not available for companies (unless shares are held by the company in the capacity as trustee).

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 amounts contributing to taxable income that are not capital gains). 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.

(g) GST

GST will not be payable in respect of the acquisition of the New Shares or Top-Up 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 Top-Up Shares.

(h) Stamp duty

Stamp duty will not be payable in respect of the acquisition of the New Shares or Top-Up 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) Dealings in Entitlements and New Shares – GST and stamp duty

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 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, and can be provided via post or email to Eligible Retail Shareholders.

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 or ASIC’s website.

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 Syrah with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on 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 under the *Financial Markets Conduct Act 2013* (New Zealand). 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 U.S. 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 U.S. Securities Act or are offered and sold in a transaction exempt from or not subject to, the registration requirements of the U.S. 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 Rule 902(h) under the U.S. 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 and the Placement are fully underwritten by the Lead Manager.

Syrah has entered into an underwriting agreement with the Lead Manager under which it has been agreed that the Lead Manager will act as lead manager, underwriter and bookrunner of the Entitlement Offer and the Placement (the **Underwriting Agreement**). Details of the Underwriting Agreement, including the events that may give the Lead Manager a right to terminate the Underwriting Agreement, are provided at pages 54, 55 and 56 of the Investor Presentation under the heading ‘Underwriting Risk’.



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 Monday, 7 February 2022 and Wednesday, 9 February 2022 in connection with the Equity Raising, copies of which are set out in Section 3.

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 5.9 existing Shares held at the Record Date.

Entitlement Offer means the pro rata accelerated non-renounceable entitlement offer of 1 New Share for every 5.9 existing Shares held at the Record Date by Eligible Shareholders, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.

Equity Raising means the Entitlement Offer and the Placement.

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 Monday, 7 February 2022 in connection with the Equity Raising, a copy of which is set out in Section 3.

Lead Manager means Merrill Lynch Equities (Australia) Limited.

Listing Rules means the official listing rules of ASX.

New Shares means the fully paid ordinary shares issued under the Entitlement Offer or the Placement (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 Equity 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\$1.48 being the price payable per New Share under the Entitlement Offer and the Placement.

Placement means the institutional placement to Institutional Investors, as described in Section 1.3.

Record Date means 7.00pm (AEDT) on Wednesday, 9 February 2022.

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

Related Party of Syrah has the meaning given in section 228 of the Corporations Act, and includes without limitation, a Director of Syrah, their spouses, de facto partners, parents or children or an entity controlled by any of them.

Retail Closing Date means 5.00pm (AEDT) on Monday, 28 February 2022.

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), as described in Section 1.4.

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

Section means a section of this Offer Booklet.

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 or on behalf of 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.

Top-Up Share means an additional New Share acquired under the Top-Up Facility.

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.

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

Corporate Directory

COMPANY REGISTERED OFFICE

Syrah Resources Limited
Level 4, 96-100 Albert Road
South Melbourne VIC 3205

AUSTRALIAN LEGAL ADVISER

Gilbert + Tobin
Level 25, 101 Collins Street
Melbourne VIC 3000

LEAD MANAGER

Merrill Lynch Equities (Australia) Limited
Governor Philip Tower, Level 34, 1 Farrer Place
Sydney NSW 2000

REGISTRY

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



SYRAH RESOURCES

ABN 77 125 242 284

For all enquiries:

Phone:

(within Australia) 1300 850 505

(outside Australia) +61 3 9415 4000

Web:

<https://www.syrahoffer.com.au>

SYR

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

SRN/HIN: SRN WITHHELD

14 February 2022

Dear Shareholder

Syrah Resources Limited – Retail Entitlement Offer now open

On Monday, 7 February 2022, Syrah Resources Limited ABN (77 125 242 284) (ASX: SYR) ("**Syrah**" or the "**Company**") announced a fully underwritten pro rata accelerated non-renounceable entitlement offer to eligible shareholders to subscribe for 1 new fully paid ordinary Syrah share ("**New Share**") for every 5.9 existing fully paid ordinary Syrah shares ("**Shares**") held as at 7:00pm (AEDT) on the record date (being Wednesday, 9 February 2022) ("**Record Date**") ("**Entitlement**") at an issue price of A\$1.48 per New Share ("**Offer Price**") to raise approximately A\$125 million ("**Entitlement Offer**"). Concurrently with the Entitlement Offer, Syrah also announced a fully underwritten placement to institutional investors at the Offer Price to raise approximately A\$125 million ("**Placement**", together with the Entitlement Offer, the "**Offer**").

The proceeds of the Offer will be primarily used to fully fund remaining estimated installed capital costs required for the initial expansion of Syrah's active anode material ("**AAM**") facility in Vidalia, Louisiana, USA to 11.25ktpa AAM production capacity. Further details of the Offer and the initial expansion of Syrah's facility are set out in the investor presentation released to the ASX on Monday, 7 February 2022.

The Entitlement Offer comprises an accelerated entitlement offer to eligible institutional investors ("**Institutional Entitlement Offer**") and a retail offer to the remaining eligible shareholders with a registered address in Australia or New Zealand as at 7:00pm (AEDT) on the Record Date ("**Retail Entitlement Offer**").

This letter is to notify you that the Retail Entitlement Offer is now open and to provide you with instructions on how to obtain a copy of the Retail Offer Booklet and your personalised Entitlement and Acceptance Form.

Accessing the Retail Offer Booklet

The Retail Offer Booklet is accessible either online at the offer website or by requesting a paper copy from Computershare:

- **ONLINE** – The Retail Offer Booklet and personalised Entitlement and Acceptance Form (including BAPY^{®1} payment details) can be accessed by eligible retail shareholders via the offer website:
<https://www.syrahoffer.com.au>
- **PAPER** – The Retail Offer Booklet and the personalised Entitlement and Acceptance Form can be sent to eligible retail shareholders via post. Please call Computershare on 1300 850 505 (for callers within Australia) or +61 3 9415 5000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEDT) on Monday to Friday to request a paper copy.

¹ © Registered to BPAY Pty Limited ABN 69 079 137 518.

Please note that there may be some delays in delivery of the Retail Offer Booklet and your personalised Entitlement and Acceptance Form via post. You are encouraged to access these documents online by following the instructions on the offer website.

You should read the Retail Offer Booklet carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

Details of the Retail Entitlement Offer

Under the Retail Entitlement Offer, eligible retail shareholders may subscribe for 1 New Share for every 5.9 existing Shares they held at 7.00pm (AEDT) on the Record Date, at the Offer Price. In addition, as part of the Retail Entitlement Offer, eligible retail shareholders (who are not related parties of Syrah) who take up their Entitlement in full are invited to apply for additional New Shares (up to an additional 50% of their Entitlement) that may be available from any shortfall under the Retail Entitlement Offer (which will occur if fewer than all of the New Shares are taken up under the Retail Entitlement Offer) ("**Additional Shares**"), subject to any scale-back. Any Additional Shares are offered at the Offer Price.

The Offer Price represents a:

- 7.9% discount to the theoretical ex-rights price² (**TERP**) of A\$1.61; and
- 10.3% discount to the last traded price of Syrah's shares on ASX of A\$1.65 on Friday, 4 February 2022 prior to announcement of the Offer.

Actions required by eligible retail shareholders

Your Entitlement is shown on the personalised Entitlement and Acceptance Form that accompanies the Retail Offer Booklet (which is accessible as set out above). The choices available to eligible retail shareholders are described in the Retail Offer Booklet. In summary, eligible retail shareholders may:

- take up their Entitlement in full, or take up all of their Entitlement and apply for Additional Shares (up to a maximum of 50% of their Entitlement);
- take up part of their Entitlement and allow the balance to lapse; or
- take no action and allow all of their Entitlement to lapse.

Eligible retail shareholders who do not take up their Entitlement in full or in part will not receive any value in respect of those Entitlements not taken up and will have their interest in Syrah diluted as a result.

If you wish to take up all or part of your Entitlement (or Additional Shares), you must pay your application monies by following the instructions set out in your personalised Entitlement and Acceptance Form by no later than **5.00pm (AEDT) on Monday, 28 February 2022**.³

Further details of how to submit an application are provided in the Retail Offer Booklet.

² The Theoretical Ex-Rights Price ("**TERP**") is the theoretical price at which Syrah 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 equate to TERP. TERP is calculated by reference to Syrah's closing price of A\$1.65 on Friday, 4 February 2022. The TERP calculation includes New Shares issued under the Placement.

³ If you do not have an account that supports BPAY® transactions, eligible New Zealand retail shareholders will be offered EFT details via the offer website.

QUESTIONS

If you have any queries about the Retail Entitlement Offer, please contact the Syrah Offer Information Line on 1300 850 505 (for callers within Australia) or +61 3 9415 5000 (for callers outside Australia) any time between 8:30am and 5:30pm (AEDT) 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 faithfully



Melanie Leydin
Company Secretary
Syrah Resources Limited

Important Notice and Disclaimer

This letter is issued by Syrah to inform you about the Retail Entitlement offer. This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares. The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional adviser.

Not an offer in the United States

This letter has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This letter does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this letter have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.