



SYRAH
RESOURCES

Notice of Annual General Meeting and Explanatory Memorandum

The Annual General Meeting of

SYRAH RESOURCES LIMITED

ACN 125 242 284

*Will be held at
11.00am (AEST) on Thursday, 26 May 2016*

at

*Novotel Melbourne on Collins
Australia Room 3 and 4
270 Collins Street, Melbourne, Victoria, 3000*

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

SYRAH RESOURCES LIMITED

ACN 125 242 284

Registered Office: Level 9, 356 Collins Street, Melbourne VIC 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Syrah Resources Limited (“Syrah” or the “Company”) will be held at the Novotel Melbourne on Collins, Australia Room 3 and 4, 270 Collins Street, Melbourne, Victoria, 3000 on Thursday, 26 May 2016 at 11.00am (AEST) (“Meeting”).

AGENDA

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

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Memorandum which accompanies this Notice. References to the “Corporations Act” are to the *Corporations Act 2001* (Cth), unless the context requires otherwise.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and the auditor of the Company for the period ended 31 December 2015.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly no resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial period ended 31 December 2015 be adopted.”

The Remuneration Report is set out in the Annual Report.

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 by:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or*
- (b) a Closely Related Party of such member.*

However, a person described in paragraph (a) or (b) may cast a vote as a proxy, provided the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (c) the voter is appointed as a proxy by writing that specifies the way that the proxy is to vote; or*
- (d) it is cast by the Chair and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy in respect of this Resolution.*

Resolution 2: Re-election of Mr Sam Riggall as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Sam Riggall, being a director who retires pursuant to the Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 3: Re-election of Mr James Askew as a Director of the Company

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr James Askew, being a director who retires pursuant to the Constitution and, being eligible, offers himself for re-election, is hereby re-elected as a Director of the Company."

Resolution 4: Approval to Issue Director Options to Mr Tolga Kumova (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to the issue of 1,000,000 Director Options to Mr Tolga Kumova, a Director, or his nominee as described in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 4 by:

- (a) *any Director who is eligible to participate in the LTI Plan in relation to the Company and any associate of any such Director; or*
- (b) *a member of the Key Management Personnel or a Closely Related Party of such a member.*

However, the Company need not disregard a vote on Resolution 4 if:

- (c) *it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above) as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or*
- (d) *it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.*

Resolution 5: Approval to Grant Performance Rights to Mr Tolga Kumova (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant up to 66,654 Performance Rights (being a right to acquire up to 66,654 fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) for no cash consideration to Mr Tolga Kumova, a Director, or his nominee, as described in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution 5 by:

- (a) *any Director who is eligible to participate in the LTI Plan in relation to the Company and any*

associate of any such Director; or

- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote on Resolution 5 if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above) as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

Resolution 6: Approval to Issue Shares to a Director – Mr Tolga Kumova (or his nominee)

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue up to 142,745 fully paid ordinary shares to Mr Tolga Kumova, a Director, or his nominee, on the basis as set out in the explanatory statement.”

Voting Exclusion

The Company will disregard any votes cast on this Resolution 6 by:

- (a) Mr Tolga Kumova and any associate of him; or
- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote on Resolution 6 if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above) as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

Resolution 7: Increase in Aggregate Non-Executive Director Remuneration

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of rule 8.3(a) of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate annual Directors’ fees payable to non-executive Directors, for the years from and including the year commencing 1 January 2016, be increased from \$750,000 per annum to \$1,000,000 per annum.”

Voting Exclusion

The Company will disregard any votes cast on Resolution 7 by:

- (a) a Director or any associate of a Director; or
- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote on Resolution 7 if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above), as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

SPECIAL BUSINESS

Resolution 8: Repeal and replacement of Constitution

To consider and, if thought fit, pass the following Resolution as a special resolution:

*“That, in accordance with section 136 of the Corporations Act, the Constitution be repealed and replaced with a constitution in the form of the document entitled “Constitution of Syrah Resources Limited” tabled at this Meeting (the “**Replacement Constitution**”), and signed by the Chairman for the purposes of identification, with effect from the close of this Meeting.”*

The Corporations Act requires that, in order for Resolution 8 to be effective, it must be passed as a special resolution, which requires 75% of votes cast on the Resolution (whether by Shareholders in person, or by proxy or by attorney and entitled to vote on the Resolution) to be in favour.

Undirected proxies

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy, even if the relevant resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company. Shareholders should note that the Chairman intends to vote any undirected proxies in favour of all Resolutions.

By order of the Board



Melanie Leydin
Company Secretary

Dated: 22 April 2016

SYRAH RESOURCES LIMITED

ABN 77 125 242 284

EXPLANATORY MEMORANDUM

Receipt and consideration of Accounts & Reports

A copy of the Annual Report (which incorporates the Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9670 7264, and you may request that this occurs on a standing basis for future years. Alternatively you may access the Annual Report at the Company's website: www.syrahresources.com.au or via the Company's announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report – Non Binding Resolution

Shareholders are asked to adopt the Remuneration Report for the period ended 31 December 2015. The Remuneration Report is set out on pages 31 to 44 of the Annual Report. The Company's remuneration strategy is designed to provide a link between the achievement of the Company's strategic objectives and executive rewards. It is designed to reward, motivate and retain the Company's executive team through market competitive remuneration and benefits, to support the continued success of the Company's businesses and ultimately to create shareholder value.

The Remuneration Report sets out in detail the Company's policy for determining remuneration for Directors and members of the executive team. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess the achievement of these performance conditions.

The vote on Resolution 1 is advisory only, and does not bind the Directors or the Company. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting. The Board will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

In addition, the Corporations Act provides for a "two strikes" rule in relation to the adoption of the Remuneration Report, meaning that if 25% or more of votes cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") to determine whether another meeting should be held (within 90 days) at which all of the Directors (other than the Managing Director) must go up for re-election.

No strike was recorded at the Company's previous annual general meeting. On this basis, while the vote on the Remuneration Report at this Meeting may potentially be counted towards two strikes in the future, no board spill can occur this year.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

Resolution 2: Re-election of Mr Sam Riggall as a Director of the Company

The Constitution requires that at every annual general meeting at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Sam Riggall, being eligible, offers himself for re-election. Mr Riggall has been a Non-Executive Director since October 2014 and was last elected as a Director at the Company's 2014 Annual General Meeting. He retires by rotation and, being eligible, offers himself for re-election. The Board considers Mr Riggall to be an independent director.

Mr Riggall was previously Executive Vice-President of Business Development and Strategic Planning at Ivanhoe Mines Limited. Prior to that he worked in a variety of roles in Rio Tinto Limited for over a decade covering industrial minerals, project generation and evaluation, business development and capital market transactions. Given Mr Riggall's experience and the stage of the Company's current development of the Balama Project, the remaining Directors consider Mr Riggall's skills and expertise to be highly valuable to the Board.

Board recommendation

The Board (Mr Riggall abstaining) recommends that Shareholders vote in favour of Resolution 2.

Resolution 3: Re-election of Mr James Askew as a Director of the Company

The Constitution requires that at every annual general meeting at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr James Askew, being eligible, offers himself for re-election. Mr Askew has been a Non-Executive Director since October 2014 and was last elected as a Director at the Company's 2014 Annual General Meeting. He retires by rotation and, being eligible, offers himself for re-election. . The Board considers Mr Askew to be an independent director.

Mr Askew is a mining engineer with over 40 years broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. He has had a continuous involvement with the African mining industry since 1985. Given Mr Askew's experience and the stage of the Company's current development of the Balama Project, the remaining Directors consider Mr Askew's skills and expertise to be highly valuable to the Board.

Board recommendation

The Board (Mr Askew abstaining) recommends that Shareholders vote in favour of Resolution 3.

Resolutions 4, 5 and 6: Background

Mr Tolga Kumova was appointed as Managing Director of the Company on 2 October 2014. As announced to the ASX by the Company, effective 1 January 2016 his remuneration package comprises:

- an annual total fixed remuneration (inclusive of statutory superannuation) of \$515,000 per annum;
- an annual cash short term incentive bonus of up to 35% of the annual total fixed remuneration if corporate and personal key performance hurdles are achieved, of which 50% will be payable in cash and 50% payable in Shares, subject to Shareholder approval, for the year ended 31 December 2016; and
- an annual entitlement to receive Performance Rights under the LTI Plan having a value of up to 45% of the annual total fixed remuneration, subject to shareholder approval (refer to Resolution 5 below).

In addition, and also as announced on 11 January 2016, Mr Kumova is entitled to be issued 1,000,000 Director Options and 142,745 Director Shares, in each case subject to Shareholder approval.

The Remuneration and Nomination Committee and the Board have approved the grant of the Director Options and Performance Rights to Mr Kumova to secure his tenure with the Company and to provide an incentive to improve the financial performance of the Company and, in turn, enhance shareholder value. The 66,654 Performance Rights proposed to be granted to Mr Kumova represent his entitlement to Performance Rights for the financial year ending 31 December 2016. The issue of the Director Shares has been approved to appropriately compensate Mr Kumova for his significant contribution to the Company since being appointed Managing Director on 2 October 2014.

In addition, it is noted that Mr Kumova currently holds interests in the securities of the Company both directly and indirectly of 14,522,215 Shares and 2,000,000 unlisted options exercisable at \$6.26 cents per option, expiring 2 October 2019.

Resolution 4: Approval to issue Director Options to Mr Tolga Kumova (or his nominee)

Requirement for Shareholder approval – ASX Listing Rule 10.14

Listing Rule 10.14 requires a listed company to obtain Shareholder approval prior to the issue of equity securities (including Director Options) to a director of the Company under an employee incentive scheme. As noted, Mr Tolga Kumova is a Director of the Company and the proposed recipient of Director Options, or his nominee, under the LTI Plan and in accordance with this Resolution 4.

The purpose of the LTI Plan is to assist in the motivation, retention and reward of Directors, senior management and other selected employees of the Company and its subsidiaries. The implementation of the LTI Plan is critical for the Company at this time to ensure that the Company complies with all of its obligations whilst maintaining a focus on future growth opportunities. A key role of eligible employees under the LTI Plan is to ensure that this objective is achieved.

In accordance with the LTI Plan, Director Options are proposed to be granted to Mr Tolga Kumova (or his nominee) to align his interests with the interests of Shareholders.

The following information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) subject to Shareholder approval, the maximum number of Director Options to be issued is 1,000,000. Mr Kumova (or his nominee) will receive one Share in the Company for each Director Option exercised;
- (b) the Director Options will be granted for nil cash consideration, and accordingly, no funds will be raised from the grant of Director Options;
- (c) no loan will be made by the Company in relation to the grant of Director Options to Mr Kumova;
- (d) details of any Director Options issued under the LTI Plan will be published in each annual report of the Company relating to a period in which Director Options have been issued, and the annual report will confirm that approval for the issue of Director Options was obtained under Listing Rule 10.14 (if required);
- (e) all Directors (executive or non-executive) are entitled to participate in the Long Term Incentive Plan, but for the purposes of Resolution 4, at this time, the Company is only seeking to grant Director Options to Tolga Kumova (or his nominee). The other persons referred to in Listing Rule 10.14 who are currently entitled to participate in the LTI Plan are James Askew, Sam Riggall, Rhett Brans and Jose Caldeira, being current Directors of the Company; and
- (f) if Shareholder approval is obtained, the Director Options will be granted shortly after the Meeting, but in any event no later than 12 months after the Meeting.

Each Director Option will entitle Mr Kumova (or his nominee) to subscribe for and be issued one Share in the Company at an exercise price of \$4.58 per Director Option. This exercise price was set at a 30% premium to the volume weighted average price of Shares over the 20 days prior to execution of Mr Kumova's executive services agreement dated 9 January 2016.

The Director Options will vest one year following the issue date. Each Director Option will then be exercisable for a period of up three years following the vesting date (provided that the Director remains on the Board during that period), following which the Director Options will lapse.

In the event that the Director Options issued pursuant to Resolution 4 are duly exercised, the issue of Shares will be equal to approximately 0.4% of the Company's fully-diluted share capital (based on the number of Shares on issue as at the date of this Notice).

Any Shares issued by the Company pursuant to a Director Option will rank equally with, and carry the same rights and privileges as, existing Shares.

Intended purpose of issuing Director Options

The purposes of the issue of Director Options are to:

- (a) provide appropriate incentives to Mr Kumova; and
- (b) align of the interests of Mr Kumova with the growth and success of the Company.

The potential disadvantage of the Shareholders approving Resolution 4 includes dilution of Shareholder interests if the Director Options are exercised at some future time.

Corporations Act - treatment of remuneration matters

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

In the current circumstances, the issue of the Director Options would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or de factor spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. As such, each Director constitutes a 'related party' of the Company for the purposes of the Corporations Act.

Accordingly, the proposed issue of the Director Options to the Directors will constitute the provision of financial benefits to related parties of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act will occur where the financial benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Board considers the proposed issue of the Director Options the subject of Resolution 4 to be reasonable remuneration:

- (a) for a company of the size and nature of the Company; and
- (b) which, given that the Company has other preferred use for its available cash, is an appropriate alternative for providing incentives to the Directors,

and as such, for those and other reasons falls within the exception set out in section 211 of the Corporations Act.

Termination Benefits

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous 3 years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders.

Approval is therefore sought under sections 200B and 200E of the Corporations Act to allow for the Board to determine pro-rata vesting of the Director Options in the event of cessation of any of the respective engagements of Mr Kumova in certain 'good leaver' circumstances (which would otherwise be deemed, and treated as, a termination benefit). The Board would not exercise this discretion should Mr Kumova (as applicable) resign or be terminated for cause, in which event all unvested Director Options would immediately lapse.

Board Recommendation

The Board (Mr Kumova abstaining) recommends that Shareholders vote in favour of Resolution 4.

Resolution 5: Approval to Grant Performance Rights to Mr Tolga Kumova (or his nominee)

Background

Resolution 5 of this Notice provides for 66,654 Performance Rights to be granted to Mr Tolga Kumova (or his nominee) on the terms described below and in accordance with the LTI Plan.

The purpose of the LTI Plan is to assist in the motivation, retention and reward of Directors, senior management and other selected employees of the Company and its subsidiaries. The implementation of the LTI Plan is critical for the Company at this time to ensure that the Company complies with all of its obligations whilst maintaining a focus on future growth opportunities. A key role of eligible employees under the LTI Plan is to ensure that this objective is achieved.

In accordance with the LTI Plan, Performance Rights are proposed to be granted to Mr Tolga Kumova (or his nominee) to align his interests with the interests of Shareholders.

Under the terms of the issue, the Performance Rights will only vest upon a significant improvement in the market capitalisation of the Company in comparison with a group of peer companies. This will clearly align the interests of all Shareholders. It should be recognised that the achievement of these objectives will be to the benefit of all Shareholders, and the conversion of the Performance Rights can only occur if these benefits are realised.

Consistent with the desire to minimise cash expenditures, the Board believes that having regard to the Company's current cash position and in order to compensate Mr Tolga Kumova (or his nominee) in line with current market practices, Performance Rights provide an appropriate and meaningful remuneration component to Directors that is aligned with Shareholder interests.

As this is the first Annual General Meeting since the implementation of the LTI Plan, approval is being sought in Resolution 5 in respect of the proposed grant of Performance Rights to Mr Kumova (or his nominee) under the LTI Plan as a component of his overall executive remuneration package put in place on his commencement with the Company.

Performance Rights offered

The vesting of the Performance Rights is contingent on the Company achieving the Performance Hurdle over a three year performance period. A total of 66,654 Performance Rights will be granted to Mr Kumova (or his nominee), subject to Shareholder approval. In the event that the Performance Rights issued pursuant to Resolution 5 vest, the issue of Shares will be equal to approximately 0.03% of the Company's fully-diluted share capital (based on the number of Shares on issue as at the date of this Notice).

Performance Hurdles

Performance Rights will only convert to Shares at the end of the Performance Period if the Company's TSR is at least equal to the median of the comparator group performance ("**Performance Hurdle**"). The entire annual allocation will convert if the Company's TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between the Company's performance and the conversion of Performance Rights is:

- 0% converting if the Company TSR performance is below the median performance of the

comparator group;

- 50% to 100% converting if the Company TSR performance is at or above the median performance of the comparator group, but below the 75th percentile performance of the comparator group; and
- 100% converting if the Company TSR performance is at or above the 75th percentile performance of the comparator group.

For these purposes, the comparator group is as follows:

Ferroglobe PLC (GSM.O)	Nevsun Resources Ltd (NSU.TO)
HudBay Minerals Inc (HBM.TO)	OZ Minerals Limited (OZL.AX)
Iluka Resources Limited (ILU.AX)	Polymet Mining Corp (POM.TO)
Imperial Metals Corp (III.TO)	Sandfire Resources NL (SFL.AX)
Independence Group NL (IGO.AX)	Talga Resources Limited (TLG.AX)
Ivanhoe Mines Ltd (IVN.TO)	Tokai Carbon Co. Ltd (5301.T)
Magnis Resources Limited (MNS.AX)	Vedanta Resources plc (VED.L)
Materion Corporation (MTRN.N)	Western Areas Limited (WSA.AX)
Metals X Limited (MLX.AX)	

Under the LTI Plan there will be a straight line pro-rata conversion of Performance Rights to Shares where the Company's TSR performance is between the median and 75th percentile performance.

Subject to an Accelerated Event, the Performance Rights will not vest unless the Performance Hurdle has been achieved by the Performance Date.

If the Performance Hurdle is not satisfied on the Performance Date the entitlement to Shares will lapse unless:

- (a) the Remuneration & Nomination Committee decide exceptional circumstances justify the reduction or waiver in whole or in part of the Performance Hurdles; or
- (b) an Accelerated Event occurs during the Performance Period.

There is no ability to re-test whether or not the Performance Hurdles have been satisfied after the Performance Period has ended.

The number of Performance Rights which vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return ("TSR") at the Performance Date relative to a comparator group of companies. The VWAP of the Shares in the one-month preceding the Performance Date compared to the VWAP of the Shares in the one month preceding the commencement of the Performance Period (which commences on 1 January 2016), will be used in calculating TSR over the three year Performance Period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.

In addition to the Performance Period and Performance Hurdles, the vesting of Performance Rights is subject to the continuing employment of Mr Kumova. Subject to an Accelerated Event, Performance Rights will generally lapse on Mr Kumova's resignation or dismissal.

If an Accelerated Event occurs, all Performance Rights granted will automatically vest into Shares, irrespective of whether Performance Hurdles have been achieved.

Conversion of Performance Rights into Shares

Under the LTI Plan, the Company is required to issue, or procure the transfer of, Shares to Mr Kumova in respect of Performance Rights for nil cash consideration on:

- (a) the satisfaction of the Performance Hurdles (to the extent of the satisfaction of those hurdles) for the relevant Performance Period provided that, in the absence of special circumstances, Mr Kumova remains employed by the Company; or
- (b) the occurrence of an Accelerated Event.

Accelerated Event

Performance Rights granted under the LTI Plan will convert to Shares if an Accelerated Event has occurred. For the avoidance of doubt, if an Accelerated Event occurs, the Performance Hurdles and the associated Performance Period do not apply to any of the Performance Rights granted under the LTI Plan to an Executive Officer.

Legal Requirements - Listing Rule 10.14

Listing Rule 10.14 provides that a company must not permit a Director or their associates to acquire securities under an employee incentive scheme without Shareholder approval. The LTI Plan constitutes an 'employee incentive scheme' under the ASX Listing Rules.

Disclosures for the purposes of Listing Rule 10.14

As Mr Kumova is a director of the Company, shareholder approval is required in respect of the proposed grant of Performance Rights to Mr Kumova (or his nominee), on the terms described above.

The following disclosures are made for the purposes of Listing Rule 10.15A:

- (a) subject to Shareholder approval, the maximum number of Performance Rights to be awarded is 66,654. Subject to the satisfaction of the vesting conditions described above, Mr Kumova (or his nominee) will receive one Share in the Company for each Performance Right granted;
- (b) the Performance Rights will be granted for nil cash consideration, and accordingly, no funds will be raised from the grant of the Performance Rights;
- (c) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Kumova;
- (d) details of any Performance Rights issued under the LTI Plan will be published in each annual report of the Company relating to a period in which the Performance Rights have been issued;
- (e) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the LTI Plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under Listing Rule 10.14;
- (f) all Directors (executive or non-executive) are entitled to participate in the Long Term Incentive Plan, but for the purposes of Resolution 5, at this time, the Company is only seeking to grant Performance Rights to Tolga Kumova (or his nominee). The other persons referred to in Listing Rule 10.14 who are entitled to participate in the LTI Plan are James Askew, Sam Riggall, Rhett Brans and Jose Caldeira, being current Directors; and
- (g) if Shareholder approval is obtained, the Performance Rights will be granted shortly after the Meeting, but in any event no later than 3 years after the Meeting.

Advantages and Disadvantages

The Board notes that advantages may accrue to the Company and members as a result of the passing of Resolution 5. These advantages potentially include the alignment of Mr Kumova's interests more closely with those of members, with a strong focus on the delivery of long term total shareholder return.

The Board notes that disadvantages may accrue to the Company and members as a result of the passing of Resolution 5. These disadvantages include dilution to members' interest in the Company as a result of the grant of Shares under the Performance Rights. The fair value of the Performance Rights over the Performance Periods will be expensed in the Company's Consolidated Statement of Comprehensive Income.

Termination Benefits

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous 3 years) a managerial or executive office with the

Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders.

Approval is therefore sought under sections 200B and 200E of the Corporations Act to allow for the Board to determine pro-rata vesting of the Director Options in the event of cessation of any of the respective engagements of Mr Kumova in certain 'good leaver' circumstances (which would otherwise be deemed, and treated as, a termination benefit). The Board would not exercise this discretion should Mr Kumova (as applicable) resign or be terminated for cause, in which event all unvested Performance Rights would immediately lapse.

Board Recommendation

The Board (Mr Kumova abstaining) recommends that Shareholders vote in favour of Resolution 5.

Resolution 6: Approval to Issue Shares to a Director – Mr Tolga Kumova (or his nominee)

Resolution 6 of this Notice provides for the issue of 142,745 Shares to be granted to Mr Tolga Kumova (or his nominee) on the terms described below.

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval prior to the issue of equity securities to a related party, other than under an employee incentive scheme. Mr Tolga Kumova is a related party of the Company by virtue of the fact that he is a Director.

The Director Shares are being issued as a bonus to Mr Tolga Kumova (or his nominee), in recognition of the significant milestones the Company has achieved during Mr Kumova's 15 months as Managing Director of the Company. As such, they are not being issued under the LTIP. For more information, refer to the Company's ASX release of 11 January 2016.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) subject to Shareholder approval, the maximum number of Director Shares be issued is 142,745;
- (b) if Shareholder approval is obtained, the Director Shares will be granted shortly after the Meeting, but in any event no later than 1 month after the Meeting;
- (c) the Director Shares to be issued are fully paid ordinary shares and will rank equally in all respects with the Company's existing shares on issue; and
- (d) the Director Shares will be granted for nil cash consideration, and accordingly, no funds will be raised from the grant of Director Options;

In the event that the Director Shares are issued pursuant to this Resolution 6, the issue of Shares will be equal to approximately 0.06% of the Company's fully-diluted share capital (based on the number of Shares on issue as at the date of the Notice).

Corporations Act - treatment of remuneration matters

Under Chapter 2E of the Corporations Act, a public company cannot give a 'financial benefit' to a 'related party' unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

In the current circumstances, the issue of the Director Shares would constitute a 'financial benefit' as defined in the Corporations Act. A related party of a listed company includes a director of the listed company, a spouse or de factor spouse of a director or any other person specified under section 228 of the Corporations Act to be a related party. As such, each Director constitutes a 'related party' of the Company for the purposes of the Corporations Act.

Accordingly, the proposed issue of the Director Shares to the Directors will constitute the provision of financial benefits to related parties of the Company.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act will occur where the financial benefit is given to the related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of the Director Options the subject of Resolution 4 to be reasonable remuneration:

- (a) for a company of the size and nature of the Company; and
- (b) which, given that the Company has other preferred use for its available cash, is an appropriate alternative for providing incentives to the Directors,

and as such, for those and other reasons falls within the exception set out in section 211 of the Corporations Act.

Board Recommendation

The Board (Mr Kumova abstaining) recommends that Shareholders vote in favour of Resolution 6.

Resolution 7: Increase in Aggregate Non-Executive Director Remuneration

Shareholder approval is sought to increase the maximum aggregate fees paid to non-executives of the Board by \$250,000, from \$750,000 to \$1,000,000 per annum. Shareholder approval is sought under rule 8.3(a) of the Constitution and Listing Rule 10.17. The current Maximum Fees Cap of \$750,000 was approved by Shareholders at the 2015 annual general meeting.

The Board considers it appropriate to increase the Maximum Fees Cap, to take account of:

- the Board actively seeking to appoint additional non-executive directors', to provide additional skills and expertise;
- the continuing increase in size and scale of operations of the Company;
- the need to enable incremental increases in non-executive director remuneration as required over time; and
- the need for appropriate succession planning.

It is imperative that the Company remains able in the future to attract and retain non-executive directors with the appropriate experience, expertise, skills and diversity to oversee the Company's business and strategic direction. An increased Maximum Fees Cap will assist to achieve this and will also provide the Company with sufficient flexibility to make appropriate appointments to the Board if suitable candidates are identified.

Shareholders should also note that, if the proposed new Maximum Fees Cap is approved, it will not necessarily represent the full sum paid to non-executive Directors each financial year. The Company will in future continue to set the actual level of remuneration of its non-executive Directors within the Maximum Fees Cap, having regard to independent external advice, market practice, Board performance and other appropriate factors.

The remuneration of each non-executive Director for the six month period ended 31 December 2015 is detailed in the Annual Report. No executive Director receives fees for their services as a Director.

As required by Listing Rule 10.17, the following is a list of all securities issued to the Company's non-executive Directors under Listing Rule 10.11 or 10.14 within the preceding three years:

- 250,000 unlisted options granted to Rhett Brans for nil cash consideration on 12 June 2013, exercisable at \$2.86 and expiring 12 June 2016;

- 400,000 unlisted options granted to Rhett Brans for nil cash consideration on 2 October 2014, exercisable at \$6.31 and expiring 2 October 2019;
- 400,000 unlisted options granted to Jose Manuel Caldeira for nil cash consideration on 2 October 2014, exercisable at \$6.31 and expiring 2 October 2019;
- 600,000 unlisted options granted to James Askew for nil cash consideration on 1 December 2015, exercisable at \$4.71 and expiring 1 December 2018; and
- 400,000 unlisted options granted to Sam Riggall for nil cash consideration on 1 December 2015, exercisable at \$4.71 and expiring 1 December 2018.

Board Recommendation

Given their interest in the outcome of this resolution, the Directors do not make any recommendation on how Shareholders vote in respect of Resolution 7.

Resolution 8 – Repeal and replacement of Constitution

This resolution seeks Shareholder approval to replace the Company's existing Constitution with the Replacement Constitution.

The Company's current constitution was adopted by the Company in May 2007. Since the adoption of the current Constitution, the Company has undergone considerable change and, in addition, material changes have been made to the Act, the Listing Rules and other regulatory requirements. There have also been a number of developments in corporate governance practices.

A review of the current Constitution has been conducted, as a result of which the Board believes that the Constitution should be brought up to date with the current provisions of the Act and the Listing Rules. In addition, the Board considers that numerous provisions in the current Constitution should be brought into line with corporate governance best practices and current market practice for ASX-listed companies.

Rather than make significant amendments to the current Constitution, the Board believes that it is preferable to repeal the current Constitution and adopt the Replacement Constitution.

The Replacement Constitution has been approved by the ASX and contains a number of changes to the Company's current constitution, many of which are administrative or relatively minor in nature. A brief overview of the material differences between the current constitution and the Replacement Constitution is set out in the table below. This overview is not exhaustive and does not identify all of the differences between the current constitution and the Replacement Constitution.

Prior to the Meeting, copies of the existing Constitution and Replacement Constitution will be available at www.syrahresources.com.au. A copy of the Replacement Constitution, signed by the Chairman for the purposes of identification, will also be tabled at the Meeting.

Overview of material differences between existing Constitution and Replacement Constitution

Change	Explanation of Change
Certificates and Holding Statements	Rule 2.2 of the Replacement Constitution contains obligations the Company must comply with under the Listing Rules and the ASX Settlement Operating Rules in relation to certificates and holding statements.
Preference shares	Rule 2.3 of the Replacement Constitution empowers the Company to issue preference shares. Under the Replacement Constitution, the rights and restrictions of preference shares are specified and include: (a) a right to payment of cumulative preferential dividend in priority to

	<p>the payment of a dividend on any other class of shares;</p> <p>(b) a right of priority to any other class of shares for the repayment of the amount paid on the preference share and to the amount of any dividend accrued but unpaid on the preference share in a winding up or reduction of capital and on redemption (in the case of a redeemable preference share);</p> <p>(c) no rights to participate in the profits or property of the Company unless otherwise specified; and</p> <p>(d) a right to attend general meetings and receive notice of a general meeting and reports and audited accounts.</p> <p>In addition, the Replacement Constitution specifies items that must be addressed by the Directors in relation to any preference shares that have a right of conversion to another class of security.</p>
Variation of class rights	<p>Under the terms of the existing Constitution, the only class of shares that can be issued by the Company are ordinary shares. Under rule 2.8 of the Replacement Constitution, wherever the capital of the Company is divided into different classes of shares, the rights attaching to any class of shares may be varied or cancelled:</p> <p>(a) with the consent in writing of the holders of not less than 75% of the issued shares included in that class; or</p> <p>(b) with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.</p> <p>In either case, in accordance with the Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.</p>
Transfer of shares	<p>The Replacement Constitution provides that the Company may decline to register a share transfer in a number of scenarios in addition to its current powers, including if the transfer would not be permitted under the terms of an employee incentive scheme or where the transfer is a paper based transfer and the transfer would result in a holding of less than a marketable parcel of shares.</p>
Proxy Forms and forms appointing an attorney	<p>Where a Shareholder has lodged an incomplete or unclear Proxy Form or form appointing an attorney prior to the cut-off time for receiving the form, rule 5.9 of the Replacement Constitution will enable the Company to, amongst other things:</p> <p>(a) seek clarification from the Shareholder about the instructions they have included on the form; and</p> <p>(b) in the Company's discretion, amend the form to reflect any clarification provided by the Shareholder.</p>
Technology	<p>The Replacement Constitution contains various rules relating to electronic communication. These rules are consistent with amendments to the Act designed to encourage the use of technology and current market practice for ASX listed companies.</p>
Dividends, reserves and provisions, and ancillary powers	<p>It is proposed to adopt the new rule 9 in the Replacement Constitution to provide further clarity around the payment of dividends and to enable the setting aside of reserves and provisions from any source permitted by law. The Board also has greater flexibility in relation to the payment of dividends and to give effect to authorised reductions of capital or any capitalisation of profits under rule 9.7.</p>
Dividend selection plan	<p>Under rule 9.6 of the Replacement Constitution, the Directors may establish a dividend selection plan on terms that they think fit under which participants may elect, in respect of all or part of their</p>

	<p>shareholdings, to receive a dividend paid from a particular fund, reserve or out of profits from a particular source or to forego a dividend in place of another form of distribution from the Company or another body corporate or trust. There is no provision relating to a dividend selection plan in the existing Constitution.</p>
<p>Unclaimed dividends</p>	<p>Rule 9.1 of the Replacement Constitution sets out a number of scenarios under which dividends will be considered to be unclaimed. An unclaimed dividend can be used for the Company's benefit until it is either claimed by the Shareholder (in which case it will be paid to the Shareholder) or reinvested for the Shareholder's benefit.</p> <p>Rules 9.1(q) and (r) of the Replacement Constitution allow the Directors to decide that dividends that have been unclaimed for at least 11 months (or such shorter time determined by the Directors) will be reinvested in Shares, after which the Shareholder will be deemed to have elected to fully participate in the Company's dividend reinvestment plan (if one is being offered at the time) until the Shareholder changes the election.</p>
<p>Proportional takeovers</p>	<p>The existing Constitution contains provisions dealing with proportional takeover bids for Syrah shares in accordance with the Act. The provisions are designed to assist Shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company.</p> <p>Under the Act, the provisions must be renewed every three years or they will cease to have effect. The proportional takeover provisions in the Constitution were last adopted by the Shareholders on 17 November 2015.</p> <p>If the proposed resolution is approved by Shareholders, the proportional takeover provisions will be in exactly the same terms as the existing provisions. In effect, the adoption of this resolution will extend the existing proportional takeovers to 26 May 2019.</p> <p>The Act requires that the following information be provided to Shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.</p> <p><i>Effect</i></p> <p>A proportional takeover bid is one where the offer made to each Shareholder is only for a proportion of that Shareholder's shares.</p> <p>If a proportional takeover bid is made, the directors must hold a meeting of the Shareholders of the class of shares being bid for to consider whether or not to approve the bid. A resolution approving the bid must be voted on before the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval (the bidder and its associates are not allowed to vote on the resolution). If no such resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.</p> <p>If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.</p> <p>If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Act and the Replacement Constitution. The proportional takeover provisions do not apply to full takeover bids.</p> <p><i>Reasons</i></p> <p>Without the proportional takeover approval provisions, a proportional takeover bid may enable control of the Company to pass without members having the opportunity to sell all their shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in</p>

the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their shares.

The proposed proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of any acquisition proposals

At the date of this Notice, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of proportional takeover provisions

The Act requires that Shareholders be given a statement which examines the advantages and disadvantages (for directors and members) of the proportional takeover provisions proposed to be renewed, and any historical examples of the application of those provisions to the Company.

While proportional takeover provisions have been in effect there have been no takeover bids for the Company, either proportional or otherwise. Accordingly, there are no actual examples against which to review the advantages or disadvantages of the existing proportional takeover provisions (that is clause 6 of the existing Constitution) for the directors and members of the Company. The Directors are not aware of any potential takeover bid that was discouraged by clause 6.

Potential advantages and disadvantages

As well as a retrospective review of the provisions proposed to be renewed, the Act requires that Shareholders be given a statement of the potential future advantages and disadvantages of the provisions.

The directors of the Company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed proportional takeover provisions for members are:

- (a) they give Shareholders their say in determining whether a proportional takeover bid should proceed;
- (b) they may assist Shareholders in not being locked in as a relatively powerless minority;
- (c) they increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced; and
- (d) knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some of the potential disadvantages to members of the Company are:

- (a) it is a hurdle and may discourage the making of proportional takeover bids in respect of the Company;
- (b) this hurdle may depress the share price or deny Shareholders an opportunity of selling their shares at a premium; and
- (c) it may reduce the likelihood of a proportional takeover bid being

	<p>successful.</p> <p>However, the directors of the Company do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions for an additional six months.</p>
Terminology and other updates	It is proposed to correct outdated terminology (e.g. 'ASTC Settlement Rules' and the 'Australian Stock Exchange') and typographical errors.

Voting

Resolution 8 is a Special Resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, by Shareholders who are entitled to vote on the Resolution, are voted in favour.

Board Recommendation

The Board considers that adopting the Replacement Constitution is in the best interests of the Company. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 8.

PROXY AND VOTING INSTRUCTIONS

1. Certain categories of persons (including Directors and the Chairman) are prohibited from voting on resolutions relating to the remuneration of Key Management Personnel, including as a proxy, in some circumstances. If you are appointing a proxy, to ensure that your vote counts, please read the instructions on the Proxy Form carefully.
2. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00pm (AEST) on 24 May 2016 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
3. The details of the Resolutions contained in the Explanatory Memorandum accompanying this Notice should be read together with, and form part of, this Notice.
4. On a poll, ordinary Shareholders have one vote for every Share held.
5. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
6. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the Proxy Form:
 - the full name of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate to attend the Meeting.
7. Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction on how to vote will be voted by the Chairman in favour of each of the Resolutions proposed in this Notice. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
8. Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolutions 1, 4, 5, 6 and 7 unless you direct them how to vote. This does not apply to the Chairman, who is able to vote undirected proxies. If you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on Resolution 1, 4, 5, 6 and 7 by marking either "For", "Against" or "Abstain" on the Proxy Form. If you intend to appoint the Chairman as your proxy, you can direct him to vote by marking either "For", "Against" or "Abstain" on the box for Resolution 1, 4, 5, 6 and 7 on the Proxy Form, or by marking the Chairman's box on the Proxy Form (in which case the Chairman will vote in favour of these items of business and all other Resolutions included in the Notice).
9. Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
10. A Proxy Form is attached. If required it should be completed, signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned to Computershare Investor Services Limited in accordance with the instructions set out in the Proxy Form by no later than 11.00 am (AEST) on Tuesday, 24 May 2016. You may lodge your proxy form:
 - electronically via www.investorvote.com.au;
 - by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnson Street, Abbotsford, Victoria 3067;
 - by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001; or
 - by fax to 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia).

GLOSSARY

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

“\$” means Australian Dollars;

“**Accelerated Event**” means:

- (a) the Company becoming aware of a change of control of the Company occurring;
- (b) a compromise or arrangement is approved by a court under the Corporations Act in connection with a scheme for the acquisition, reorganisation or merger of the Company;
- (c) the Company is delisted from the ASX;
- (d) a resolution is passed to wind up the Company; or
- (e) only in respect of the relevant Executive Officer, the occurrence of a Special Circumstance.

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect of the period ended 31 December 2015;

“**ASIC**” means the Australian Securities and Investments Commission;

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

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

“**Auditor’s Report**” means the auditor’s report on the Financial Report, in respect of the period ended 31 December 2015;

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

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

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

“**Closely Related Party**” has the meaning given in section 9 of the Corporations Act;

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

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

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

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

“**Director Options**” means options to acquire Shares (on a one for one basis), proposed to be granted on the terms and conditions set out in Resolution 4;

“**Director Shares**” means the Shares proposed to be granted under Resolution 6;

“**Directors’ Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the period ended 31 December 2015;

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

“Financial Report” means the financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the period ended 31 December 2015;

“Group” means the Company and its subsidiaries;

“Key Management Personnel” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

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

“LTI Plan” means the long term incentive plan governed under the *Syrah Resources Limited – Long Term Incentive Plan Rules*;

“Maximum Fees Cap” means the maximum aggregate annual Directors’ fees payable to non-executive Directors;

“Meeting” has the meaning given in the introductory paragraph of the Notice;

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

“Performance Date” means the final day of the Performance Period;

“Performance Hurdles” has the meaning given to it in the Explanatory Memorandum;

“Performance Period” means the period under which the Performance Hurdle is assessed in relation to the Performance Rights, being 3 years from the date of grant of the Performance Rights;

“Performance Rights” means options to acquire Shares (on a one for one basis), proposed to be granted on the terms and conditions set out in Resolution 5;

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

“Remuneration and Nomination Committee” means the Remuneration and Nomination Committee of the Company;

“Remuneration Report” means the remuneration report, which forms part of the Directors’ Report and which is set out in the Annual Report;

“Replacement Constitution” means the constitution in the form of the document entitled “Constitution of Syrah Resources Limited” tabled at this Meeting and proposed to be adopted by the Company as its new constitution in accordance with Resolution 8 of the Notice;

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

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

“Shareholder” means shareholder of the Company;

“Special Circumstance” means, with respect to an Executive Officer:

- (a) total and permanent disablement;
- (b) redundancy;
- (c) the death of the Executive Officer during his or her employment or office with the Company;
or
- (d) any other circumstance as the Remuneration & Nomination Committee may determine from time to time; and

“VWAP” means the volume weighted average price of the shares in the Company.



SYRAH
RESOURCES

ABN 77 125 242 284

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

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

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

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

SYR

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



Proxy Form

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Vote and view the annual report online

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



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

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

For your vote to be effective it must be received by 11:00am (AEST) on Tuesday 24 May 2016

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

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

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

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

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

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



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Syrah Resources Limited to be held at Novotel Melbourne on Collins, Australia Room 3 and 4, 270 Collins Street, Melbourne, Victoria, 3000 on Thursday 26 May 2016 at 11:00am (AEST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 4, 5, 6 and 7 (except where I/we have indicated a different voting intention below) even though Items 1, 4, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 4, 5, 6 and 7 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

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

ORDINARY RESOLUTIONS

	For	Against	Abstain
Item 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Mr Sam Riggall as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Mr James Askew as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Approval to Issue Director Options to Mr Tolga Kumova (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval to Grant Performance Rights to Mr Tolga Kumova (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Approval to Issue Shares to a Director – Mr Tolga Kumova (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 7 Increase in Aggregate Non-Executive Director Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL RESOLUTION

Item 8 Repeal and replacement of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

SYR

2 1 2 5 6 1 A

Computershare +