



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
10.00am (AEST) on Friday, 19 May 2017*

at

*RACV Club
Level 2, Bourke Rooms 1 & 2
501 Bourke 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 28, 360 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 RACV Club, Level 2, Bourke Rooms 1 & 2, 501 Bourke Street, Melbourne, Victoria, 3000 on Friday 19 May 2017 at 10.00am (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 year ended 31 December 2016.

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 a non-binding 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 year ended 31 December 2016 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 even if the resolution is connected directly or indirectly with the remuneration of the KMP.*

Resolution 2: Re-election of Mr Rhett Brans as a Director of the Company

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

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

Resolution 3: Election of Mr Shaun Verner as a Director of the Company

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

"That Mr Shaun Verner, having been appointed to the Board since the last annual general meeting of the Company, retires as a Director in accordance with the Constitution and having consented and being eligible for election, be elected as a Director."

Resolution 4: Election of Dr Christina Lampe-Onnerud as a Director of the Company

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

"That Dr Christina Lampe-Onnerud, having been appointed to the Board since the last annual general meeting of the Company, retires as a Director in accordance with the Constitution and having consented and being eligible for election, be elected as a Director."

Resolution 5: Ratification of Prior Issue of Shares

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders approve, ratify and confirm the allotment and issue of 32,000,000 Shares on 23 June 2016, made by way of placement to institutional and sophisticated investors, as described in the Explanatory Statement."

<p>Voting Exclusion</p> <p>The Company will disregard any votes cast on Resolution 5 by:</p> <ul style="list-style-type: none"> (a) any person who participated in the issue; and (b) any associates of those persons. <p>However, the Company need not disregard a vote on this Resolution 5 if:</p> <ul style="list-style-type: none"> (c) it is cast by a person as 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, in accordance with a direction on the Proxy Form to vote as the proxy decides.
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Resolution 6: Approval to issue Director Options to Mr Shaun Verner (or his nominee)

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

"That, for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval be given to the issue of 1,000,000 Director Options to Mr Shaun Verner, a Director, or his nominee, under the LTI Plan and otherwise as described in the Explanatory Statement."

Voting Exclusion

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

- (a) by 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) as a proxy by 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 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 the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

Resolution 7: Approval to grant Performance Rights to Mr Shaun Verner (or his nominee)

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

“That for the purposes of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, approval be given to grant 121,773 Performance Rights (being a right to acquire up to 121,773 Shares subject to satisfaction of relevant performance conditions) for no cash consideration to Mr Shaun Verner, a Director, or his nominee, under the LTI Plan and otherwise as described in the Explanatory Statement.”

Voting Exclusion

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

- (a) by 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) as a proxy by 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 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 the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

Resolution 8: Approval to Issue Shares to a Director – Mr James Askew (or his nominee)

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

“That for the purposes of Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue 60,790 fully paid ordinary shares to Mr James Askew, 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 8:

- (a) by Mr James Askew and any associate of him; or*
- (b) as a proxy by 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 8 if:

- (c) it is cast 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 the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.*

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: 11 April 2017

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 year ended 31 December 2016. The Remuneration Report is set out on pages 16 to 31 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 Rhett Brans as a Director of the Company

The Constitution requires that at every annual general meeting one-third of the Directors (rounded down, if necessary) shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Brans has been a Non-Executive Director since June 2013 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 Brans to be an independent Director.

Mr Brans qualified as a civil engineer in 1974 at what is now known as Monash University, and completed an advanced management program at the University of Melbourne in 1991. Mr. Brans has over 40 years of experience in the design and construction of mineral treatment facilities. His experience extends across the full spectrum of development activities, ranging from mining feasibility studies through to commissioning operations. He has also managed the development of several gold and base metal projects. Mr Brans was an Executive Director of Perseus Mining Limited and in that role was responsible for their project developments. The other Directors consider Mr Brans' skills and expertise to be highly valuable to the Board.

Board recommendation

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

Resolution 3: Election of Mr Shaun Verner as a Director of the Company

Mr Verner was appointed as a Managing Director and Chief Executive Officer on 3 February 2017. In accordance with the Constitution, Mr Verner holds office until the conclusion of the next annual general meeting. Mr Verner, being eligible for election, offers himself for re-election as a Director.

Mr Verner joined the Company in October 2016 as Executive General Manager - Sales and Marketing. Prior to joining Syrah, Mr Verner was at BHP Billiton for 20 years in a variety of executive roles, with extensive international commercial and operational experience across a range of commodities including copper and base metals, uranium and thermal and metallurgical coal. Mr Verner is a proven senior executive with extensive general management and cross-functional commercial, operations, supply chain, and leadership experience.

The Board (with Mr Verner abstaining) recommend that Shareholders vote in favour of Resolution 3.

Resolution 4: Election of Dr Christina Lampe-Onnerud as a Director of the Company

Dr Lampe-Onnerud was appointed as a Non-Executive Director on 24 May 2016. In accordance with the Constitution, Dr Lampe-Onnerud holds office until the conclusion of the next annual general meeting. Dr Lampe-Onnerud, being eligible for election, offers herself for re-election as a Director.

Dr. Lampe-Onnerud is a USA-based expert in battery system innovation and design, with 20 years of experience in the research and development and commercialization of lithium-ion battery technologies for consumer electronics, electric automotive and energy storage applications. Among her accomplishments, Dr. Lampe-Onnerud founded Boston-Power Inc., a developer of high-energy, cost-effective, longer lasting and safer battery "building blocks" that could be deployed into the portable electronics, transportation and utility energy storage markets. Most recently, Dr. Lampe-Onnerud serves as Chairman and Chief Executive Officer of Cadenza Innovation LLC, an early stage company she founded to developed high-performance, low cost battery technologies. In that role, she oversees a global patent portfolio while leading partnerships with major global electric drive and energy storage suppliers.

Board recommendation

The Board (with Dr Lampe-Onnerud abstaining) recommend that Shareholders vote in favour of Resolution 4.

Resolution 5: Ratification of Prior Issue of Shares

On 20 June 2016, the Company announced that it had received commitments from professional and institutional investors for the placement of 32,000,000 new Shares, at an issue price of \$6.05 per Share, to raise approximately \$194 million before costs.

The Company is seeking Shareholder approval to ratify the issue of 32,000,000 Shares to professional and sophisticated investors. The 32,000,000 fully paid ordinary shares were issued under the Company's 15% placement capacity pursuant to Listing Rule 7.1.

Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12-month period if Shareholders ratify the previous issue of securities.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- (a) the total number of Shares in the Company that were issued is 32,000,000;
- (b) the Shares were issued at a price of \$6.05 per Share;
- (c) the Shares allotted and issued are fully paid ordinary shares and will rank equally in all respects with the Company's existing shares on issue;
- (d) the Shares were allotted and issued to a mix of sophisticated and institutional investors;
- (e) the funds raised from the issue of Shares will be used to complete the development of the Balama Project (including working capital requirements) and to provide balance sheet flexibility and allow the Company to accelerate its spherical graphite strategy.

Board Recommendation

The Board unanimously recommends that the Shareholders vote in favour of Resolution 5.

Resolutions 6 and 7: Background

Mr Shaun Verner was appointed as Managing Director and Chief Executive Officer of the Company on 3 February 2017. As announced to the ASX by the Company, effective 3 February 2017 his remuneration package comprises:

- an annual total fixed remuneration (inclusive of statutory superannuation) of \$492,750 per annum;
- 1,000,000 Director Options in the Company, subject to Shareholder approval (on the terms described in Resolution 6 below); and
- an annual entitlement to receive Performance Rights under the LTI Plan having a value of up to 75% of Mr Verner's annual total fixed remuneration, subject to Shareholder approval (on the terms described in Resolution 7 below).

Resolutions 6 and 7 relate to the issue of Director Options and Performance Rights to Mr Verner under 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 Board considers the implementation of the LTI Plan to be 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.

The Remuneration and Nomination Committee and the Board have approved the grant of the Director Options and Performance Rights to Mr Verner 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.

In addition, it is noted that Mr Verner currently holds interests in the securities of the Company indirectly of 5,500 Shares. Mr Verner also holds 600,000 unlisted options, which will be cancelled and replaced with 1,000,000 unlisted options, subject to the approval of Resolution 6.

Resolution 6: Approval to issue Director Options to Mr Shaun Verner (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 Verner is a Director of the Company and he (or his nominee) is the proposed recipient of Director Options under the LTI Plan and in accordance with this Resolution 6.

In accordance with the LTI Plan, Director Options are proposed to be granted to Mr Verner (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 Verner (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 Verner;
- (d) at the 2016 annual general meeting, Shareholders approved grants of securities to Mr Tolga Kumova under the LTI Plan. In accordance with those approvals, Mr Kumova was granted the following securities:
 - 1,000,000 options, which were issued for nil consideration and could be exercised at a price of \$4.58 per option;
 - 66,254 performance rights, which were acquired for nil consideration and could be exercised for nil cash consideration. The vesting conditions attached to those performance rights were described in Syrah's 2016 notice of annual general meeting;
- (e) all Directors (executive or non-executive) are entitled to participate in the LTI Plan, but for the purposes of Resolution 6, the Company is only seeking to grant Director Options to Mr Verner (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, Jose Caldeira and Christina Lampe-Onnerud, 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 Verner (or his nominee) to subscribe for and be issued one Share in the Company at an exercise price of \$4.33 per Director Option. This exercise price was set at a 30% premium to the VWAP of Shares over the 20 days prior to execution of Mr Verner's Executive Services Agreement dated 2 February 2017.

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 6 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 Verner; and
- (b) align the interests of Mr Verner with the growth and success of the Company.

The potential disadvantage of the Shareholders approving Resolution 6 includes dilution of Shareholder interests if the Director Options are exercised at some future time.

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 Verner 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 Verner (as applicable) resign or be terminated for cause, in which event all unvested Director Options would immediately lapse.

Board Recommendation

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

Resolution 7: Approval to Grant Performance Rights to Mr Shaun Verner (or his nominee)

Resolution 7 of this Notice provides for 121,773 Performance Rights to be granted to Mr Verner (or his nominee) on the terms described below and in accordance with the LTI Plan.

In accordance with the LTI Plan, Performance Rights are proposed to be granted to Mr Verner (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 Verner (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.

Approval is being sought in Resolution 7 in respect of the proposed grant of Performance Rights to Mr Verner (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 121,773 Performance Rights will be granted to Mr Verner (or his nominee), subject to Shareholder approval. In the event that the Performance Rights issued pursuant to Resolution 7 vest, the issue of Shares will be equal to approximately 0.04% 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;
- 0% 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 2017), 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 Verner. Subject to an Accelerated Event, Performance Rights will generally lapse on Mr Verner'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 Verner 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 Verner 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 - ASX Listing Rule 10.14

ASX 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 Listing Rules.

Disclosures for the purposes of ASX Listing Rule 10.14

As Mr Verner is a director of the Company, Shareholder approval is required in respect of the proposed grant of Performance Rights to Mr Verner (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 121,773. Subject to the satisfaction of the vesting conditions described above, Mr Verner (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 Verner;
- (d) at the 2016 annual general meeting, Shareholders approved grants of securities to Mr Tolga Kumova under the LTI Plan. In accordance with those approvals, Mr Kumova was granted the following securities:
 - 1,000,000 options, which were issued for nil consideration and could be exercised at a price of \$4.58 per option; and
 - 66,254 performance rights, which were acquired for nil consideration and could be exercised for nil cash consideration. The vesting conditions attached to those performance rights were described in Syrah's 2016 notice of annual general meeting;
- (e) all Directors (executive or non-executive) are entitled to participate in the LTI Plan, but for the purposes of Resolution 7, the Company is only seeking to grant Performance Rights to Mr Verner (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, Jose Caldeira and Christina Lampe-Onnerud, being current Directors;
- (f) 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;
- (g) any additional persons referred to in Listing Rule 10.14 who become entitled to participate in the LTI Plan after this Resolution is approved and who were not named in this Notice will not

participate until approval is obtained under Listing Rule 10.14; and

- (h) 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 7. These advantages potentially include the alignment of Mr Verner'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 7. 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 Verner 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 Verner (as applicable) resign or be terminated for cause, in which event all unvested Performance Rights would immediately lapse.

Board Recommendation

The Board (Mr Verner abstaining) recommends that Shareholders vote in favour of Resolution 7.

Resolution 8: Approval to Issue Shares to a Director – Mr James Askew (or his nominee)

Resolution 8 of this Notice provides for the issue of 60,790 Shares to be granted to Mr Askew (or his nominee) on the terms described below.

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 Askew is a related party of the Company by virtue of the fact that he is a Director.

The Director Shares are being issued to Mr Askew (or his nominee) as a one-off issue, in recognition of Mr Askew assuming the role of interim Executive Chairman and undertaking these executive responsibilities until a permanent replacement Managing Director and Chief Executive Officer was appointed to the Company, for the period from 5 October 2016 to 3 February 2017. As such, they are not being issued under the LTI Plan. For more information, refer to the Company's ASX release of 15 February 2017.

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

- (a) subject to Shareholder approval, the maximum number of Director Shares be issued is 60,790;
- (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 Shares.

In the event that the Director Shares are issued pursuant to this Resolution 8, the issue of Shares will be equal to approximately 0.02% of the Company's fully-diluted share capital (based on the number of Shares on issue as at the date of the Notice). In the event the Company does not receive shareholder approval pursuant to this Resolution 8, the amount payable to Mr Askew (being A\$200,000) will be paid in cash.

Board Recommendation

The Board (Mr Askew abstaining) recommends that Shareholders vote in favour of 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 17 May 2017 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, 6, 7 and 8 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, 6, 7 and 8 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, 6, 7 and 8 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 Pty Limited in accordance with the instructions set out in the Proxy Form by no later than 10.00am (AEST) on 17 May 2017. You may lodge your proxy form:
 - electronically via www.investorvote.com.au; for intermediary online subscribers only (custodians) – please visit www.intermediaryonline.com
 - by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria 3067;
 - by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001; or
 - by fax to 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia).

GLOSSARY

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

“\$” means Australian Dollars;

“**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 year ended 31 December 2016;

“**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 year ended 31 December 2016;

“**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 6;

“**Director Shares**” means the Shares proposed to be granted under Resolution 8;

“**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 year ended 31 December 2016;

“**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 year ended 31 December 2016;

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

“**KMP or 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;

“**NED**” means each of the non-executive Directors of the Company.

“**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 7;

“**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;

“**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

XX



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 10:00am (AEST) Wednesday 17 May 2017

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 the RACV Club, Level 2, Bourke Rooms 1 & 2, 501 Bourke Street, Melbourne, Victoria 3000 on Friday, 19 May 2017 at 10.00am (AEST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6, 7 and 8 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 Resolutions 1, 6, 7 and 8 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.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Rhett Brans as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Mr Shaun Verner as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Dr Christina Lampe-Onnerud as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Director Options to Mr Shaun Verner (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to grant Performance Rights to Mr Shuan Verner (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Shares to a Director - Mr James Askew (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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Computershare +