



# **Notice of Annual General Meeting and Explanatory Statement**

*The Annual General Meeting of*

## ***SYRAH RESOURCES LIMITED***

*ABN 77 125 242 284*

*Will be held at  
2.00pm (AEDST) on Tuesday, 19 November 2013*

*At*

*The Club Pavilion, RACV City Club  
Level 2, 501 Bourke Street, Melbourne, VIC, 3000*

This Notice of Annual General Meeting and Explanatory Statement 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

ABN 77 125 242 284

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 Club Pavilion, RACV City Club, Level 2, 501 Bourke Street, Melbourne VIC 3000 on Tuesday, 19 November 2013 at 2.00pm (AEDST).

### AGENDA

The Explanatory Statement 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 Statement and the proxy form in their entirety.

### 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 (including the Remuneration Report) and auditors for the year ended 30 June 2013.

*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, to pass the following resolution as an ordinary resolution:

*"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' report) for the financial year ended 30 June 2013 be adopted."*

#### **Voting Exclusion**

*A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:*

- (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 above may cast a vote on Resolution 1 as proxy if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:*

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or*
- (b) the person is the Chairman and the appointment of the Chairman as proxy:
  - i. does not specify the way the proxy is to vote on Resolution 1; and*
  - ii. expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of the Key Management Personnel.**

*Notes: Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties for the purposes of Resolution 1 (excluding the Chairman) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1. By marking the Chairman's box on the proxy form you acknowledge that the Chairman of the meeting will vote in favour of this item of business as your proxy. The Chairman will vote undirected proxies in favour of Resolution 1.*

## **Resolution 2: Election of Mr Tolga Kumova as a Director of the Company**

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

*"That Mr Tolga Kumova, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."*

Notes: The non-candidate directors unanimously support the election of Mr Tolga Kumova. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Tolga Kumova's election.

## **Resolution 3: 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, having been appointed to the Board of Directors during the year, retires as a director in accordance with the Constitution of the Company and being eligible for election, be elected as a director of the Company."*

Notes: The non-candidate directors unanimously support the election of Mr Rhett Brans. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Rhett Brans' election.

## **Resolution 4: Ratification of Prior Grant of Options**

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

*"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 21 March 2013 of 1,000,000 unlisted Options in the Company as described in the Explanatory Memorandum."*

### **Voting Exclusion**

*The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.*

*However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

## **Resolution 5: Ratification of Prior Grant of Options**

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

*"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 12 June 2013 of 250,000 unlisted Options in the Company as described in the Explanatory Memorandum."*

### **Voting Exclusion**

*The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.*

*However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

**Resolution 6: Approval of Issue of Securities under Employee Share Option Plan**

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

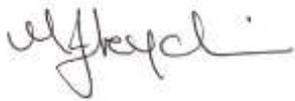
*"That for the purposes of ASX Listing Rule 7.2 exception 9(b), and for all other purposes, approval is given for the establishment of the Syrah Resources Ltd Employee Share Option Plan and the issue of securities under that Plan on the terms and conditions as described in the Explanatory Memorandum."*

**Voting Exclusion**

*The Company will disregard any votes cast on this resolution by the directors (other than a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those persons.*

*However the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

By order of the Board



**Melanie Leydin**  
**Company Secretary**

Dated: 18 October 2013

# SYRAH RESOURCES LIMITED

ABN 77 125 242 284

## EXPLANATORY MEMORANDUM

### Receipt and consideration of Accounts & Reports

A copy of the Annual Report for the financial year ending 30 June 2013 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and of the auditors) 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](http://www.syrahresources.com.au) or via the Companies 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

The Corporations Act requires that at a listed Company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, section 250R(3) of the *Corporations Act 2001* expressly provides that the vote on such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company (described as "**Key Management Personnel**"). The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2013.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Pursuant to the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* which amended the Corporations Act from 1 July 2011, if 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings (effectively, "two strikes"), shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director and CEO) must go up for re-election. The spill resolution requirements will only be triggered where both strikes occur after 1 July 2013. On this basis, while votes on the Remuneration Report at this Annual General Meeting will be counted towards the two strikes, the first spill resolution can only potentially occur following the Company's 2013 Annual General Meeting.

Also, the *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* has introduced new prohibitions on key management personnel ("KMP") and their closely related parties from voting or voting undirected proxies on, amongst other things, remuneration matters. Accordingly, any undirected proxies held by Directors or by other Key Management Personnel or their closely related parties for the purposes of Resolution 1 will not be voted on Resolution 1. This prohibition does not apply the Chairman of the meeting who may vote directed and undirected proxies in favour of the resolution, providing that the shareholder expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP for the relevant entity.

The Company encourages all Shareholders to cast their votes in relation to Resolution 1 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form. The Chairman of the meeting will vote undirected proxies in favour of Resolution 1.

## **Resolution 2: Election of Mr Tolga Kumova as a Director of the Company**

Mr Tolga Kumova was appointed as an executive director on 15 May 2013 as a casual vacancy and is eligible for election.

Mr Kumova is one of the founding shareholders of Jacana Resources Ltd, which held the Balama Graphite and other projects subsequently vended into Syrah in late 2011. Mr Kumova has 15 years of experience in financial markets, corporate advisory and stockbroking. He has been successful in supporting unlisted mining focused entities and listed entities by providing capital and corporate advisory services. Mr Kumova assists with the corporate strategy of the Company and overseeing investor relations, product marketing and other day to day activities.

## **Resolution 3: Election of Mr Rhett Brans as a Director of the Company**

Mr Rhett Brans was appointed as a non-executive director on 12 June 2013 as a casual vacancy and is eligible for election.

Mr. Rhett 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 30 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 is an Executive Director of Perseus Mining Limited and is responsible for Perseus's project development and operating activities.

## **Resolution 4: Ratification of Prior Grant of Options**

This resolution is to ratify and approve the prior grant on 21 March 2013 of 1,000,000 unlisted options in the Company being exercisable at \$3.87, vesting on 21 September 2013 and expiring on 21 March 2015 to Tah Nean Chan, the Company's General Manager Balama Development.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any twelve (12) month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

ASX 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 twelve (12) month period if shareholders ratify the previous issue of securities.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The number of unlisted options granted was 1,000,000.
- (b) The unlisted options were issued for nil consideration.
- (c) The unlisted options form a new class of securities.
- (d) The options were granted to Tah Nean Chan, the Company's General Manager Balama Development.
- (e) No funds were received from the grant of the options. Any future funds received from the subsequent exercise of the options into fully paid ordinary shares will be applied to the development of the Balama Graphite and Vanadium Project.

The terms and conditions of the unlisted options are similar to options issued to directors and employees of the Company. A summary is included as Annexure A.

## **Resolution 5: Ratification of Prior Grant of Options**

This resolution is to ratify and approve the prior grant on 12 June 2013 of 250,000 unlisted options in the Company being exercisable at \$2.90, vesting on 12 June 2014 and expiring on 12 June 2016 to Rhett Brans, a Non-executive Director of the Company upon his appointment.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any twelve (12) month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

ASX 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 twelve (12) month period if shareholders ratify the previous issue of securities.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The number of unlisted options granted was 250,000.
- (b) The unlisted options were issued for nil consideration.
- (c) The unlisted options form a new class of securities.
- (d) The options were granted to Rhett Brans, a Non-executive Director of the Company.
- (e) No funds were received from the grant of the options. Any future funds received from the subsequent exercise of the options into fully paid ordinary shares will be applied to the development of the Balama Graphite and Vanadium Project.

Apart from the grant date, vesting date, expiry date and exercise price, the terms and conditions of the unlisted options are similar to options issued in Resolution 4. A summary is included as Annexure A.

## **Resolution 6: Approval of Issue of Securities under Employee Share Option Plan**

The Company's Directors believe an Employee Share Option Plan ("ESOP") will form an important part of a comprehensive remuneration strategy for the Company's employees, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company and its financial performance.

ASX Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue without prior shareholder approval. In general terms this limit is no more than 15% of the number of fully paid ordinary shares on issue.

ASX Listing Rule 7.2 exception 9 provides that an issue of securities made under an employee incentive scheme (such as the ESOP) is not counted for the purposes of ASX Listing Rule 7.1 provided that certain conditions have been met. One of these conditions is that members have, within the last three years, approved the issue of securities under the scheme as an exception to ASX Listing rule 7.1. Such shareholder approval is sought by Resolution 6.

For the purpose of approval pursuant to exception 9(b) to Listing Rule 7.2 a summary of the terms of the ESOP is set out as follows:

- The total number of options that may be offered under the Employee Share Option Plan is limited with reference to the ASIC Class Order applicable to Employee Share Incentive Schemes.
- In making its decision to issue options the Board may decide which employee or Director is eligible to receive the options, the number of options and the conditions which are to apply in respect of the options.
- If at any time prior to the last date options are exercisable, a participant ceases to be employed by the Company for any reason, all such options held by the participant, may be exercised within the 3 month period following the date of cessation of appointment or employment, and if not exercised in that period the options shall lapse.
- If, in the opinion of the Board, a participant has acted fraudulently or dishonestly, the Board may determine that any option granted to that participant should lapse, and the option will lapse accordingly.

- An option is capable of being transferred by a participant, by the participant giving notice in writing to the Board.
- Despite any unfulfilled vesting or performance conditions options will be exercisable in the event of a change of control of the Company.
- There are no participating rights or entitlements inherent in the options and option holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, as required by the Listing Rules, the Company will send a notice to each holder of options prior to any record date and option holders will only be able to participate in a new issue if they have exercised their options prior to the record date for the new issue.
- In the event of any reorganisation of the issued capital of the Company on or prior to the expiry of the options, the rights of an option holder will be changed to the extent necessary to comply with the applicable Listing Rules in force at the time of the reorganisation.

At the date of this Notice of Meeting, no Options will have been issued under the proposed ESOP.

# ANNEXURE A

## Option terms

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### Entitlement to ordinary Shares

1. Subject to any adjustments referred to below, the Option Holder is entitled on payment of the Exercise Price to one fully paid ordinary Share in the capital of Syrah Resources Limited for each Option exercised.

### Exercise period

2. The Options are exercisable during the "Exercise Period", being the period commencing from 21 September 2013 to 21 March 2015. The Options expire on 21 March 2015.
3. The options have a vesting period of 6 months from the date of issue, (date of issue being 21 March 2013)

### Exercise price

4. The exercise price of the options are \$3.87 (3 dollars and 87 cents)

### Exercise of Options

5. The Options are exercisable at any time during the Exercise Period by the Option Holder completing and signing the Option Exercise Notice (in a form agreed by the Company), and lodging the Option Exercise Notice together with a bank cheque for the total Exercise Price for the number of Options exercised, with the Company.

### Shares issued on exercise of Options

6. The Company will issue fully paid ordinary Shares pursuant to the exercise of Options within 15 Business Days after receiving a validly executed Option Exercise Notice and the Exercise Price payable in respect of the Options exercised.
7. Shares issued on exercise of the Options will rank equally in all respects with all other fully paid ordinary shares of the Company on issue at the date of issue.
8. If shares of the Company are listed for quotation on the Australian Securities Exchange ("**ASX**") at the time of exercise of the Options, the Company will apply for official quotation on the ASX of any shares issued on exercise of the Options within a reasonable time after the shares are allotted, and in accordance with the ASX Listing Rules.

### New issues of securities

9. An Option Holder will not be entitled to participate in a new issue of shares or other securities made by the Company to holders of its issued shares unless the Options are exercised before the record date for determining entitlements to the issue.
10. If shares in the Company are listed for quotation on the ASX and there is a pro rata issue (except a bonus issue) to the holders of such shares, the Exercise Price will be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

O' = the new Exercise Price of the Option.

O = the old Exercise Price of the Option.

E = the number of shares in the Company into which one Option is exercisable.

- P = the average market price per share (weighted by reference to volume) of the shares during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.
- S = the subscription price for the share under the pro rata issue.
- D = the dividend due but not yet paid on the existing shares in the Company (except those to be issued under the pro rata issue).
- N = the number of shares in the Company with rights or entitlements that must be held to receive a right to one new share.

11. If the Company makes a pro rata bonus issue of shares to its Shareholders prior to a Option being exercised, and the Option is not exercised prior to the record date for the issue, the Option will, when exercised, entitle the holder to one share in the Company plus the number of bonus shares which would have been issued to the holder if the Option had been exercised prior to the record date.
12. Subject to clauses 6 and 7 of these Terms and Conditions, the Exercise Price and the number of shares over which an Option can be exercised, cannot be amended.

### **Capital reorganisations**

13. If there is a reorganisation of the capital of the Company, the number of Options and/or the Exercise Price of the Options will be correspondingly reorganised in a manner, which is permissible under, or necessary to comply, with the ASX Listing Rules in force at the relevant time.
14. Subject to the above paragraph, if there is a reorganisation of the capital of the Company, the number of Options and/or Exercise Price will be reorganised as follows:
- (a) Sub-division or consolidation
 

If the Company subdivides or consolidates its shares, the Options will be subdivided or consolidated (as the case may be) in the same ratio as such consolidated shares and the Exercise Price will be amended in inverse proportion to that ratio.
  - (b) Return of capital
 

If the Company returns capital on its shares, the number of Options will remain the same, and the Exercise Price of each Option will be reduced by the same amount as the amount returned in relation to each share on which a return of capital is effected.
  - (c) Cancellation of capital that is lost
 

If the Company returns capital on its shares by a cancellation of capital that is lost or not represented by available assets, the number of Options and the Exercise Price is unaltered.
  - (d) Pro rata cancellation of capital
 

If the Company reduces its issued shares on a pro rata basis, the number of Options will be reduced in the same ratio as such shares on which the cancellation of capital is effected and the Exercise Price will be amended in inverse proportion to that ratio.
  - (e) General reorganisation
 

If the Company reorganises its issued shares in any way not otherwise contemplated by the preceding paragraphs, the number of Options or the Exercise Price, or both, will be reorganised so that the Option Holder will not receive a benefit that holders of shares in the Company do not receive.

(f) Notice of adjustment

The Company shall give notice to Option Holders of any adjustments to the number of Options or the number of shares which are to be issued on exercise of an Option or to the Option Exercise Price. Before an Option is exercised, all adjustment calculations are to be carried out including all fractions (in relation to each of the number of Options, the number of shares on issue in the Company and the Option Exercise Price), but on exercise the number of shares issued on exercise of the Option is rounded down to the next lower whole number and the Exercise Price rounded up to the next higher cent.

**Takeovers**

15. Notwithstanding any other of these terms and conditions, if a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder becomes entitled to compulsorily acquire all of the shares in the Company, any options not exercised by the end of the bid period shall lapse and the Expiry Date shall thereupon be deemed to have occurred.
16. Notwithstanding any other of these terms and conditions, if a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company, any options not exercised during the period which is 7 days of the court order shall lapse and the Expiry Date shall thereupon be deemed to have occurred.

**Transfer of Options**

17. An Option Holder may only transfer Options in accordance with the Company's Constitution, the Corporations Act, and, if applicable, the ASX Listing Rules and ASTC Settlement Rules in force at the relevant time.

**Lapse**

18. Unless exercised prior, the Options will lapse on the Expiry Date or upon the liquidation or dissolution of the Company.
- 18.1 If the holder is an employee or director of the Company at the date of issue or the nominee of such an employee or director and the holder or, if relevant, the nominating employee or director ceases to be an employee or director of the Company for any reason whatsoever except by reason of death, the options which the holder is entitled to exercise at that time are exercisable within 30 days and any options not exercised during that period shall lapse;
- 18.2 If the holder is an employee or director of the Company at the date of issue or the nominee of such an employee or director and the holder or, if relevant, the nominating employee or director ceases to be an employee or director of the Company by reason of death, the options which the holder is entitled to exercise at that time are exercisable within 12 months by the legal personal representative of the holder or, if relevant, by the nominee and any options not exercised during that period shall lapse.

**Amendments**

19. No amendment to the Terms and Conditions of these Options can be made without the prior written consent of the Option Holder and the Company.

**Governing Law**

20. These Terms and Conditions shall be governed by and construed in accordance with the laws for the time being in force in the State of Victoria.

## PROXY AND VOTING INSTRUCTIONS

1. 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 2.00pm (AEDST) on the date 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and forms part of this Notice of Meeting.
3. 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 of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. Key Management Personnel and their closely related parties will not be able to vote your proxy on Resolution 1 unless you direct them how to vote. 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. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by either marking the box for Resolution 1 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of this item of business).
11. A proxy form is attached. If required it should be completed, signed and returned to Security Transfer Registrars Pty Limited in accordance with the instructions set out in the proxy form by no later than 2.00pm (AEDST) on 17 November 2013.

## GLOSSARY

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

"**ASIC**" means the Australian Securities and Investments Commission;

"**ASX**" means ASX Limited or the Australian Securities Exchange, as the context requires;

"**AEDST**" means Australian Eastern Daylight Savings Time.

"**Board**" means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

"**Company**" means Syrah Resources Limited ACN 125 242 284;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Director**" means a Director of the Company;

"**Listing Rules**" means the Listing Rules of the ASX;

"**Notice**" means the Notice of Meeting accompanying this Explanatory Statement.

"**Remuneration Report**" means the remuneration report which forms part of the Directors' Report of Syrah for the financial year ended 30 June 2013 and which is set out in the 2013 Annual Report;



