

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity

Syrah Resources Limited

ABN/ARBN

77 125 242 284

Financial period ended

31 December 2016

Our corporate governance statement² for the above period above can be found at:³

these pages of our annual report:

this URL on our website:

Corporate Governance Statement link at:

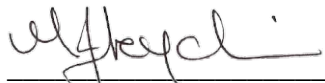
<http://www.syrahresources.com.au/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 24 March 2017 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 24 March 2017

Sign here:



Company Secretary

Print name: Melanie Leydin

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...	
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>... the fact that we follow this recommendation: in our</p> <p><input checked="" type="checkbox"/> Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):</p> <p><input checked="" type="checkbox"/> at this location: Board Charter link at:</p> <p>http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Board%20Charter-March%202016.pdf</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.2	<p>Entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.5	<p>Entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at this location: Diversity Policy link at: http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Syrah%20Resources%20Limited%20-%20Diversity%20Policy.pdf</p> <p>... the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement: OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at this location: Diversity Policy link at: _____</p> <p><i>Insert location here</i></p> <p>...in relation to item 1.5(c)...</p> <p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
	(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.	<p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement: OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
1.6	<p>Entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>Entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):] ... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Syrah%20Resources%20Limited%20-%20Remuneration%20Committee%20Charter.pdf and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: In the Board Charter, which can be found via the Board Charter link at:</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.3	<p>Entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>... the names of the directors considered by the board to be independent directors:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... where applicable, the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... the length of service of each director:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
2.4	A majority of the board of a listed entity should be independent directors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	<p>... our code of conduct or a summary of it:</p> <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> at this location: Code of Conduct link at: http://www.syrresources.com.au/application/third_party/ckfinder/userfiles/files/Syrah%20Resources%20Limited%20-%20Code%20of%20Conduct.pdf	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	Board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose:	<p>[If the entity complies with paragraph (a):] ... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> ... and a copy of the charter of the committee:	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p><input checked="" type="checkbox"/> at this location: http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Audit%20Committee%20Charter-March%202016.pdf ... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p>	
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location: _____</p> <p style="text-align: center;"><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable</p>
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	Entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Investors link at:</p> <p>http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Syrah%20Resources%20Limited%20-%20Continuous%20Disclosure%20Policy.pdf</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <p><input checked="" type="checkbox"/> at these locations:</p> <p>The Investors link at:</p> <p>http://www.syrahresources.com.au/corporate-governance</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable</p>
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/SYR%20-%20Sustainability%20and%20Risk%20Committee%20Charter-6Jul16.pdf</p> <p>http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Audit%20Committee%20Charter-March%202016.pdf</p> <p>and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
	fact and the processes it employs for overseeing the entity's risk management framework.	<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; OR (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> [If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

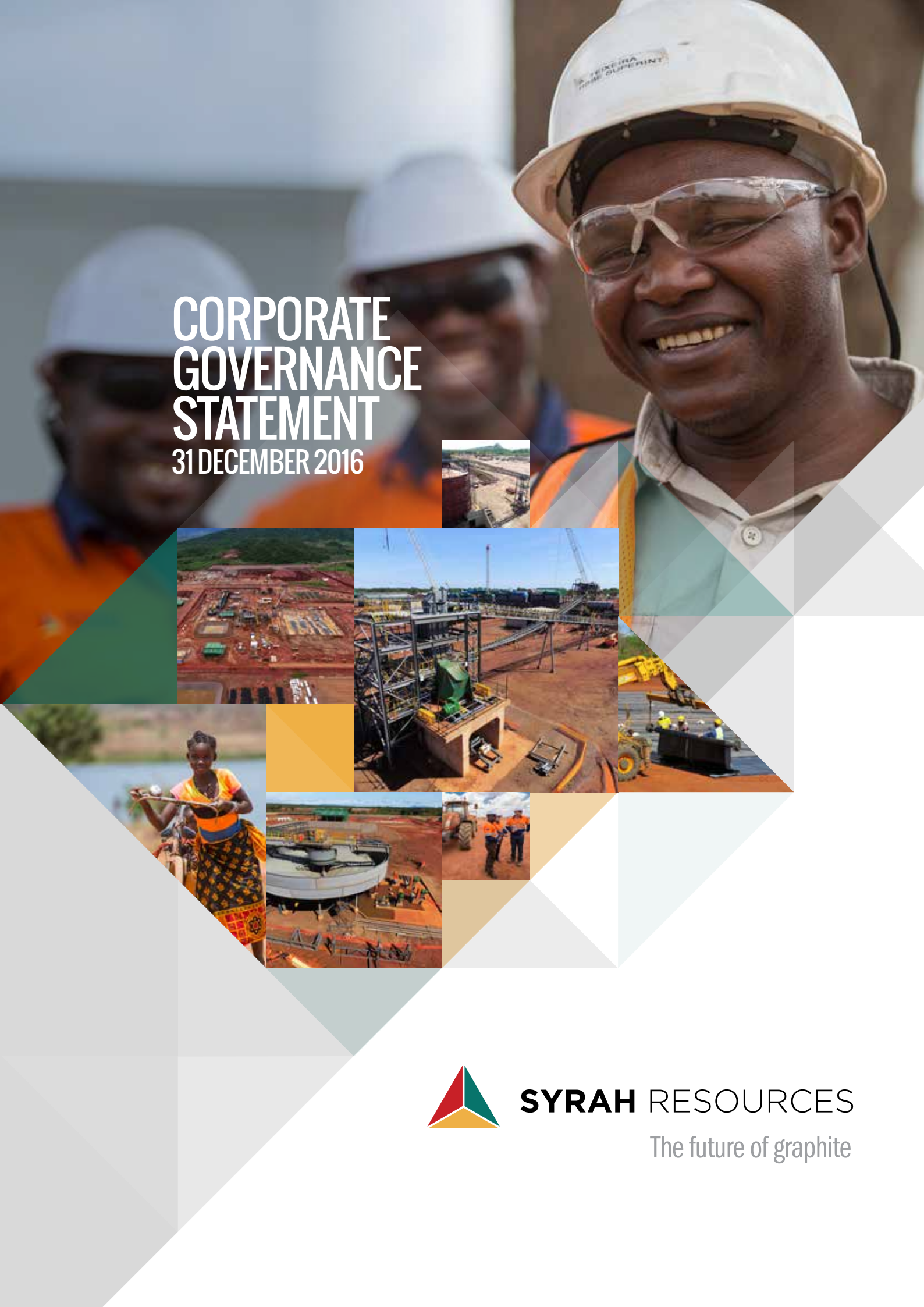
Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
		<input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; OR</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/> <i>Insert location here</i> <p>... and a copy of the charter of the committee:</p> <input checked="" type="checkbox"/> at this location: http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Syrah%20Resources%20Limited%20-%20Remuneration%20Committee%20Charter.pdf and the information referred to in paragraphs (4) and (5): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at this location: <hr/>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
	executives and ensuring that such remuneration is appropriate and not excessive.	<p><i>Insert location here</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at this location:</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> at this location:</p> <p>The Investors link at:</p> <p>http://www.syrahresources.com.au/application/third_party/ckfinder/userfiles/files/Updated%20Securities%20Trading%20Policy.pdf</p> <p>_____</p> <p><i>Insert location here</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ...
<u>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</u>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	... the information referred to in paragraphs (a) and (b): N/A	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	... the terms governing our remuneration as manager of the entity: N/A	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

CORPORATE GOVERNANCE STATEMENT

31 DECEMBER 2016



SYRAH RESOURCES

The future of graphite

CONTENTS

CONTENTS	PAGE
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	1
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE	5
PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY	8
PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING	9
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE	10
PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS	11
PRINCIPLE 7: RECOGNISE AND MANAGE RISK	12
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY	15

CORPORATE GOVERNANCE STATEMENT (CONT)

Syrah Resources Limited (the Company) is committed to continued good governance. The Board of Directors are responsible for ensuring the Company has an appropriate corporate governance framework to protect and enhance the Company's performance and overall shareholder value. The corporate governance framework below is modelled on the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. Where the Company's corporate governance practices do not meet, or deviate from the practices recommended by the Council, or the Board does not consider it practicable or necessary to implement some principles the Board's reasoning for any departure is noted.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
<p>1.1 A listed entity should disclose:</p> <p>a. the respective roles and responsibilities of its board and management; and</p> <p>b. those matters expressly reserved to the board and those delegated to management.</p>	<p>The Board is responsible for the overall governance of the Company and its authority to act is derived from the Constitution. The Board has a Charter which clearly sets out its role and responsibilities and describes those matters expressly reserved for the Board and those delegated to Management.</p> <p>A copy of the Constitution and Board Charter is available on the Company's website at www.syrahresources.com.au</p> <p>KEY RESPONSIBILITIES OF THE BOARD</p> <p>The key functions of the Board include:</p> <ul style="list-style-type: none"> > developing and approving the corporate strategy and monitoring implementation of the strategy; > establishing a sound risk management framework and periodically reviewing the effectiveness of that framework; > evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company; > approving all accounting policies, financial reports and material reporting and external communications by the Company; > appointing, monitoring and managing the performance of executive and non-executive directors and other senior executives of the Company; > with the advice and assistance of the Remuneration and Nomination Committee, reviewing and approving the performance and remuneration of the individual Board members and senior executives, and policies with respect to remuneration of other employees; > upon the recommendation of the Audit, Financial Risk and Compliance Committee, appointing the external auditor and determining its remuneration and terms of appointment, including reviewing the performance of the external auditor and considering the re-appointment of the external auditor; > ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect the Company's assets and shareholder value and manage its material business risks; > at least once per year the Board will review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary; > at least once per year the Board will review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives; and > ensuring that the Company maintains a commitment to promoting diversity in the workplace and that the Company complies with its Diversity Policy. <p>The Board comprises Directors who bring an array of skills, experience and expertise and have the ability to deal with current and emerging issues in order to guide the business forward. In fulfilling these duties, all Directors must act in the best interests of the Company and must invest sufficient time to enable them to effectively carry out their duties as a Director of the Company.</p> <p>To assist the Board with discharging its responsibilities the following committees have been established:</p> <ul style="list-style-type: none"> > Audit, Financial Risk and Compliance Committee > Remuneration and Nomination Committee > Sustainability & Risk Committee (from 1 July 2016)

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
	<p>KEY RESPONSIBILITIES OF MANAGEMENT</p> <p>The management function is conducted by, and under the supervision of, the Managing Director as directed by the Board and by other officers whom the management function is properly delegated by the Board or the Managing Director.</p> <p>The Board approves corporate objectives for the Managing Director to satisfy and, jointly with the Managing Director, develops the duties and responsibilities of the Managing Director, which includes those set out in any employment contract of the Managing Director.</p> <p>The Managing Director is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.</p> <p>Directors may delegate their powers if they consider it appropriate. However, ultimate responsibility for strategy and control rests with the Directors and management are ultimately accountable to the Board.</p> <p>Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.</p>
<p>1.2 A listed entity should:</p> <p>a. undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>The Remuneration and Nomination Committee Charter requires the Committee to observe specific procedures in relation to the nomination and appointment of new directors and the election or re-election of Directors.</p> <p>The Committee is responsible for assisting the Board in undertaking appropriate checks to determine the candidate's suitability including checks as to a person's character, experience, education, criminal record and bankruptcy history.</p> <p>When an existing or potential new director is put forward for election or re-election, all material information in the Company's possession is disclosed in the relevant documents to security holders to enable them to make an informed decision on whether or not to elect or re-elect an existing or potential new director.</p>
<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter of appointment summarises the policies and terms that are relevant to the director of the Company including remuneration, expectation of preparation for and attendance at all Board meetings, minimum hourly commitments, appointment to other boards, procedures for dealing with conflicts of interest and the availability of independent legal advice.</p> <p>The Executive Committee comprises of the Managing Director and Senior Executives who report directly to the Managing Director. Each Executive is appointed pursuant to an Executive Service Agreement which set out the key terms and conditions of the appointment including duties and responsibilities, remuneration details and the circumstances under which employment can be terminated.</p> <p>A summary of service agreements for Senior Executives of the Company are disclosed in the Remuneration Report section of the Company's 2016 Annual Report.</p>
<p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>Melanie Leydin is the Company Secretary of Syrah Resources Limited. Ms Leydin's qualifications and experience are set out in the Director's Report section of the Company's 2016 Annual Report.</p> <p>The Company Secretary is accountable to the Board, through the Chairman, on all matters dealing with the proper functioning and good governance of the Board.</p> <p>All Directors have access to the Company Secretary.</p>

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS												
<p>1.5 A listed entity should:</p> <p>a. have a diversity policy which includes requirements for the Board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and entity's progress in achieving them;</p> <p>b. disclose that policy or a summary of it; and</p> <p>c. disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <ul style="list-style-type: none"> > the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or > if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. 	<p>The Board is committed to workplace diversity and creating an inclusive workplace that embraces and values diversity capable of delivering long term shareholder value.</p> <p>The company has a Diversity Policy that is available on the Company's website at www.syrahresources.com.au</p> <p>The key objectives of the Diversity Policy are:</p> <ul style="list-style-type: none"> > ensuring equal employment opportunity for all its employees and senior management based on merit, ability, performance and potential, in a way that contributes to the achievement of corporate objectives, including diversity; > monitoring and promoting the diversity of staff and the associated corporate culture, including by ensuring that recruitment and selection processes at all levels are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates; > supporting and complying with legislative requirements in relation to employment equality; > establishing appropriate and measurable objectives for achieving gender diversity; and > annually reviewing, assessing and reporting against the measurable objectives for achieving gender diversity and the Company's progress in achieving them. <p>The Company has not yet set measurable objectives for achieving gender diversity. As the Company develops and grows, the Board will seek to develop objectives and strategies for achieving a diverse workplace.</p> <p>The relative proportion of males and females at Board and Senior Management levels and across the Syrah Group is detailed below.</p> <table border="1" data-bbox="555 1128 1495 1283"> <thead> <tr> <th></th> <th>MALE</th> <th>FEMALE</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>83%</td> <td>17%</td> </tr> <tr> <td>Senior Management*</td> <td>91%</td> <td>9%</td> </tr> <tr> <td>Group</td> <td>71%</td> <td>29%</td> </tr> </tbody> </table> <p>* Senior Management is defined as General Managers and above</p> <p>The proportion of females in Board and Senior Management positions has increased during 2016.</p> <p>The Board recognises that mining is a heavily male dominated industry and continually looks at ways to improve the representation of women in its workforce. The Board is committed to appointing the best person into any position in the Company.</p> <p>The Company is not considered a "relevant employer" under the Workplace General Equality Act 2012, as it is not a non-public sector employer with 100 or more employees in Australia for any six months or more of a reporting period.</p>		MALE	FEMALE	Board	83%	17%	Senior Management*	91%	9%	Group	71%	29%
	MALE	FEMALE											
Board	83%	17%											
Senior Management*	91%	9%											
Group	71%	29%											
<p>1.6 A listed entity should:</p> <p>a. have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>In accordance with the Board Charter, the performance of the Board and its committees is reviewed annually with assistance from the Remuneration and Nomination Committee.</p> <p>The Chairman, Company Secretary and Remuneration and Nomination Committee makes recommendations to the Board on the processes for evaluation of the performance of the Board, its committees and its Directors. The evaluation of Board performance is intended to review the Board's role, processes and performance.</p> <p>Annual performance evaluations are overseen by the Chairman and Company Secretary and were undertaken during 2016 by way of one-on-one discussions.</p> <p>During the year the Board engaged a professional independent consultant experienced in Board reviews to conduct a review of the Board and its committees and the effectiveness of the Board as a whole.</p> <p>The results of the independent review were circulated to all Board members and discussed at a Board meeting during Q1 2017.</p>												

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
1.7 A listed entity should: a. have and disclose a process for periodically evaluating the performance of its senior executives; and b. disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	The performance of the Managing Director and Senior Executives are reviewed on an annual basis. The Board, in consultation with the Remuneration and Nomination Committee, is responsible for evaluating the performance of the Managing Director. Senior Executives are evaluated by the Managing Director which involves consultation and feedback from the Remuneration and Nomination Committee and the Board. Performance is reviewed against specific and measurable company and individual performance measures. The performance criteria against which the Managing Director and Senior Executives are assessed are aligned to the financial and non-financial objectives of the Company. A performance evaluation of Senior Executives was undertaken during Q4 2016.

CORPORATE GOVERNANCE STATEMENT (CONT)

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS																									
<p>2.1 The Board of a listed entity should:</p> <p>a. have a nomination committee which:</p> <ul style="list-style-type: none"> > has at least three members, a majority of whom are independent directors; and > is chaired by an independent director; and disclose: > the charter of the committee; > the members of the committee; and > as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b. if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Remuneration and Nomination Committee is responsible for advising the Board on the composition of the Board and its committees, reviewing performance of the Board, its committees and the individual directors overseeing the remuneration and human resources policies and practices of the Company.</p> <p>The Charter for the Remuneration and Nomination Committee is available on the Company's website at www.syrahresources.com.au</p> <p>The key functions of the Remuneration and Nomination Committee are to assist the Board to achieve its objectives in relation to:</p> <ul style="list-style-type: none"> > having a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties; > having coherent remuneration policies and practices to attract and retain executives and directors who will create value for shareholders; > observing those remuneration policies and practices; > fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executives and industry remuneration conditions; > the preparation of the Remuneration Report to be included in the Company's Annual Report; and > communicating the Company's remuneration policy to shareholders and any proposed changes to that remuneration policy and the Committee's work on behalf of the Board. <p>The members of the Remuneration and Nomination Committee during the year and up to the date of this statement are:</p> <ul style="list-style-type: none"> > Rhett Brans (Non-Executive Director) – Chairperson > James Askew (Non-Executive Chairman) – Member > Sam Riggall (Non-Executive Director) – Member > Christina Lampe-Onnerud (Non-Executive Director) – Member (from 24 May 2016) <p>The Remuneration and Nomination Committee Charter requires the Committee to meet as often as it considers necessary in order to fulfil its obligations. Further, the Company Secretary will attend and maintain minutes of each meeting. The Company Secretary then distributes minutes of the meeting to the Board ahead of the next full Board meeting. The Chairperson of the Remuneration and Nomination Committee reports to the Board on the Committee's discussions, conclusions and recommendations.</p> <p>Details of the number of Remuneration and Nomination Committee meetings held and the Directors' attendances for the year ended 31 December 2016 are set out below and in the Directors Report of the Company's 2016 Annual Report.</p> <table border="1"> <thead> <tr> <th>NAME OF DIRECTOR</th> <th>POSITION</th> <th>INDEPENDENT</th> <th>NO. OF MEETINGS HELD*</th> <th>NO. OF MEETINGS ATTENDED</th> </tr> </thead> <tbody> <tr> <td>Rhett Brans</td> <td>Non-Executive Director</td> <td>Yes</td> <td>4</td> <td>4</td> </tr> <tr> <td>James Askew</td> <td>Non-Executive Director</td> <td>Yes</td> <td>4</td> <td>4</td> </tr> <tr> <td>Sam Riggall</td> <td>Non-Executive Director</td> <td>Yes</td> <td>4</td> <td>4</td> </tr> <tr> <td>Christina Lampe-Onnerud</td> <td>Non-Executive Director</td> <td>Yes</td> <td>2</td> <td>2</td> </tr> </tbody> </table> <p>* - Meetings held whilst in office</p>	NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD*	NO. OF MEETINGS ATTENDED	Rhett Brans	Non-Executive Director	Yes	4	4	James Askew	Non-Executive Director	Yes	4	4	Sam Riggall	Non-Executive Director	Yes	4	4	Christina Lampe-Onnerud	Non-Executive Director	Yes	2	2
NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD*	NO. OF MEETINGS ATTENDED																						
Rhett Brans	Non-Executive Director	Yes	4	4																						
James Askew	Non-Executive Director	Yes	4	4																						
Sam Riggall	Non-Executive Director	Yes	4	4																						
Christina Lampe-Onnerud	Non-Executive Director	Yes	2	2																						

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS																																																																				
2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that Board currently has or is looking to achieve in its membership.	<p>In determining membership of the Board, the Board seeks to achieve a mix of skills and diversity that includes strategic management, project development and operational experience as well as a strong technical understanding of the industry.</p> <p>The table below provides a summary of the relevant skills possessed by the current Directors of the Board:</p> <table border="1"> <thead> <tr> <th colspan="4">TOTAL NON-EXECUTIVE DIRECTORS</th> <th>5</th> </tr> <tr> <th>EXPERIENCE AND SKILLS</th> <th>GENERAL</th> <th>GOOD</th> <th colspan="2">EXTENSIVE</th> </tr> </thead> <tbody> <tr> <td>Strategy, leadership and risk management</td> <td>-</td> <td>-</td> <td colspan="2">5</td> </tr> <tr> <td>Corporate governance</td> <td>-</td> <td>1</td> <td colspan="2">4</td> </tr> <tr> <td>Stakeholder communication and engagement</td> <td>1</td> <td>1</td> <td colspan="2">3</td> </tr> <tr> <td>Financial analysis and capital markets expertise</td> <td>1</td> <td>1</td> <td colspan="2">3</td> </tr> <tr> <td>Legal and regulatory approval</td> <td>-</td> <td>1</td> <td colspan="2">4</td> </tr> <tr> <td>Safety, environment and social responsibility</td> <td>-</td> <td>1</td> <td colspan="2">4</td> </tr> <tr> <td>Project development and construction</td> <td>1</td> <td>-</td> <td colspan="2">4</td> </tr> <tr> <td>Mining and mineral processing</td> <td>1</td> <td>1</td> <td colspan="2">3</td> </tr> <tr> <td>Industrial minerals marketing</td> <td>1</td> <td>2</td> <td colspan="2">2</td> </tr> <tr> <th>TERTIARY QUALIFICATIONS</th> <th>ECONOMICS, LAW, COMMERCE AND/OR BUSINESS</th> <th>CHARTERED ACCOUNTING</th> <th colspan="2">ENGINEERING, MINING, GEOLOGY</th> </tr> <tr> <td>Number of Non-Executive Directors</td> <td>2</td> <td>-</td> <td colspan="2">3</td> </tr> </tbody> </table>				TOTAL NON-EXECUTIVE DIRECTORS				5	EXPERIENCE AND SKILLS	GENERAL	GOOD	EXTENSIVE		Strategy, leadership and risk management	-	-	5		Corporate governance	-	1	4		Stakeholder communication and engagement	1	1	3		Financial analysis and capital markets expertise	1	1	3		Legal and regulatory approval	-	1	4		Safety, environment and social responsibility	-	1	4		Project development and construction	1	-	4		Mining and mineral processing	1	1	3		Industrial minerals marketing	1	2	2		TERTIARY QUALIFICATIONS	ECONOMICS, LAW, COMMERCE AND/OR BUSINESS	CHARTERED ACCOUNTING	ENGINEERING, MINING, GEOLOGY		Number of Non-Executive Directors	2	-	3	
TOTAL NON-EXECUTIVE DIRECTORS				5																																																																	
EXPERIENCE AND SKILLS	GENERAL	GOOD	EXTENSIVE																																																																		
Strategy, leadership and risk management	-	-	5																																																																		
Corporate governance	-	1	4																																																																		
Stakeholder communication and engagement	1	1	3																																																																		
Financial analysis and capital markets expertise	1	1	3																																																																		
Legal and regulatory approval	-	1	4																																																																		
Safety, environment and social responsibility	-	1	4																																																																		
Project development and construction	1	-	4																																																																		
Mining and mineral processing	1	1	3																																																																		
Industrial minerals marketing	1	2	2																																																																		
TERTIARY QUALIFICATIONS	ECONOMICS, LAW, COMMERCE AND/OR BUSINESS	CHARTERED ACCOUNTING	ENGINEERING, MINING, GEOLOGY																																																																		
Number of Non-Executive Directors	2	-	3																																																																		
	<p>The Board is satisfied that the skills matrix demonstrates that the Board has the appropriate mix of skills and experience necessary to effectively review and challenge the performance of management and to exercise independent judgement in discharging their responsibilities and in making decisions.</p> <p>Details of the skills, experience and expertise of each Director are set out in the Director's Report section of the Company's 2016 Annual Report.</p>																																																																				

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS																												
<p>2.3 A listed entity should disclose:</p> <p>a. the names of the directors considered by the Board to be independent directors;</p> <p>b. if a director has an interest, position, association or relationship of the type described but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>c. the length of service of each director.</p>	<p>The Company considers a Director to be independent when they are a Non-Executive Director who is free of any business or other relationship or circumstance that could materially interfere with the independent exercise of their judgement, having regard to the best interests of the Company as a whole. The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer.</p> <p>A copy of the Board Independence Policy is available on the Company's website at www.syrahresources.com.au</p> <p>The Board makes an assessment of the independence of each Director upon their appointment and annually thereafter. Individual Directors must not participate in assessing their own independence and must provide to the Board all information relevant to the assessment. Directors are required on an ongoing basis to disclose to the Board relevant personal interests and conflicts of interest. Upon any such disclosure, a Director's independence is reassessed.</p> <p>Directors are initially appointed by the Board subject to election by shareholders at the Company's next Annual General Meeting. Under the Company's Constitution the tenure of a Director is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment.</p> <p>The following table sets out the length of service and independence of each director:</p> <table border="1" data-bbox="555 972 1503 1240"> <thead> <tr> <th>NAME OF DIRECTOR</th> <th>POSITION</th> <th>LENGTH OF SERVICE</th> <th>INDEPENDENT</th> </tr> </thead> <tbody> <tr> <td>James Askew</td> <td>Non-Executive Chairman</td> <td>2 years and 5 months</td> <td>Yes</td> </tr> <tr> <td>Shaun Verner</td> <td>Managing Director</td> <td>5 months</td> <td>No</td> </tr> <tr> <td>Sam Riggall</td> <td>Non-Executive Director</td> <td>2 years and 5 months</td> <td>Yes</td> </tr> <tr> <td>Rhett Brans</td> <td>Non-Executive Director</td> <td>3 years and 9 months</td> <td>Yes</td> </tr> <tr> <td>Christina Lampe-Onnerud</td> <td>Non-Executive Director</td> <td>10 months</td> <td>Yes</td> </tr> <tr> <td>Jose Manuel Caldeira</td> <td>Non-Executive Director</td> <td>2 years and 7 months</td> <td>No</td> </tr> </tbody> </table> <p>Jose Manuel Caldeira is not considered independent due to him being a Partner of Sal & Caldeira Advogados Lda, the Company's primary legal representative in Mozambique.</p>	NAME OF DIRECTOR	POSITION	LENGTH OF SERVICE	INDEPENDENT	James Askew	Non-Executive Chairman	2 years and 5 months	Yes	Shaun Verner	Managing Director	5 months	No	Sam Riggall	Non-Executive Director	2 years and 5 months	Yes	Rhett Brans	Non-Executive Director	3 years and 9 months	Yes	Christina Lampe-Onnerud	Non-Executive Director	10 months	Yes	Jose Manuel Caldeira	Non-Executive Director	2 years and 7 months	No
NAME OF DIRECTOR	POSITION	LENGTH OF SERVICE	INDEPENDENT																										
James Askew	Non-Executive Chairman	2 years and 5 months	Yes																										
Shaun Verner	Managing Director	5 months	No																										
Sam Riggall	Non-Executive Director	2 years and 5 months	Yes																										
Rhett Brans	Non-Executive Director	3 years and 9 months	Yes																										
Christina Lampe-Onnerud	Non-Executive Director	10 months	Yes																										
Jose Manuel Caldeira	Non-Executive Director	2 years and 7 months	No																										
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>The Board Charter and Board Independence Policy set out how the Board will assess the independence of each Director. The majority of the Board (including the Chairman) and majority of Board Committee members are required to be independent.</p> <p>Both the Board Charter and Board Independence Policy is available on the Company's website at www.syrahresources.com.au</p> <p>When determining a Director's independence, some of the following factors are taken into consideration:</p> <ul style="list-style-type: none"> > Is the Director a substantial holder of the Company or a representative or officer or founding shareholder of a substantial shareholder? > Has the Director been employed by the Company in an executive capacity within the last three years? > Does the Director have a material contractual relationship with the Company? and > Does the Director have any interest, or any business or other relationship which could or could reasonably be perceived to materially interfere with the Independent Non-Executive Director's ability to act in the best interests of the Company? <p>The table in Recommendation 2.3 above concluded that four out of the six Board members (including the Managing Director) are considered to be Independent Directors.</p>																												

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	<p>The Company's Chairman, James Askew, has been assessed as an independent Director by the Board.</p> <p>Mr Askew assumed the role of Executive Chairman on the temporary basis from 5 October 2016 following the resignation of Tolga Kumova, and continued in this role until the appointment of Shaun Verner as Managing Director and Chief Executive Officer on 3 February 2017. The Board is of the view that during this period, Mr Askew exercised good independent judgement and acted in the best interest of the Company and its shareholders at all times. The Board also notes that the fees earned by My Askew during this time were for his extra services.</p> <p>The Board has determined that Mr Askew was not independent whilst he performed the Executive Chairman role. Following his recommencement as Non-Executive Chairman on 3 February 2017, the Board is of the view that, Mr Askew is again appropriately considered to be independent.</p>
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>The Remuneration and Nomination Committee is responsible for establishing induction programmes for new directors to gain an understanding of:</p> <ul style="list-style-type: none"> > the respective rights, duties and responsibilities and roles of the Directors and the Board; and > the Group's financial position, strategies, operations and risk management policies. <p>Each new Board member has the opportunity to meet with existing Board members and relevant senior executives.</p> <p>The Company provides Directors with the opportunity to undertake courses with the Australian Institute of Company Directors or other professional bodies as required, subject to the approval of the Chairman. All Board members are expected to maintain the skills required to discharge their respective roles.</p>

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
<p>3.1 A listed entity should:</p> <p>a. have a code of conduct for its directors, senior executives and employees; and</p> <p>b. disclose that code or a summary of it.</p>	<p>The Board has adopted a Code of Conduct that applies to all Directors, Officers, Employees, Contractors and Consultants of the Group.</p> <p>The key objectives of the Code of Conduct are to ensure Directors, Officers, Employees Contractors and Consultants of the Company:</p> <ul style="list-style-type: none"> > observe the highest standards of honesty, integrity, fairness and ethical, responsible and law-abiding behaviour when performing their duties; > are aware of and avoid potential conflicts of interest or duty (either directly or indirectly) and to disclose any potential conflicts of interest or duty fully and frankly to the Board for consideration and resolution; > do not improperly use their position, property or information acquired through their position for personal gain or gain of an associate or to compete with or harm the Group; > maintain the confidentiality of information regarding the Group and other stakeholders that is acquired while performing their duties, even after they leave the Group; > deal fairly with other Employees of the Group as well as external stakeholders; > use all reasonable endeavours to protect any Group asset and to ensure its efficient use; > respect the privacy of Employees within the Group and external stakeholders; > uphold the Company's commitment to be a responsible corporate citizen by actively supporting the communities in which the Directors and Employees live and work and doing business in an environmentally responsible manner; > comply with any applicable law, rule or regulation as well as the protocols, policies and procedures of the Group; and > report promptly and in good faith any actual or suspected violation by any Director or Employee of the standards, requirements or expectations set out in the Code of Conduct. <p>A copy of the Code of Conduct is available on the Company's website at www.syrahresources.com.au</p>

CORPORATE GOVERNANCE STATEMENT (CONT)

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS																				
<p>4.1 The board of a listed entity should:</p> <p>a. have an audit committee which:</p> <ul style="list-style-type: none"> > has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and > is chaired by an independent director, who is not the chair of the board, > and disclose: > the charter of the committee; > the relevant qualifications and experience of the members of the committee; and > in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b. if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has established an Audit, Financial Risk and Compliance Committee (Audit Committee) responsible for monitoring and advising the Board on the Company's audit, financial risk management, regulatory compliance and policies and procedures.</p> <p>The Charter for the Audit, Financial Risk and Compliance Committee is available on the Company's website at www.syrahresources.com.au</p> <p>The key functions of the Audit Committee are as follows:</p> <ul style="list-style-type: none"> > assist the Board to achieve its objective in relation to: <ul style="list-style-type: none"> > financial reporting; > the application of accounting policies; > business policies and practices; > taxation activities > treasury activities > legal and regulatory compliance; and > internal control and financial risk management; > maintain and improve the quality, credibility and objectivity of the financial accountability process (including financial reporting on a consolidated basis); > support ethical conduct and promote a culture of compliance; > ensure effective communication between the Board and the senior compliance management; > provide a forum for communication between the Board and senior financial and compliance management; > ensure effective internal (if relevant) and external audit functions and communication between the Board and the external and internal auditors; and > ensure compliance strategies and compliance function are effective. <p>The Audit Committee comprises three Non-Executive Directors, the majority of who are independent and is chaired by an independent Chairman who is not the Chairman of the Board.</p>																				
	<p>The members of the Audit Committee during the year and up to the date of this statement are:</p> <ul style="list-style-type: none"> > Sam Riggall (Non-Executive Director) – Chairperson > James Askew (Non-Executive Chairman) – Member > Rhett Brans (Non-Executive Director) – Member 																				
	<p>The Chief Financial Officer, senior members of the finance team and the external auditor attend Committee meetings at the discretion of the Committee. Other Board members are invited to attend these meetings.</p>																				
	<p>For details of the qualifications of the Audit Committee members, refer to the Director's Report section of the Company's 2016 Annual Report.</p>																				
	<p>The Audit Committee Charter requires the Committee to meet as often as it considers necessary in order to fulfil its obligations. The Audit Committee meets with the external auditor on general matters concerning the audit and other matters. Further, the Company Secretary will attend and maintain minutes of each meeting. The Company Secretary then distributes minutes of the meeting to the Board ahead of the next full Board meeting. The Chairperson of the Audit Committee reports to the Board on the Committee's discussions, conclusions and recommendations.</p>																				
	<p>Details of the number of Audit Committee meetings held and the Directors' attendances are set out below and in the Directors Report.</p>																				
	<table border="1"> <thead> <tr> <th data-bbox="544 1888 762 1989">NAME OF DIRECTOR</th> <th data-bbox="762 1888 1066 1989">POSITION</th> <th data-bbox="1066 1888 1241 1989">INDEPENDENT</th> <th data-bbox="1241 1888 1353 1989">NO. OF MEETINGS HELD</th> <th data-bbox="1353 1888 1500 1989">NO. OF MEETINGS ATTENDED</th> </tr> </thead> <tbody> <tr> <td data-bbox="544 1989 762 2033">Sam Riggall</td> <td data-bbox="762 1989 1066 2033">Non-Executive Director</td> <td data-bbox="1066 1989 1241 2033">Yes</td> <td data-bbox="1241 1989 1353 2033">3</td> <td data-bbox="1353 1989 1500 2033">3</td> </tr> <tr> <td data-bbox="544 2033 762 2078">James Askew</td> <td data-bbox="762 2033 1066 2078">Non-Executive Director</td> <td data-bbox="1066 2033 1241 2078">Yes</td> <td data-bbox="1241 2033 1353 2078">3</td> <td data-bbox="1353 2033 1500 2078">3</td> </tr> <tr> <td data-bbox="544 2078 762 2114">Rhett Brans</td> <td data-bbox="762 2078 1066 2114">Non-Executive Director</td> <td data-bbox="1066 2078 1241 2114">Yes</td> <td data-bbox="1241 2078 1353 2114">3</td> <td data-bbox="1353 2078 1500 2114">3</td> </tr> </tbody> </table>	NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	Sam Riggall	Non-Executive Director	Yes	3	3	James Askew	Non-Executive Director	Yes	3	3	Rhett Brans	Non-Executive Director	Yes	3	3
NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED																	
Sam Riggall	Non-Executive Director	Yes	3	3																	
James Askew	Non-Executive Director	Yes	3	3																	
Rhett Brans	Non-Executive Director	Yes	3	3																	

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
<p>4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The Board has received a declaration from the Chairman, James Askew and Chief Financial Officer, David Corr in relation to the Company's financial statements for the year ended 31 December 2016, in accordance with S295A of the Corporations Act, stating that:</p> <ul style="list-style-type: none"> > The financial records of the entity have been properly maintained, and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position of the entity in accordance with s295A of the Corporations Act; and > That an opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. <p>The Board receives regular updates from Management on whether the Company's material business risks are being managed effectively. The management and reporting of risks is communicated by Management to the Managing Director and is included in the Board pack material at regular Board and committee meetings.</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>The Company's external auditor is PricewaterhouseCoopers (PwC).</p> <p>All Audit, Financial Risk and Compliance Committee and Board papers are available to the external auditor and they are invited to attend all Audit, Financial Risk and Compliance Committee meetings and are available to the Audit Committee members at any time.</p> <p>The external auditor also attends the Company's Annual General Meeting to answer any questions from shareholders relevant to the conduct of the audit and the content of the auditor's report.</p>

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
<p>5.1 A listed entity should:</p> <ol style="list-style-type: none"> a. have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b. disclose that policy or a summary of it. 	<p>The Board has overall responsibility for the establishment, implementation and supervision of the Company's continuous disclosure requirements and has established a Continuous Disclosure Policy to provide up to date information to its stakeholders and to ensure compliance with ASX Listing Rules disclosure requirements and the <i>Corporations Act 2001</i>.</p> <p>A copy of the Continuous Disclosure Policy is available on the Company's website at www.syrahresources.com.au</p> <p>They key objectives of the Continuous Disclosure Policy are to ensure:</p> <ul style="list-style-type: none"> > the Company immediately discloses all price-sensitive information to the ASX; > the Company's officers and employees are aware of the Company's continuous disclosure obligations; > procedures are established for assessing whether information should be disclosed and the extent of any required disclosure; and > procedures are established for releasing information to and responding to any queries from the ASX. <p>The guiding principle is that the Company must immediately disclose to the ASX any information concerning the Company that a reasonable person would expect to have a material effect on the price of value of the Company's securities.</p> <p>The Board will be consulted in relation to the disclosure or non-disclosure of major matters and the form and content of any announcement.</p> <p>This Continuous Disclosure Policy is periodically reviewed by the Board to ensure that it is effective and remains consistent and current with relevant laws and ASX requirements.</p> <p>The Company has also established an Investor Relations Communications Protocol to assist Executives and employees comply with the Continuous Disclosure Policy.</p>

CORPORATE GOVERNANCE STATEMENT (CONT)

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
6.1 A listed entity should provide information about itself and its governance to investors via its website.	The Board aims to communicate all important Company information to its stakeholders. To facilitate this the Company has established a corporate website which provides an overview of the Company's activities including details about the Board, management team, corporate governance, social responsibility as well as current and historical ASX announcements.
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>The Company appointed John Knowles as General Manager – Investor Relations during 2016.</p> <p>The investor relations activities currently undertaken by the Company include:</p> <ul style="list-style-type: none"> > regular roadshows by the Managing Director and other relevant employees to meet with existing and potential investors in Australia and internationally; and > attendance by Senior Executives and other relevant employees at industry events and functions to enable investors to communicate directly with the Company. <p>Presentation material provided by these events is sent to the ASX prior to commencement and subsequently made available on the Company's website.</p> <p>The Company also conducts conference calls following the release of its quarterly results. The details of the conference call are lodged with the ASX and published on the Company's website. The conference calls are hosted by the members of the Executive team and are open to investors, media and analysts to attend via telephone. Sufficient time is allowed for questions and answers. Shareholders are able to listen to a live audio stream of the conference call which is subsequently uploaded to the Company's website at the conclusion of each conference call and can be accessed at any time.</p> <p>The contact details of the investor relations team are also provided on each announcement which gives shareholders an additional opportunity to communicate directly with the Company.</p>
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>The Board encourages full participation of shareholders at the Annual General Meeting (AGM), to ensure a high level of accountability and identification with the Company's strategy and goals. In preparing for the AGM, the Company will prepare a Notice of Meeting and related explanatory information so that they provide all the information that is relevant to shareholders in making decisions on matters to be voted on at the meeting.</p> <p>Details regarding the timing and location of the Company's General Meetings or Annual General Meeting are disclosed to the ASX in advance to encourage attendance by shareholders.</p> <p>The Company also invites its external auditor, PricewaterhouseCoopers, to attend the Annual General Meeting and to be available to answer shareholders' questions about the conduct of the audit and the preparation and content of the auditor's report.</p> <p>Time is also set aside at the AGM for the Board and Senior Executives to respond to any shareholder queries.</p>
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Shareholders have the option of electing to receive communications from and sending communications to the Company and its share registry electronically.

CORPORATE GOVERNANCE STATEMENT (CONT)

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS																				
<p>7.1 The board of a listed entity should:</p> <p>a. have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> > has at least three members, a majority of whom are independent directors; and > is chaired by an independent director, > and disclose: > the charter of the committee; > the members of the committee; and > as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>b. if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Board established a Sustainability and Risk Committee effective from 1 July 2016 to oversee the Company's risk management framework and to monitor and advise the Board on the Company's material non-financial risks. The Audit, Financial Risk and Compliance Committee continues to be responsible for monitoring and advising the Board on the Company's financial risks.</p> <p>The Charter for the Sustainability and Risk Committee and a copy of the Company's Risk Management Policy is available on the Company's website at www.syrahresources.com.au</p> <p>The key functions of the Sustainability and Risk Committee are as follows:</p> <ul style="list-style-type: none"> > assist the Board to achieve its objective in relation to: <ul style="list-style-type: none"> > occupational health and safety (OHS); > community relations; > heritage and land access; > security and emergency management; > government regulatory compliance; and > operation and environmental risk; > overseeing and monitoring the Company's sustainability policies and practices; > overseeing and monitoring the Company's risk management system; and > fulfilling its responsibilities through the implementation of systems, practices and procedures. <p>The members of the Sustainability and Risk Committee during the year and up to the date of this statement are:</p> <ul style="list-style-type: none"> > James Askew (Non-Executive Chairman) – Chairperson > Rhett Brans (Non-Executive Director) – Member > Christina Lampe-Onnerud (Non-Executive Director) – Member <p>The Sustainability and Risk Committee Charter dictates that the Committee shall meet as often as it considers necessary in order to fulfil its obligations. Further, the Company Secretary will attend and maintain minutes of each meeting. The Company Secretary then distributes minutes of the meeting to the Board ahead of the next full Board meeting. The Chairperson of the Sustainability and Risk Committee reports to the Board on the Committee's discussions, conclusions and recommendations.</p> <p>Details of the number of Sustainability and Risk Committee meetings held and the Directors' attendances are set out below and in the Directors Report.</p>																				
<table border="1"> <thead> <tr> <th data-bbox="481 1574 663 1599">NAME OF DIRECTOR</th> <th data-bbox="751 1574 839 1599">POSITION</th> <th data-bbox="991 1574 1118 1599">INDEPENDENT</th> <th data-bbox="1174 1525 1273 1599">NO. OF MEETINGS HELD</th> <th data-bbox="1326 1525 1425 1599">NO. OF MEETINGS ATTENDED</th> </tr> </thead> <tbody> <tr> <td data-bbox="481 1615 600 1639">James Askew</td> <td data-bbox="751 1615 951 1639">Non-Executive Director</td> <td data-bbox="1086 1615 1118 1639">Yes</td> <td data-bbox="1254 1615 1270 1639">2</td> <td data-bbox="1406 1615 1422 1639">2</td> </tr> <tr> <td data-bbox="481 1653 584 1677">Rhett Brans</td> <td data-bbox="751 1653 951 1677">Non-Executive Director</td> <td data-bbox="1086 1653 1118 1677">Yes</td> <td data-bbox="1254 1653 1270 1677">2</td> <td data-bbox="1406 1653 1422 1677">2</td> </tr> <tr> <td data-bbox="481 1691 711 1715">Christina Lampe-Onnerud</td> <td data-bbox="751 1691 951 1715">Non-Executive Director</td> <td data-bbox="1086 1691 1118 1715">Yes</td> <td data-bbox="1254 1691 1270 1715">2</td> <td data-bbox="1406 1691 1422 1715">2</td> </tr> </tbody> </table>	NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	James Askew	Non-Executive Director	Yes	2	2	Rhett Brans	Non-Executive Director	Yes	2	2	Christina Lampe-Onnerud	Non-Executive Director	Yes	2	2	<p>Details in relation to the role of the Audit, Financial Risk and Compliance Committee are detailed in Recommendation 4.1.</p>
NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED																	
James Askew	Non-Executive Director	Yes	2	2																	
Rhett Brans	Non-Executive Director	Yes	2	2																	
Christina Lampe-Onnerud	Non-Executive Director	Yes	2	2																	

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
<p>7.2 The board of a listed entity should:</p> <p>a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>b. disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>The Board assumes ultimate responsibility for the oversight and management of material business risks and satisfies itself annually, or more frequently as required, that Management has developed and implemented a sound system of risk management and internal control to manage the Company's material business risks. The Board delegates the detailed work of this task to both the Sustainability and Risk Committee and Audit, Financial Risk and Compliance Committee.</p> <p>During 2016, the Company performed a comprehensive review and implemented enhancements to its corporate risk management framework which were endorsed by the Board and its relevant committees.</p> <p>The Company's risk management framework comprises the following elements:</p> <ul style="list-style-type: none"> > an over-arching risk management policy, which sets out its commitment to and the expected behaviours required of its employees and contractors. This is supported by a number of other more specific business policies that set out other key requirements of employees and contractors; > a risk management process and risk assessment criteria that defines the key steps required to identify, analyse, treat, evaluate controls and monitor and report on the risks listed above and other risks on an ongoing basis; > accountabilities and responsibilities for overseeing, managing and monitoring these risks and other identified risks are clearly defined; > key priorities for management of risks are identified on a regular and ongoing basis; and > material or potentially material incidents that arise are reviewed and appropriate action taken. <p>The Executive team, and the Board through its relevant committees; the Audit, Financial Risk and Compliance Committee and the Sustainability and Risk Committee, regularly review the Company's risks and the effectiveness of the Company's management of those risks. The Board, with Executive Management's input, regularly consider the nature and extent of the risks the organisation is prepared to take to meet the Company's objectives.</p> <p>Other key areas of risk management focus for the Company include:</p> <ul style="list-style-type: none"> > implementation of health, safety and environmental management systems across the organisation; > development of crisis management and business continuity capability; > implementation of appropriate policies and processes to support business integrity and compliance; > ongoing updates to the insurance program to provide efficient and effective levels of risk transfer; and > implementation of appropriate front, middle and back office processes and controls.
<p>7.3 A listed entity should disclose:</p> <p>a. if it has an internal audit function how the function is structured and what role it performs; or</p> <p>b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>The Company does not presently have an internal audit function.</p> <p>The Audit, Financial Risk and Compliance Committee has recently engaged a global consulting firm to assess the framework for and the related internal financial controls of the Company and provide feedback on the design of financial controls and recommendations for improvement.</p> <p>Other internal management and independent assurance mechanisms used to evaluate and continually improve risk management and internal control processes include:</p> <ul style="list-style-type: none"> > regular "peer review" of risk mitigation strategies and internal controls by the Executive team; > engaging independent experts to review the design, development and/or implementation of control systems or processes for specific areas of risk including health & safety, environment, community, crisis management, security and protection of assets; and > feedback from the external auditors on internal financial controls. <p>The results of internal management and independent expert reviews are shared with the Board and its relevant committees and progress in relation to the implementation of enhancements are monitored.</p> <p>As the Company's operations grow and evolve, the Board will consider the appropriateness of adopting a formal, full-time and structured internal audit function.</p>

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	<p>The Company's exposure to potential material risks are disclosed in the Directors Report of the Company's 2016 Annual Report. The management of these potential material risks including economic, environmental and social sustainability is the responsibility of the Board and its relevant committees and will be carried out in accordance with the risk management framework and guidelines set out in Recommendation 7.2.</p> <p>The following principles guide the Company's approach and commitment to the areas of environmental sustainability, social sustainability and health and safety:</p> <ul style="list-style-type: none">> Partnering with stakeholders for environmental sustainability and recognising that performance in this area protects our 'license to operate' and will determine the long-term success of the Company.> Partnering with stakeholders for social sustainability and recognising that maintaining credible productive relationships with the communities in which we operate will help create a positive and enduring legacy while strongly contributing to the long-term success of the Company.> Working Safely at all times and a commitment to never compromise on the core belief that our business can be run without negatively impacting the health and well-being of our people, contractors and surrounding communities. <p>These principles have been adopted through the implementation of management plans and systems which are monitored regularly by the Board and its committees.</p> <p>The copy of the Company's policies in relation to Environmental Sustainability, Social Sustainability and Health and Safety are available on the Company's website at www.syrahresources.com.au</p> <p>The Company's exposure to material economic risks are considered, managed and monitored by a number of business functions and processes including:</p> <ul style="list-style-type: none">> business strategy setting and planning> market and industry analysis> macro-economic analysis including global and country specific risks, trends and factors> financial and capital management.

CORPORATE GOVERNANCE STATEMENT (CONT)

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS																									
<p>8.1 The board of a listed entity should:</p> <p>a. have a remuneration committee which:</p> <ul style="list-style-type: none"> > has at least three members, a majority of whom are independent directors; and > is chaired by an independent director, > and disclose: > the charter of the committee; > the members of the committee; and > as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <p>or</p> <p>b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Remuneration and Nomination Committee is responsible for advising the Board on the composition of the Board and its committees, reviewing performance of the Board, its committees and the individual directors overseeing the remuneration and human resources policies and practices of the Company.</p> <p>The Charter for the Remuneration and Nomination Committee is available on the Company's website at www.syrahresources.com.au</p> <p>The key functions of the Remuneration and Nomination Committee are to assist the Board to achieve its objectives in relation to:</p> <ul style="list-style-type: none"> > having a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties; > having coherent remuneration policies and practices to attract and retain directors and executives who will create value for shareholders; > observing those remuneration policies and practices; > fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executives and industry remuneration conditions; > the preparation of the Remuneration Report to be included in the Company's Annual Report; and > communicating the Company's remuneration policy to shareholders and any proposed changes to that remuneration policy and the Committee's work on behalf of the Board. <p>The members of the Remuneration and Nomination Committee during the year and up to the date of this statement are:</p> <ul style="list-style-type: none"> > Rhett Brans (Non-Executive Director) – Chairperson > James Askew (Non-Executive Chairman) – Member > Sam Riggall (Non-Executive Director) – Member > Christina Lampe-Onnerud (Non-Executive Director) – Member (from 24 May 2016) <p>The Remuneration and Nomination Committee Charter requires the Committee to meet as often as it considers necessary in order to fulfil its obligations. Further, the Company Secretary will attend and maintain minutes of each meeting. The Company Secretary then distributes minutes of the meeting to the Board ahead of the next full Board meeting. The Chairperson of the Remuneration and Nomination Committee reports to the Board on the Committee's discussions, conclusions and recommendations.</p> <p>Details of the number of Remuneration and Nomination Committee meetings held and the Directors' attendances for the year ended 31 December 2016 are set out below and in the Directors Report of the Company's 2016 Annual Report.</p>																									
	<table border="1"> <thead> <tr> <th data-bbox="542 1534 798 1646">NAME OF DIRECTOR</th> <th data-bbox="798 1534 1037 1646">POSITION</th> <th data-bbox="1037 1534 1228 1646">INDEPENDENT</th> <th data-bbox="1228 1534 1356 1646">NO. OF MEETINGS HELD*</th> <th data-bbox="1356 1534 1508 1646">NO. OF MEETINGS ATTENDED</th> </tr> </thead> <tbody> <tr> <td>Rhett Brans</td> <td>Non-Executive Director</td> <td>Yes</td> <td>4</td> <td>4</td> </tr> <tr> <td>James Askew</td> <td>Non-Executive Director</td> <td>Yes</td> <td>4</td> <td>4</td> </tr> <tr> <td>Sam Riggall</td> <td>Non-Executive Director</td> <td>Yes</td> <td>4</td> <td>4</td> </tr> <tr> <td>Christina Lampe-Onnerud</td> <td>Non-Executive Director</td> <td>Yes</td> <td>2</td> <td>2</td> </tr> </tbody> </table> <p>* - Meetings held whilst in office</p>	NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD*	NO. OF MEETINGS ATTENDED	Rhett Brans	Non-Executive Director	Yes	4	4	James Askew	Non-Executive Director	Yes	4	4	Sam Riggall	Non-Executive Director	Yes	4	4	Christina Lampe-Onnerud	Non-Executive Director	Yes	2	2
NAME OF DIRECTOR	POSITION	INDEPENDENT	NO. OF MEETINGS HELD*	NO. OF MEETINGS ATTENDED																						
Rhett Brans	Non-Executive Director	Yes	4	4																						
James Askew	Non-Executive Director	Yes	4	4																						
Sam Riggall	Non-Executive Director	Yes	4	4																						
Christina Lampe-Onnerud	Non-Executive Director	Yes	2	2																						

CORPORATE GOVERNANCE STATEMENT (CONT)

RECOMMENDATION	SYRAH'S COMPLIANCE WITH RECOMMENDATIONS
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>The Board with the assistance of the Remuneration and Nomination Committee has established remuneration policies and procedures to ensure the following:</p> <ul style="list-style-type: none"> > attract and retain Non-Executive Directors and Senior Executives who will create value for shareholders; and > fairly and responsibly reward Executives having regard to the performance of the Group, the performance of the Executives and industry remuneration conditions.
	<p>REMUNERATION CONSULTANTS</p>
	<p>During 2016, the Remuneration and Nomination Committee updated the remuneration strategy and structures for Directors and Executives with the assistance of independent remuneration consultants Mercer Australia (Mercer). The report prepared by Mercer assisted the Remuneration and Nomination Committee with determining the appropriate levels of remuneration for Directors and Executives (consisting of the Managing Director; Chief Operating Officer and Chief Financial Officer).</p>
	<p>NON-EXECUTIVE DIRECTORS</p>
	<p>Non-Executive Directors are remunerated at market rates for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and annually reviews their remuneration to take into account comparable roles, competitive market data and if required the advice of independent remuneration consultants.</p>
	<p>EXECUTIVES</p>
	<p>The Board aims to ensure that the Company's remuneration practices for Executives are performance based and designed to:</p>
	<ul style="list-style-type: none"> > motivate Executives to pursue the Company's long term growth and success; and > demonstrate a clear relationship between the Company's overall performance and the performance of Executives.
	<p>The Remuneration and Nomination Committee utilises independent expert advice and surveys as appropriate to benchmark remuneration against comparative industry data. The Total Fixed Remuneration for Executives is currently positioned at the 25th percentile (P25) of a comparative group of companies.</p>
	<p>Further details in relation to Non-Executive Director and Executive remuneration are disclosed in the Remuneration Report section of the Company's 2016 Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p>	<p>The Company has a Long-Term Incentive Plan (LTIP) is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist the Company to attract, motivate and retain Executives and selected senior staff. In addition, the LTIP is also designed to provide Executives and selected senior staff with an incentive to remain with the Company and contribute to the future performance of the group over the long term.</p>
<p>a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p>	<p>Additional details in relation to the LTIP are disclosed in the Remuneration Report section of the Company's 2016 Annual Report.</p>
<p>b. disclose that policy or a summary or it.</p>	<p>The Board, in consultation with the Remuneration and Nomination Committee, has determined that any employee of the Company that is a participant of an equity-based remuneration scheme must seek Board approval before they are permitted to enter into a transaction that will limit the economic risk of participation in the scheme.</p>
	<p>A copy of the Share Trading Policy is available on the Company's website at www.syrahresources.com.au</p>

