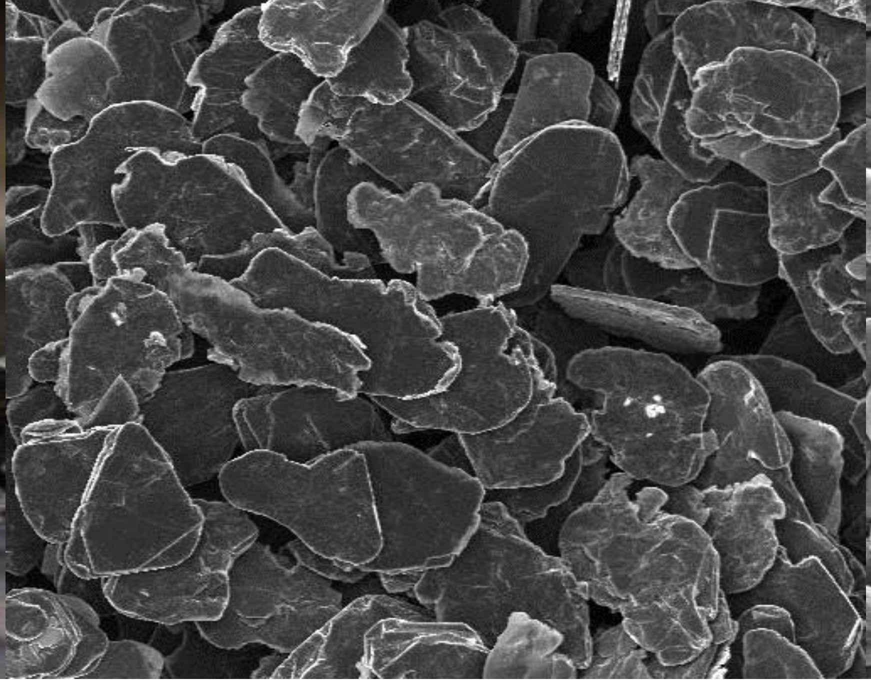
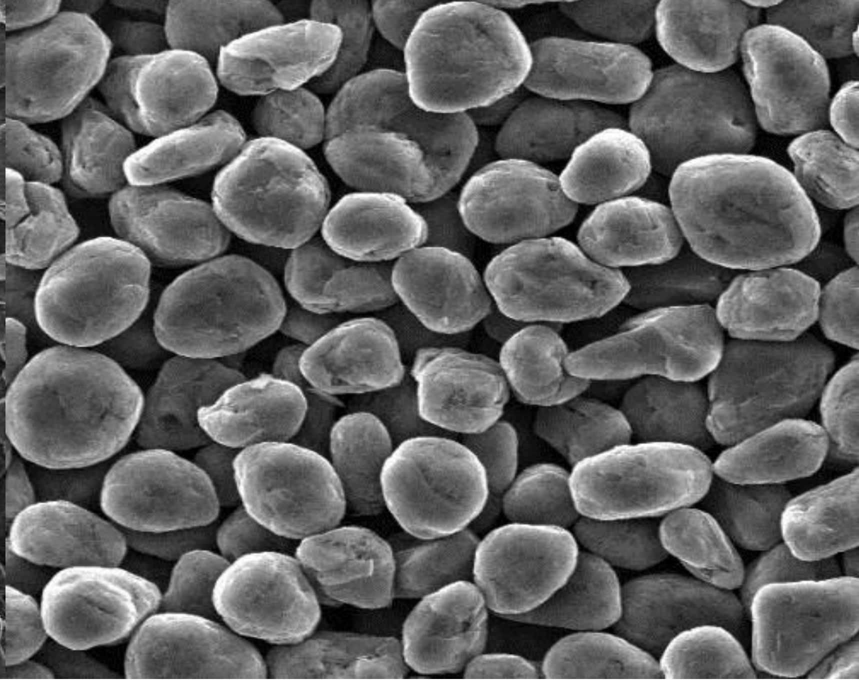




Equity Capital Raising Presentation

4 September 2018

Important notice and disclaimer

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT: You must read the following before continuing.
This presentation has been prepared by Syrah Resources Limited (ABN 77 125 242 284) (and / or its subsidiaries, as the context requires, "Company", "Syrah" or "Syrah Resources") in relation to an institutional placement ("Placement", "Offer" or "Institutional Placement") of new ordinary shares in the Company ("New Shares"). The Placement will be made to certain eligible institutional and sophisticated investors.

Summary information
This presentation contains summary information about the Company and its activities and is current as at 4 September 2018. The information in this presentation is a general background and does not purport to be complete or provide all information that an investor should consider when making an investment decision. No representation or warranty, express or implied, is provided in relation to the accuracy or completeness of the information. Statements in this presentation are made only as of the date of this presentation unless otherwise stated and the information in this presentation remains subject to change without notice. The Company is not responsible for updating, nor undertakes to update, this presentation. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange ("ASX"), which are available at www.asx.com.au

JORC Reporting
Investors should note that it is a requirement of the ASX listing rules that the reporting of Ore Reserves and Mineral Resources in Australia comply with the Australasian Joint Ore Reserves Committee Code for Reporting of Mineral Resources and Ore Reserves 2012 Edition (the "JORC Code"), whereas mining companies in other countries may be required to report their Mineral Reserves and/or Resources in accordance with other guidelines (for example, SEC Industry Guide 7 in the United States). Investors should note that while the Company's Mineral Resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide 7. In particular, SEC Industry Guide 7 does not recognise classifications other than proven and probable Reserves and, as a result, the SEC does not permit mining companies to disclose their Mineral Resources including measured, indicated or inferred Resources in SEC filings. Accordingly, if the Company were reporting in accordance with SEC Industry Guide 7, it would not be permitted to report any Mineral Resources, and the amount of Reserves it has estimated may be lower. You should not assume that quantities reported as "Resources" will be converted to Reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them. In addition, investors should note that under SEC Industry Guide 7, mine life may only be reported based on Ore Reserves.

Not financial product advice
This presentation is for information purposes only and is not a prospectus, product disclosure statement or other offer document under Australian law or the law of any other jurisdiction. This presentation is not financial product or investment advice, a recommendation to acquire New Shares or accounting, legal or tax advice. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs, and seek legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide financial product advice in respect of its securities. Cooling off rights do not apply to the acquisition of New Shares.

Financial data
All dollar values are in Australian dollars ($ or A$) unless stated otherwise.

Past performance
Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future performance or condition. Investors should note that past performance, including past share price performance, of Syrah cannot be relied upon as an indicator of (and provides no guidance as to) future performance including future share price performance. The historical information included in this presentation is, or is based on, information that has previously been released to the market.

Important notice and disclaimer

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Non-IFRS Financial Measures

Investors should also be aware that certain financial data included in this presentation may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by the Australian Securities and Investments Commission (“ASIC”) or "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934. The disclosure of such non-GAAP financial measures in the manner included in this presentation would not be permissible in a registration statement under the U.S. Securities Act of 1933, as amended (“U.S. Securities Act”). The Company believes this non-IFRS financial information provides, and these non-GAAP financial measures provide, useful information to users in measuring the financial performance and conditions of Syrah. The non-IFRS financial information and these non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information or non-GAAP financial measures and ratios included in this presentation.

Future performance

This presentation contains certain forward-looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this presentation include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof; the capital and operating costs, timetable and operating metrics for the Balama Graphite Operation; the viability of future opportunities such as spherical graphite, future agreements; future market supply and demand; and future mineral prices. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains such statements that are subject to risk factors associated with the mineral and Resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of Reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. The forward-looking statements in this presentation speak only as of the date of this presentation. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this presentation will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this presentation.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Diagram, charts, graphs and tables

Any diagrams, charts, graphs and tables appearing in this presentation are illustrative only and may not be drawn to scale.

Investment risk

An investment in New Shares is subject to investment and other known and unknown risks, some of which are beyond the control of Syrah, including possible delays in repayment and loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of Syrah, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Persons should have regard to the risks set out in the Key Risks section of this presentation.

Important notice and disclaimer

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Not an offer

This presentation is not and should not be considered an offer or an invitation to acquire Company securities or any other financial products and does not and will not form any part of any contract for the acquisition of New Shares.

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The New Shares to be offered and sold in the Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered and sold to, directly or indirectly, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This presentation may not be distributed or released in the United States. The distribution of this presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

By accepting this presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

Underwriters and advisors

None of the underwriters, nor any of its or the Company's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. For the avoidance of doubt, the underwriters and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents have not made or purported to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, the Company, the underwriters and their respective advisers and affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, the Company, the underwriters and their respective advisers and affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and the underwriters, its advisers and affiliates, related bodies corporate, directors, officers, partners, employees and agents, takes no responsibility for any part of this presentation or the Offer. The underwriters and its advisers and affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor does it make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by any of the underwriters, its advisers or any of its affiliates, related bodies corporate, directors, officers, partners, employees or agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them. Statements made in this presentation are made only as at the date of this presentation. The information in this presentation remains subject to change without notice. The Company reserves the right to withdraw the Offer or vary the timetable for the Offer without notice.

Acceptance

By attending an investor presentation or briefing, or accepting, accessing or reviewing this presentation you acknowledge and agree to the terms set out in the important notice and disclaimer.

Table of contents

Company update

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Balama Graphite Operation (Balama) ramp-up	• The ramp-up and de-risking of Balama is well advanced(1)
	• Balama is on track to achieve CY2018 production guidance of 135kt to 145kt(2), enabled by significant month on month production performance improvement:
	    • 43% production volume uplift for July (relative to June 2018) to 10kt
	    • 40% production volume uplift for August (relative to July 2018) to 14kt
	        • August exit run rate performance is 19kt of graphite production per month at a recovery rate of 70%(3)
	• Commercial production(4) is expected to be declared during Q4 CY2018
	• Balama targeted to be operating cash flow positive from late 2018
	• Supply chain optimisation under way to facilitate a release of working capital
	• Sales and marketing strategy focused on delivering diversification of revenue across customers, market segments and geographies

Battery Anode Material (BAM) strategy update	• Company is assessing strategic opportunities to accelerate entry into Battery Anode Material (“BAM”) market either through its own product development or strategic relationships
	    • Syrah currently engaged with several parties to assess potential strategic relationships
	• In response to evolving market dynamics and supply chain participant interactions, the Company will focus the initial production capacity at Vidalia on qualification volumes to:
	    • Rapidly produce and qualify BAM from a Syrah owned facility in the USA to capture first mover advantage and establish a core ex-Asia battery supply chain position for Syrah’s product
	    • Maintain optionality in relation to potential strategic relationships and future commercial scale development of final anode product
	• Site purchased in Louisiana, installation ready with milling equipment on site and permits to operate

(1) Refer to 'Balama Graphite Operation ramp-up update' section for summary of progress on ramp-up of Balama Graphite Operation.
(2) Refer to ASX announcements dated 29 May 2015, 29 November 2016 and page 9, footnote 2.
(3) August exit run rate refers to an implied 31 day month performance based on operating performance achieved in last week of August. Recovery calculated as average daily recovery for last week of August.
(4) Refer to Note 8 of the 2017 Annual Report for factors used in determining Commercial Production.

Company update

Vanadium	• Balama contains a significant vanadium Resource which presents a potential value-accretive opportunity that Syrah will advance through near term studies • Consultant has been appointed to undertake a review of Syrah's 2014 vanadium scoping study[1], and progress studies to enable Syrah to reach an investment decision

Syrah's funding requirement	• Equity raising proceeds will enable ramp-up of Balama through to positive cash flow, deliver initial BAM production capacity, fund corporate costs and provide balance sheet support
	• Syrah's total estimated funding requirement is US$68m, consisting of:
	  • US$30m to complete the ramp-up of the Balama Graphite Operation through to positive cash flow
	  • US$25m to progress Syrah's BAM strategy to the end of 2019, including delivery of initial production capacity in USA and delivery of qualification volumes
	  • US$2m to fund the evaluation of the vanadium Resource at Balama
	  • US$11m to fund Syrah's corporate, general and administrative costs (including transaction costs)
	• As of 31 August 2018, Syrah's cash balance was US$40m, set aside to provide liquidity and balance sheet support
	• Any funds raised from the Share Purchase Plan ("SPP") will be allocated to provide further balance sheet support

Proposed equity raising	• Syrah announces a fully underwritten equity raising to raise gross proceeds of A$94m (US$68m)[2] to meet the Company's funding requirements • Following completion of the Placement, Syrah will offer eligible shareholders in Australia and New Zealand the right to participate in a SPP

(1) Scoping study on potential to refine vanadium as per the ASX announcement dated 30 July 2014.
(2) A$ proceeds converted into US$ based on the AUD/USD exchange rate of 0.72 as of 31 August 2018.

Investment highlights

Balama: a Tier 1 asset	• Long life asset, with over 50 years of mine life[1] and 350kt per year of graphite concentrate production capability[2] • Balama is the largest natural graphite mine globally as measured by annual flake concentrate production capacity • High grade concentrate relative to current industry standards provides Syrah with the opportunity for development of a price premium advantage • Balama targeted to be operating cash flow positive from late 2018[3] • Balama's large Reserve and Resource allows for future plant expansion, potentially representing a low capital intensity option to meet incremental future graphite demand
First mover advantage	• Syrah has successfully developed and is now ramping up the world's largest graphite mine • The ongoing ramp-up of Balama is establishing the asset as the base-load supplier of graphite globally • Syrah's strategy to rapidly produce and commence qualification of BAM is intended to establish a core ex-Asia battery supply chain position
Exposure to high growth lithium-ion battery markets	• Graphite is a key component of lithium-ion batteries used in electric vehicles and energy storage, both rapidly growing markets • Balama graphite product mix and specifications are suited for use in these markets
Competive advantage in the BAM value chain	• Balama's scale, quality and low production costs are key competitive advantage enablers in the delivery of Syrah's BAM strategy • Syrah's BAM strategy provides the opportunity to produce a value-added product compared to flake graphite and capture additional cash margin by establishing a core position in the battery supply chain
Vanadium optionality at Balama	• Balama contains a significant vanadium Resource which presents a potential value-accretive opportunity that Syrah will advance through near term studies • Vanadium, a by-product which is liberated during the graphite production process, could potentially be refined into a saleable product (V_2O_5)[4] via processing of material currently reporting to tailings at Balama

(1) Life of mine based on current 114.5Mt Graphite Ore Reserves being depleted at 2Mt of mill throughput per annum.
(2) Refer to ASX announcements dated 29 May 2015, 15 November 2016 and page 9, footnote 2.
(3) Refer to 'Balama Graphite Operation ramp-up update' section for summary of progress on ramp-up of Balama Graphite Operation.
(4) Scoping study on potential to refine vanadium as per the ASX announcement dated 30 July 2014.

Balama Graphite Operation ramp-up update

Balama Graphite Operation – a Tier 1 producing asset

Location	• Mozambique (Cabo Delgado Province)
Reserves and Resources	• Graphite Reserves[(1)]: 114.5Mt at 16.6% Total Graphitic Carbon (TGC) - 18.9Mt of contained graphite • Graphite Resources[(1)]: 1,191Mt at 11.0% TGC - 128.5Mt of contained graphite
Mining	• Simple, open pit mining operation with low stripping ratio
Processing method	• Conventional process that includes crushing, grinding, flotation, filtration, drying, screening and bagging
Processing plant capacity	• 2 million tonnes ore per annum
Product	• 95% to 98% Fixed Carbon (FC) concentrate to be produced across a range of flake sizes
Production	• Production capability of 350kt of graphite concentrate per year • Expected CY2018 production of 135kt to 145kt[(2)] • Targeting production of 250kt to 300kt for CY2019 subject to global market demand[(3)]
Cash operating cost	• Targeting a cash operating cost of US$430 to US$450 per tonne by 31 December 2018[(4)]; expected to reduce towards <US$300 per tonne as the plant is optimised and ramps up to full capacity
Life of mine	• Over 50 years[(5)]
Optionality	• Balama's large Reserve and Resource allows for future plant expansion, potentially representing a low capital intensity option to meet incremental future graphite demand • Vanadium, a by-product which is liberated during the graphite production process, could potentially be refined into a saleable product (V_2O_5)[(6)] and presents a medium term, high value opportunity
Mining Agreement	• The Mining Agreement has been signed by the Government of the Republic of Mozambique and has been presented to the Administrative Court for sanctioning, after which it will be binding and enforceable[(7)]

Balama Graphite Operation

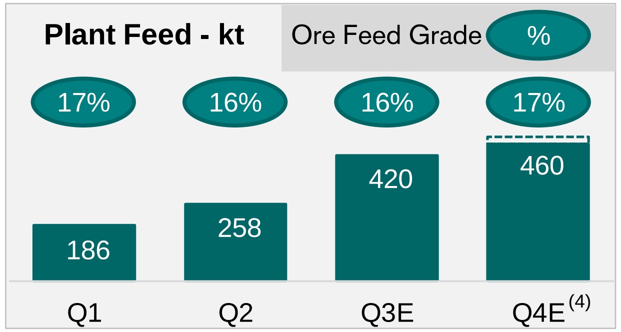
(1) Refer to ASX announcements dated 29 May 2015, 29 November 2016.
(2) Refer to ASX announcements titled "Syrah finalises Balama Graphite study and declares maiden Ore Reserve" released on 29 May 2015, "Syrah increases Balama Reserves and awards Laboratory Contract" released on 15 November 2016. All material assumptions underpinning the production target in these announcements continue to apply and have not materially changed, other than as updated in subsequent ASX announcements including the "Q2 2018 Quarterly Activities Report" released on 30 July 2018.
(3) Refer to ASX announcement dated 30 January 2018.
(4) Free on Board (FOB), Port of Nacala, excluding government royalties and taxes.
(5) Life of mine based on current 114.5Mt Graphite Ore Reserves being depleted at 2Mt of mill throughput per annum.
(6) Scoping study on potential to refine vanadium as per the ASX announcement dated 30 July 2014.
(7) For key terms of the Mining Agreement refer to ASX Announcement dated 19 September 2017.

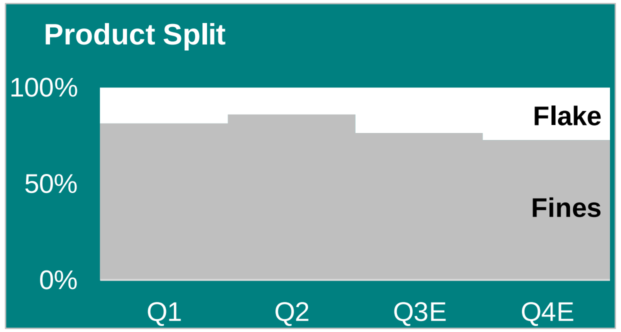
Ramp-up of the world's largest graphite mine accelerating

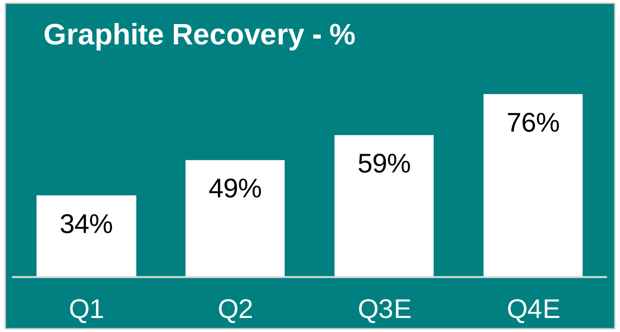
- Strong safety record with Total Recordable Injury Frequency Rate (TRIFR) of 1.0 at Balama as at end August 2018
- Ongoing strong Government and Community support
- Production improvement plan delivering results
- On track to meet 2018 guidance of 135kt – 145kt production[1] following implementation of production improvement plan

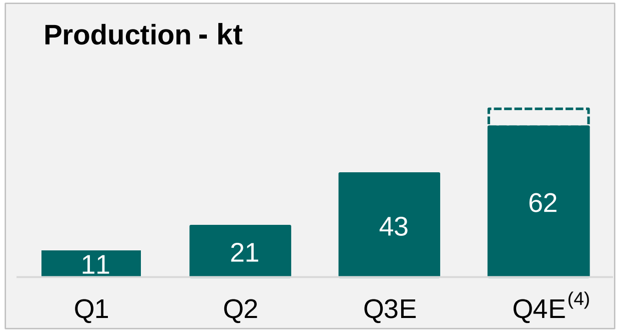
Late August production performance provides confidence in meeting near term targets

Actuals	Jun	Jul	Aug	Aug (Exit rate)[2]	Sep (Target)
Plant Feed (kt)	99	128	147	179	144
MoM%[3]	-	29% ↑	15% ↑	-	-2%
Recovery (%)	45%	47%	57%	70%	71%
MoM%[3]	-	4% ↑	21% ↑	-	20%
Production (kt)	7	10	14	19	18
MoM%[3]	-	43% ↑	40% ↑	-	29%









Note: "E" refers to estimates. Q1 and Q2 performance metrics reflect actual quarterly performance. Q3E reflects actual performance for July and August, with September estimates. Q4E reflects quarterly estimates.
(1) Refer to ASX announcements dated 29 May 2015, 29 November 2016 and page 9, footnote 2.
(2) Exit rate refers to an implied 31 day month performance based on operating performance achieved in last week of August. Recovery calculated as average daily recovery for last week of August.
(3) MoM% refers to month-on-month percentage change.
(4) Dotted line reflects upper range of plant feed and production required to meet top end of guidance (145kt).

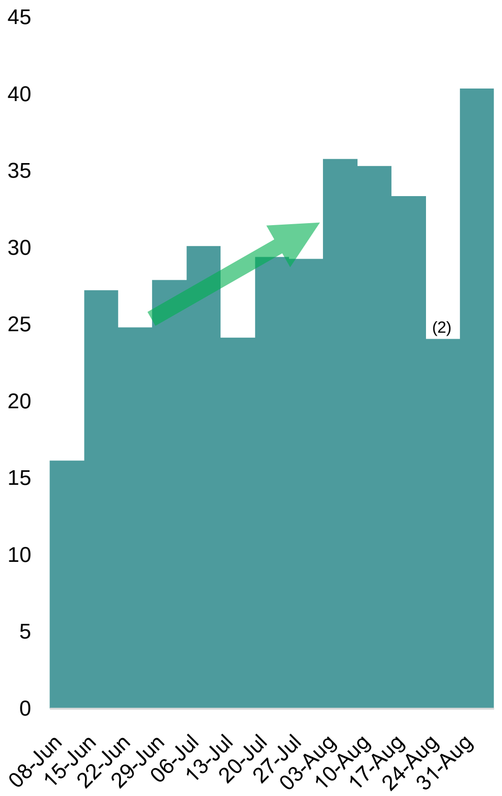
SYRAH RESOURCES

Balama achieving sustainable production performance improvements

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

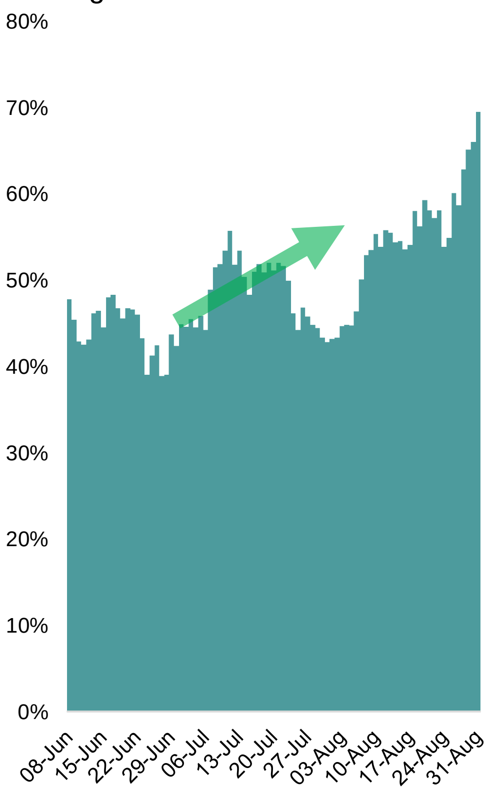
Weekly Plant Feed

1 Progressive step up in plant feed



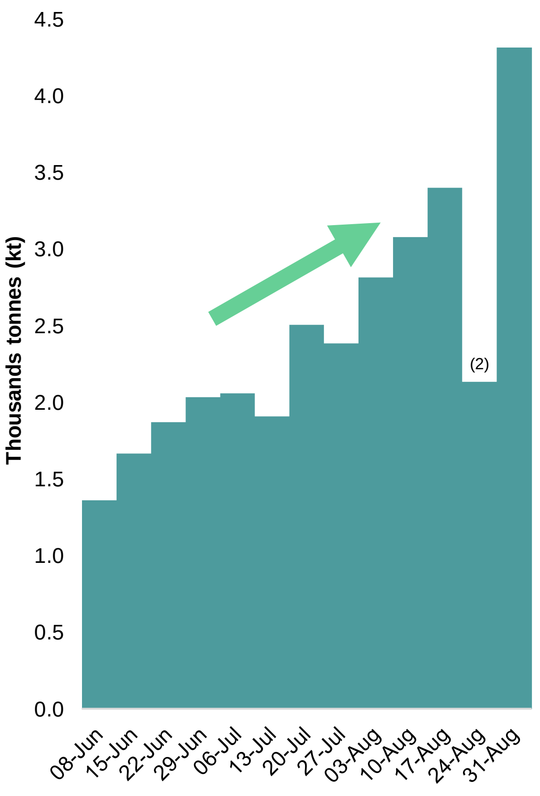
Graphite Recovery

2 Higher recovery enabled by improved plant stability and higher feed rates



Weekly Production

3 Improving production performance



COO commenced in June 2018:

- Production improvement plan implemented and delivering results

Ongoing performance plan priorities:

- Improve pre-cleaner polishing mill power utilisation to increase graphite liberation performance
- Increase secondary grinding circuit utilisation
- Press filtration system loss minimisation
- Enhanced cyclone overflow recovery to circuit and cyclone configurations
- Ongoing process control performance optimisation
- Fines and flake attrition cells operating performance optimisation

(1) Weekly data for the period 2-Jun-18 to 31-Aug-18.
(2) 2 day planned shut down during the week of 24-Aug.

Supply chain optimisation is underway to facilitate a release of working capital

Supply chain optimisation underway, driven by:

- Transition to a dedicated trucking fleet and purpose built Cross Dock Facility
- Streamlining customs clearing process
- Improving cycle times at the Balama warehouse and for customs processing at the Port of Nacala

Resolution of these issues is in hand which will lead to progressive reduction of inventory levels to expected steady state finished product inventory of approximately 15kt between Balama and Nacala

Graphite Inventory/Sales Summary	Kt
Graphite Sold and Shipped (YTD 2018)	30
Graphite allocated to sales orders and awaiting shipment at Nacala as at 31 August 2018	11
Balama Inventory as at 31 August 2018	15

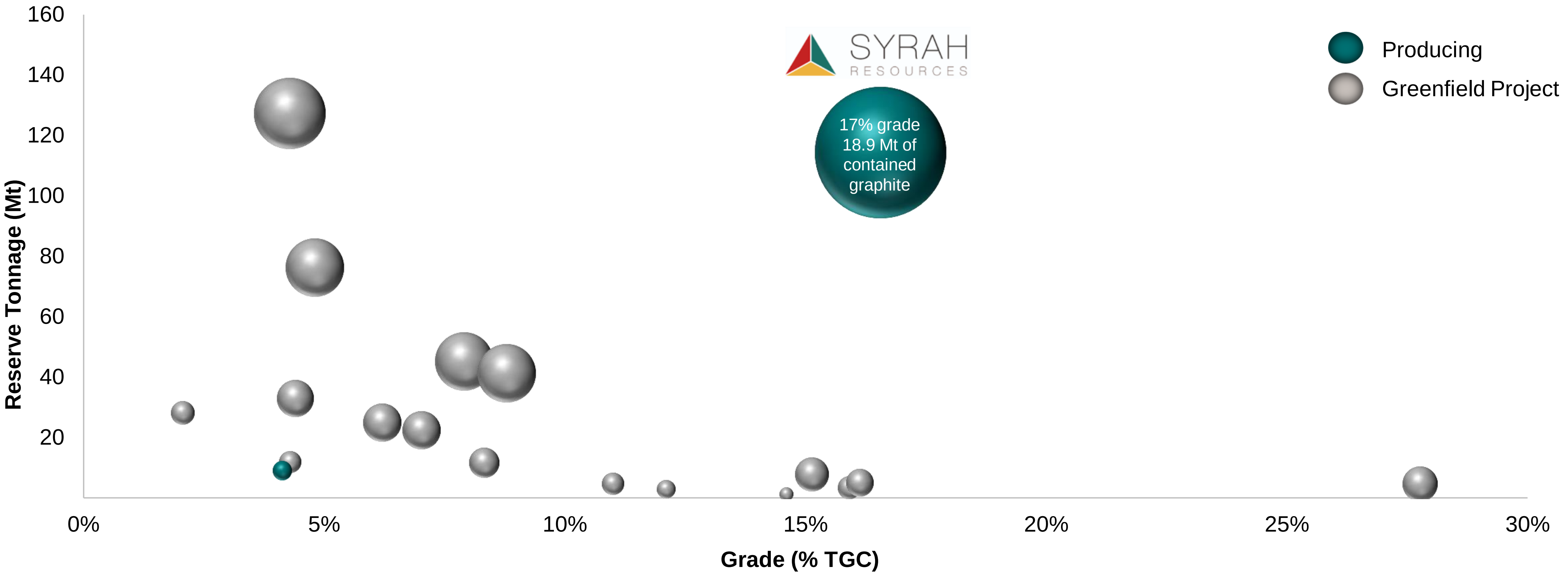
SYRAH RESOURCES

Balama is best positioned to meet incremental future graphite demand

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

- Balama's large Reserve and Resource allows for future plant expansion, potentially representing a low capital intensity option to meet incremental future graphite demand

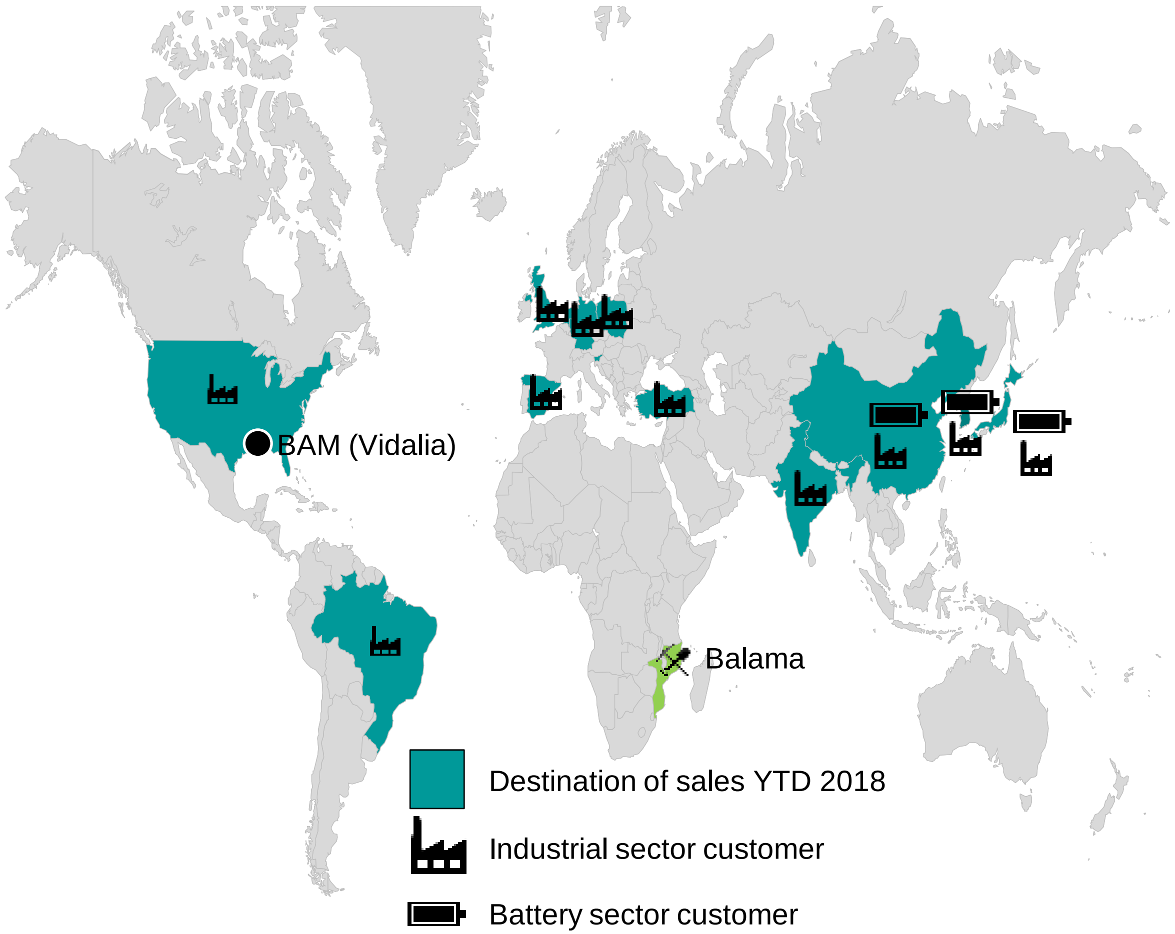
Ex- China Flake Graphite (Reserves)



Source: Company filings.
Notes: Bubble size reflects contained graphite content based on company filings/announcements.
Selected ASX and TSX listed graphite projects with declared Reserves only and excludes Chinese producers.
TGC = Total Graphitic Carbon.

Sales and marketing

Syrah's market entry and sales strategy is changing global trade flows – Syrah expected to be the largest producer of natural graphite in 2018



Strategic focus:
Strategy focused on delivering diversification of revenue across customers, market segments and geographies

Syrah's strategy seeks to maintain price discovery through a mix of long and short term contracts with regular price negotiations

Execution strategy:
Analysis of market data to develop strategy and forecast short and long term trends in supply, demand and pricing

Sales and technical marketing support for feedback into development of products and increase market penetration

Focus on development of long term relationships with customers to provide consistent, high quality alternative supply and minimise cyclicality

Inventory management to allow for smooth market entry, long term contracts vs spot sales, seasonality and pricing management

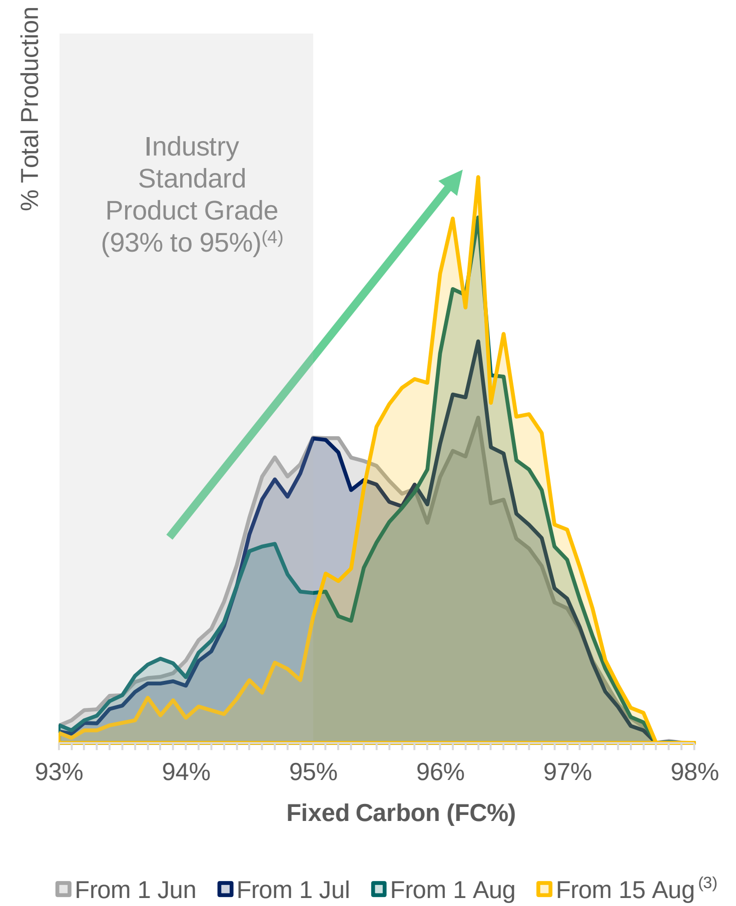
Coordination of logistics and trading services for efficient delivery of product and management of receipts and payments

SYRAH RESOURCES

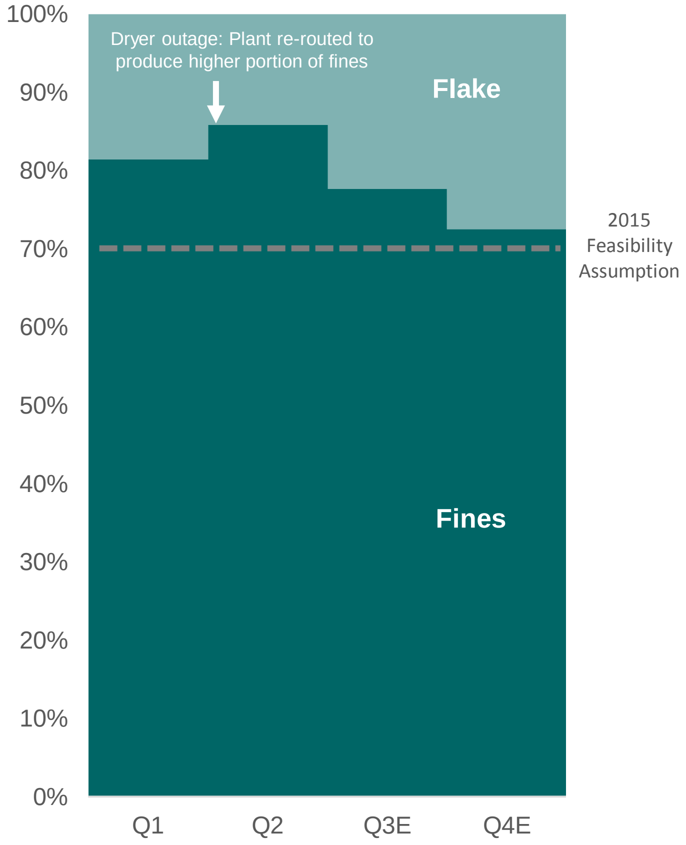
Wide range of prices achieved – potential for higher basket price through continued product quality (FC) and product mix (mesh size) optimisation

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

1 Fixed Carbon (FC%)



2 Product Mix (Mesh Size)(1)

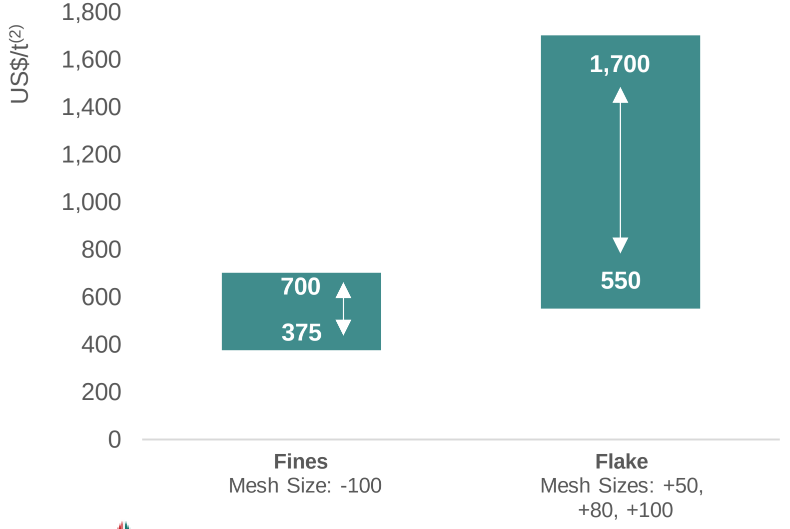


Impact on received price

1. **Average Fixed Carbon of Balama product increasing as process plant is optimised**
   - Premium pricing achievable for higher Fixed Carbon % products
2. **Targeting increasing percentage of flake (+50 +80 +100 mesh) versus fines (-100 mesh) in near term**
   - Higher prices currently achievable for larger mesh sizes

Market dynamic
- Medium to long term lithium-ion battery usage to drive future global demand for fines product

Range of achieved prices year to date(2)



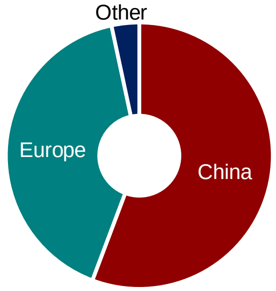
(1) Flake mesh sizes range +50, +80 and +100. Fines mesh size -100.
(2) Achieved range of transaction prices are on a CIF basis. The ranges shown are not an indication of future prices and do not imply any distribution of volumes sold across each range.
(3) Fines attrition cells operational from 14 August. Refer to ASX announcement dated 14 August 2018.
(4) FC% range generally quoted by external reporting price agencies.

SYRAH RESOURCES

Diversification of customers across country, sector and contract type provides for regular price discovery

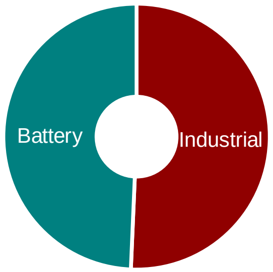
YTD Actuals (Jan-18 to Aug-18)

Country



- Prioritised shipments into China in H1 2018 in line with initial battery contracts
- Expect greater sales into Japan, Korea and USA as qualification completes and buyer sourcing diversification increases

Sector



- Prioritised shipments into battery sector in H1 2018 to expediate entry into the lithium-ion battery supply chain
- Additional refractory and industrial customers expected in 2019 on annual purchasing cycles
- Battery sector likely to be an increasing component of sales over the medium term

Country	Number of customers	Contract Type	Pricing Mechanism	Products[1]
	8	Term, Spot and Repeat Spot	Spot, quarterly and annual	Fines and Flake
	8	Repeat Spot	Spot	Fines and Flake
	6	Term and Repeat Spot	Spot	Fines and Flake
	5	Term and Repeat Spot	Fixed and Spot	Fines and Flake
	2	Term and Repeat Spot	Fixed and Spot	Fines and Flake
	2	Repeat Spot	Spot	Fines and Flake
	1	Term	Spot	Fines
	1	Repeat Spot	Spot	Flake

Note: Aug 2018 YTD volumes split on the basis of sold tonnes. Country of destination does not always match nationality of buyer.
(1) Flake mesh sizes range +50, +80 and +100. Fines mesh size -100; includes planned shipments for contracts under negotiation.

Battery Anode Material (BAM) strategy

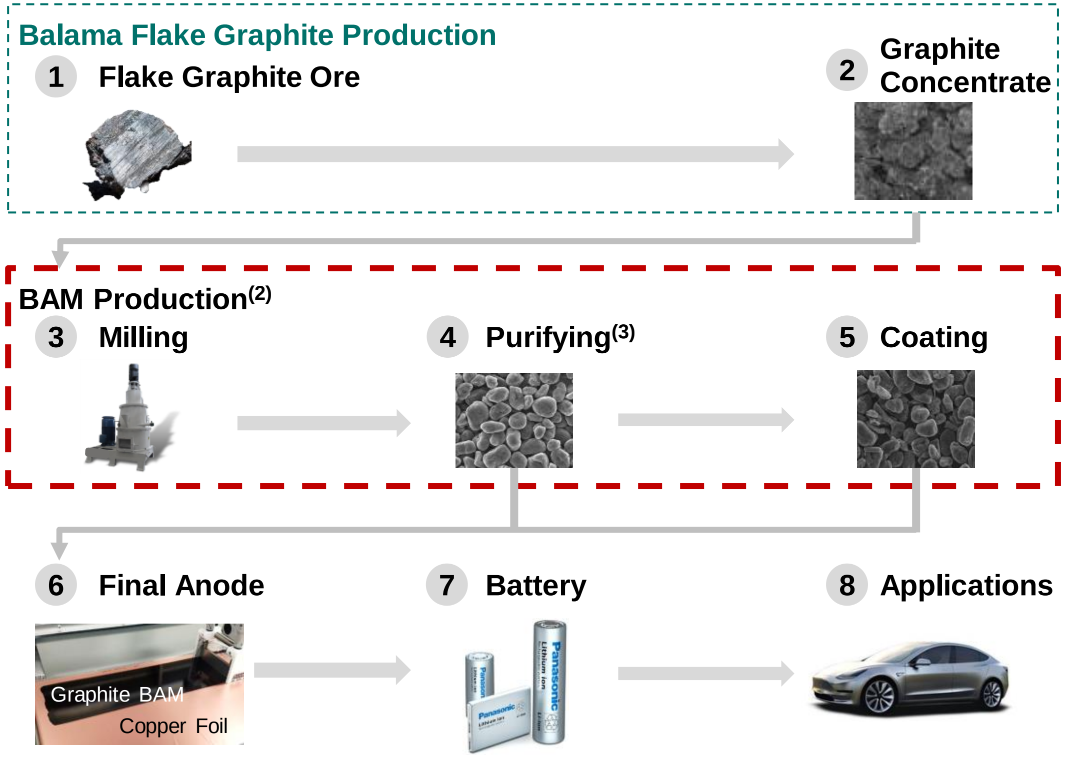
BAM strategy evolving as market develops – strategic opportunity to accelerate entry to final anode product market

Strategic Context

Rapidly evolving market	• Syrah's BAM strategy reflects:
	  • Evolving Battery Anode Material (BAM) market, ongoing engagement with end users and greater opportunity for accelerated final anode product entry; and
	  • Intensified discussions with supply chain participants regarding potential BAM strategic relationships
	    • Value chain relationships are forming now, providing opportunity to leverage into final anode product earlier

Maximising Syrah's competitive advantage	• Ongoing Syrah BAM product development investment is demonstrating potential for differentiated cost and product characteristics • Comparison of performance of Syrah coated and uncoated spherical graphite shows comparable performance to existing market leading material, enabling market entry(1) • Rapid production of a BAM qualification product critical to demonstrate quality, refine product options, accelerate strategic options and establish supply chain position

Lithium-ion battery supply chain – Natural Graphite



(1) Based on results of laboratory testing conducted by Cadenza Innovation, refer to ASX announcement dated 30 April 2018.
(2) Plant in Louisiana will initially have 5kt per annum of milling capacity and batch scale purification capability.
(3) Purifying can be achieved chemically or thermally. Plan for Syrah BAM plant to be capable of chemical purification.

BAM strategy evolving as market develops – strategic opportunity to accelerate entry to final anode product market

Syrah's BAM strategy

1

Rapid development of qualification product

- Louisiana facility (Vidalia) re-sized to lowest capital intensity scale to qualify BAM and capture first mover advantage and establish a core ex-Asia supply chain position for Syrah's product (5kt per annum milling capacity, batch scale of purification capability[(1)])
- Production of first un-purified spherical graphite material by end 2018, production of purified spherical graphite for qualification during Q1 2019
- Significant milestones achieved to date (Vidalia is installation ready)

2

Progress strategic relationship discussions during the remainder of 2018

3

Finalise feasibility study for commercial scale development

- Phase 1 commercial scale feasibility study for BAM purified spherical graphite to be completed end-Q3 2018
- Commercial scale feasibility and product development for final BAM product (coating / treatment) to continue into Q4
  - Study will incorporate improved product and technology options
- Final investment decision will be informed by results of strategic discussions

Maintain flexibility to enable earliest possible delivery of final anode product

- Low near term capital program supports accelerated qualification product development
- Spend minimised until commercial plant investment decision made either through final BAM product feasibility completion or strategic relationship
- Assessment of strategic options review by end of 2018

(1) Production will be limited to volumes required for qualification purposes and to facilitate ongoing product development.

BAM strategy evolving as market develops – strategic opportunity to accelerate entry to final anode product market

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

BAM plant installation ready

- ✓ Completed purchase of Louisiana site - fit for purpose for a commercial scale plant
- ✓ 5kt per annum of milling capacity purchased and on site
- ✓ Detailed design in place to progress 5kt per annum of milling installation
- ✓ Permitting (air & water) process completed for production

Other key achievements

- ✓ Detailed design significantly progressed for purification equipment - long lead items committed
- ✓ Product development testing completed – confirmation Syrah BAM has comparable performance to existing market leading material, enabling market entry[(1)]
- ✓ Product development pathway developed to accelerate timeframe to final anode production
- ✓ Strategic relationship discussions advanced with several parties

Upcoming milestones

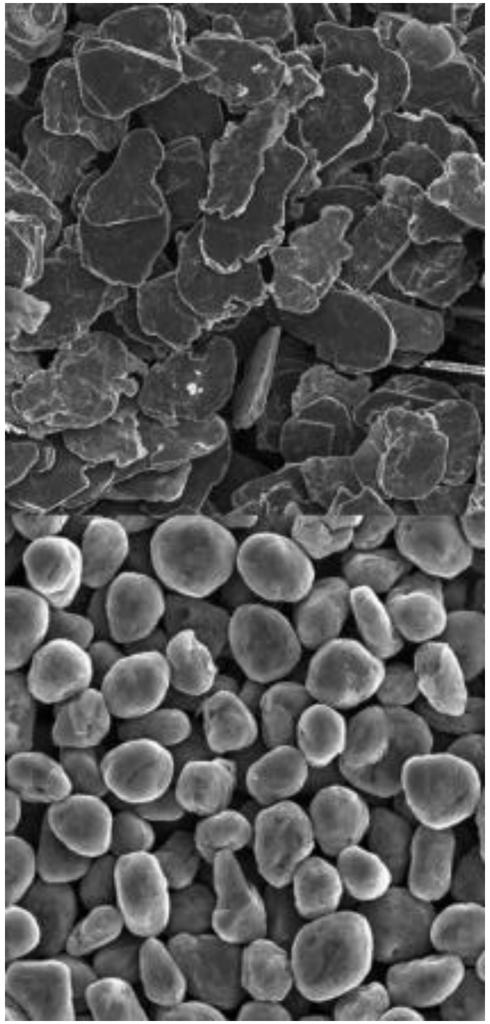
Sep-18	• Commence installation of milling capacity
Q3 2018	• Delivery of phase 1 commercial scale BAM Feasibility Study
End 2018	• Production of first un-purified spherical graphite material for delivery into qualification
End 2018	• Assess commercial scale development alternatives and strategic relationship options
Q1 2019	• Production of first purified spherical graphite material for delivery into qualification

(1) Based on results of laboratory testing conducted by Cadenza Innovation, refer to ASX announcement dated 30 April 2018.

Vidalia (Louisiana) battery anode material plant

Processing capacity	• USA facility re-sized to minimum requirements to:
	  • Qualify BAM to capture first mover advantage and establish a core ex-Asia supply chain position for Syrah's product
	  • 5kt per annum milling capacity, batch scale purification capability(1)
	  • Maintain flexibility to respond to strategic relationship discussions
	• Potential to expand capacity in the future in line with:
	  • Acceptance of qualification volumes
	  • Outcomes of scale-up and coating technology studies
	  • Geographic demand growth
	  • Assessment of strategic relationship options

Funding	• US$16m for completion of USA BAM initial production capacity • US$6m of operating costs of initial production capacity to end of 2019 • US$3m to fund continued research and development to end of 2019. Technology development focused on product specific optimisation and coating/treatment



(1) Production will be limited to volumes required for qualification purposes and to facilitate ongoing product development.

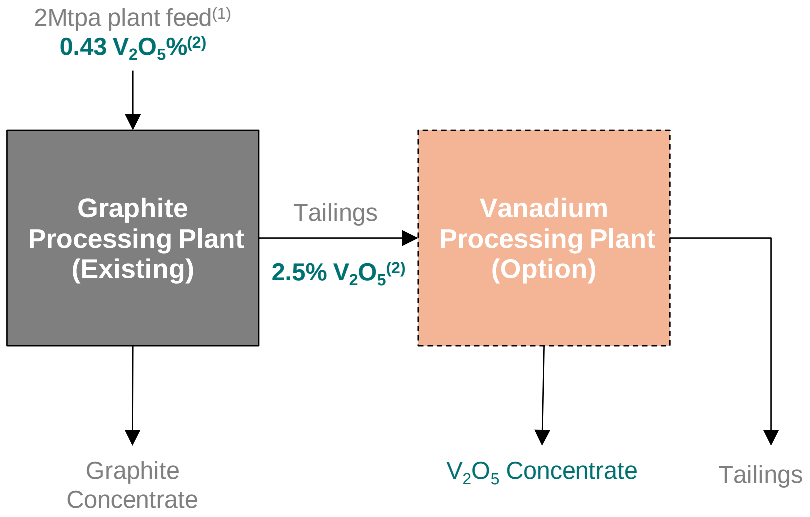
Vanadium opportunity progression

Syrah's vanadium opportunity

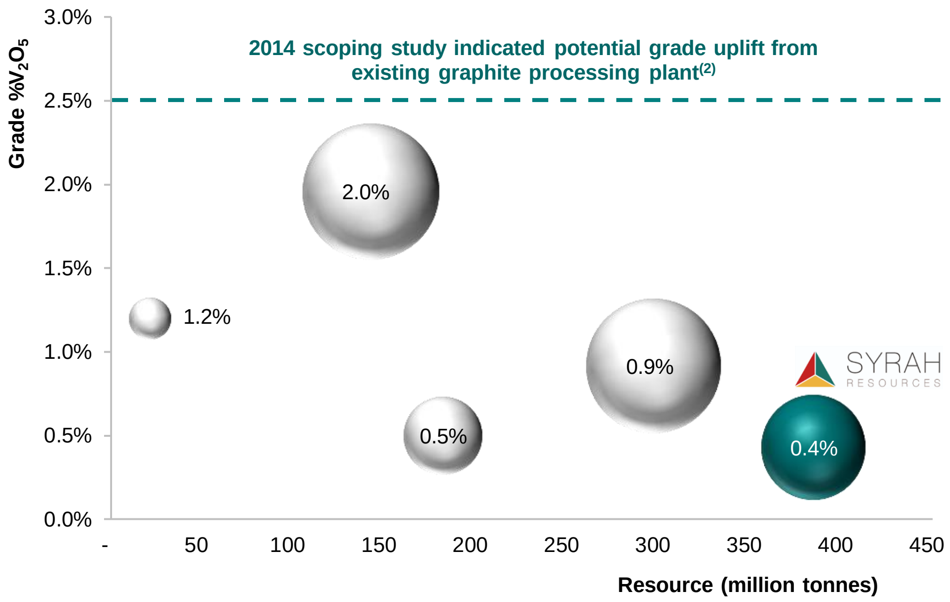
NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

- Consultant has been appointed to undertake a review of 2014 vanadium scoping study – expected completion October 2018
- Syrah targeting investment decision in relation to vanadium processing at Balama within a 2 to 3 year period

Grade uplift from existing graphite processing plant



Comparison to selected existing Ex-China producers



Source: Company reports, Syrah Resources analysis
Notes: Bubble size represents contained vanadium

(1) Current Balama plant feed design capacity 2Mtpa.
(2) 2014 scoping study indicated potential grade uplift from existing graphite processing plant. See ASX announcement 30 July 2014 for Balama vanadium Resource grade, vanadium process plant input grade assumption and product grades

Offer details

Sources and uses of proceeds

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Sources	A$m	US$m
Gross proceeds of equity raising	94	68
Total Sources	94	68

Uses	A$m	US$m
Balama working capital[1]	42	30
Delivery of BAM:		
Plant development (delivery of initial plant)	22	16
Working capital (operating costs to end of CY2019)	8	6
Product research and development	4	3
Vanadium studies	3	2
Corporate and G&A	15	11
Total Uses	94	68

- Equity raising proceeds will enable ramp-up of Balama through to positive cash flow, deliver initial BAM production capacity, fund corporate costs and provide balance sheet support
- Syrah's total estimated funding requirement is US$68m, consisting of:
  - US$30m to complete the ramp-up of the Balama Graphite Operation and fund the operation through to positive cash flow
  - US$25m to progress Syrah's BAM strategy to the end of 2019, including delivery of initial production capacity in USA and delivery of qualification volumes
  - US$2m to fund the evaluation of the vanadium Resource at Balama
  - US$11m to fund Syrah's corporate, general and administrative costs (including transaction costs)
- As of 31 August 2018, Syrah's cash balance was US$40m, set aside to provide liquidity and balance sheet support
- Following completion of the Placement, Syrah will offer eligible shareholders in Australia and New Zealand the right to participate in a Share Purchase Plan ("SPP")
  - Any funds raised through the SPP will be allocated to provide further balance sheet support

Note: Currency converted at an AUD/USD exchange rate of 0.72 as of 31 August 2018. The net proceeds of the Offer are expected to be converted into US$ upon receipt (representing the underlying currency in which the majority of the expenditure will be incurred).

(1) Balama working capital includes US$3m of remaining project development costs. Total project capital cost remains unchanged at US$215m.

Offer overview

Offer size and structure	• Syrah is offering 42.2 million New Shares at A$2.23 per New Share to raise approximately A$94m (US$68m) via a Placement to professional and sophisticated investors ("Offer" or "Placement") • The New Shares issued under the Offer will represent approximately 12.4% of Syrah's undiluted share capital immediately following completion of the Placement • New Shares issued under the Placement will rank equally with existing Syrah Shares on issue

Offer price	• Fixed offer price of A$2.23 per New Share under the Offer ("Offer Price")
	• Represents a discount of:
	  • 9.3% to Syrah's closing price of A$2.46 on the ASX as at 3 September 2018
	  • 13.3% to Syrah's 10-day VWAP on the ASX of A$2.57 up to and including 3 September 2018

Use of proceeds	• The proceeds of the Offer will be used:
	  • to complete the ramp-up of the Balama Graphite Operation and fund the operation through to positive cash flow
	  • to progress Syrah's BAM strategy to the end of 2019, including delivery of initial production capacity in USA and delivery of qualification volumes
	  • to fund the evaluation of the vanadium Resource at Balama
	  • to fund Syrah's corporate, general and administrative costs (including transaction costs)

Underwriting	• The Offer is fully underwritten
Share Purchase Plan	• Following completion of the Placement, Syrah will offer eligible shareholders in Australia and New Zealand the right to participate in a Share Purchase Plan ("SPP") • Eligible shareholders will be invited to subscribe for up to a maximum of A$15,000 worth of additional shares, free of transaction and brokerage costs • The SPP price will be A$2.23 per share which is equal to the Offer Price of the Placement • The SPP will aim to raise approximately A$14m (US$10m)[1] and is not underwritten • Syrah may decide to raise a higher amount or scale back applications under the SPP at its absolute discretion • New Shares issued under the SPP will rank equally with existing Syrah Shares on issue • Full details of the SPP will be set out in the SPP Offer Booklet, which will be lodged with ASX and sent to eligible shareholders in due course

(1) Currency converted at an AUD/USD exchange rate of 0.72 as of 31 August 2018.

Offer overview

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Event	Date
SPP Record Date	7:00pm, Monday, 3 September 2018
Trading Halt	Tuesday, 4 September 2018
Announcement of Offer and Bookbuild opens	Tuesday, 4 September 2018
Bookbuild closes	Tuesday, 4 September 2018
Trading Halt lifted and Shares resume trading	Wednesday, 5 September 2018
Settlement of Offer	Friday, 7 September 2018
Issue and Quotation of New Shares under the Offer	Monday, 10 September 2018
SPP Offer opens and Booklet dispatched	Tuesday, 11 September 2018
SPP Closing Date	Tuesday, 2 October 2018
Issue of New Shares under the SPP	Tuesday, 9 October 2018
Normal trading of New Shares under the SPP	Wednesday, 10 October 2018
Dispatch of Holding Statements	Thursday, 11 October 2018

Note: Timetable is indicative only. All times refer to the time in Sydney, Australia and subject to change.

Key risks

Key risks

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

The below table sets out key risks to be considered in relation to investment in Syrah. References below to “Syrah” or “the Company” include Syrah Resources Limited and its subsidiaries (unless the context requires otherwise).

Commodity price risk	The demand for, and the price of, graphite is highly dependent on a variety of factors, including international supply and demand of graphite and substitutes, the price and availability of substitutes, actions taken by governments, and global economic and political developments. Syrah’s operational and financial performance, as well as the ongoing economic viability of the Balama Operation, is heavily reliant on the price of graphite, among other things. In this respect, prospective investors should note that, at present, there is no transparent market for graphite pricing; rather, prices are negotiated on a bilateral basis and therefore subject to factors including those set out below as well as the preferences and requirements of customers. Failure by Syrah to negotiate favourable pricing terms (which terms may provide for fixed or market-based pricing) may materially affect the profitability and financial performance of Syrah and the price of its shares. Further, failure by Syrah to negotiate favourable terms with agents or other third parties engaged to market and/or sell graphite on its behalf, or failure by such agents or third parties to sell graphite at favourable prices, may have a similar effect. Any sustained low price for graphite (or low sale price achieved by Syrah, whether directly or via agents or other third parties) may adversely affect Syrah’s business and financial results, and its ability to finance, and the financing arrangements for, its future activities or its planned capital expenditure commitments. The factors which affect the price for graphite (many of which are outside the control of Syrah and its directors) include, among many other factors, the quantity of global supply in graphite as a result of the commissioning of new mines and the decommissioning of others; political developments in countries which produce and consume material quantities of graphite; the weather in such countries; the price and availability of appropriate substitutes; advancements in technologies and the uses and potential uses of graphite, and the demand for the applications for which graphite may be used (including, for example, in the manufacturing, construction, and battery industries); the grade, quality and particle size distribution of graphite produced; and sentiment or conditions in the countries and sectors in which Syrah and its business/commercial partners sell or intend to sell their products. Given the range of factors which contribute to the price of graphite, and the fact that pricing is subject to negotiation, it is particularly difficult for Syrah to predict with any certainty the prices at which Syrah will sell its product. Accordingly, investors are cautioned not to place undue reliance on any price or demand forecasts provided by Syrah or by external analysts.
Mineral Resources and Ore Reserves	Mineral Resources and Ore Reserves are estimates of mineralisation that have reasonable prospects for eventual economical extraction in the future, as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). JORC Code compliant statements relating to Syrah’s Ore Reserves and Mineral Resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change and may be updated from time to time. This may result in alterations to mining plans or changes to the quality or quantity of Syrah’s Ore Reserves and Mineral Resources, which may, in turn, adversely affect Syrah’s operations.

Key risks

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Funding risk	Syrah's continued ability to operate its business and effectively implement its business plan over time will depend in part on its ability generate free cash flow, to raise funds for operations and growth activities and to service, repay and refinance debts as they fall due. Existing funds (including the funds raised under the Offer) may not be sufficient for expenditure that might be required for acquisitions and new or existing projects. This includes Syrah's BAM strategy, for which Syrah will likely require additional funding in the future to execute on that strategy. While the directors of Syrah believe the Company has a number of alternatives to raise funding (which may include both debt and equity sources of funding), there can be no guarantee that Syrah will be able to raise sufficient funding on acceptable terms or at all. An inability to obtain finance on acceptable terms or at all may cause, among other things, substantial delays in, or prevent, the operation of the Balama Operation and/or the development of Syrah's BAM strategy. To the extent that Syrah does require funding for its future capital needs, the availability and terms of such funding are uncertain and may be less favourable to Syrah than anticipated, which may negatively impact Syrah's future profitability and financial flexibility. Funding terms may also place restrictions on the manner in which Syrah conducts its business and impose limitations on Syrah's ability to execute on its business plan and growth strategies (including its BAM strategy).
Counterparty risk (including risks related to qualification of product and renewal of sales agreements)	The ability of Syrah to achieve its stated objectives will depend on the performance of contractual counterparties. Syrah has entered into sales, marketing or distribution agreements for the Balama Operation, and will seek to renew or replace contracts in order to match anticipated production over time. Global demand may fluctuate (based on steel production and electric vehicle and energy storage system battery demand in particular) and there is no guarantee that sales forecasts or timing will be achieved, or that supply and demand analysis will be accurate. . The agreements are a mix of term agreements and spot sale agreements. Syrah's revenue and profitability depends on counterparties performing on their obligations under such agreements and on counterparties with term agreements continuing to enter into new agreements at the end of the existing term and spot sale counterparties entering into new sales. In addition, the sale of graphite by Syrah is subject to commercial verification and qualification processes to ensure any produced graphite (including BAM graphite product) meets the specifications for industrial supply required by customers (including in both the industrial graphite markets and the battery sector). The qualification process may require approval from multiple parties in the supply chain and not just those parties with whom Syrah has contractual arrangements. Failure of Syrah's graphite to qualify for purchase, or any unanticipated delay in qualifying Syrah's graphite, may adversely impact Syrah's financial performance and position (including by resulting in Syrah generating less revenue or profit than anticipated and/or incurring higher costs than anticipated). Syrah has entered into various agreements for the Balama Operation (including the supply of key goods and services including diesel fuel supply, logistics, contract mining and other services). Risks associated with such agreements, some of which have arisen, include rising contract prices as well as disputes regarding variations, extensions of time and costs, all of which may give rise to delays and/or increased costs. The risk of variations in contract prices is a function of the inclusion of certain 'rise and fall' provisions in some of Syrah's operational agreements. Such provisions provide a mechanism by which prices charged for certain inputs are periodically adjusted based on movements in certain indices. Should any of these risks materialise, this could have a material adverse impact on Syrah's profitability and financial performance. If Syrah's counterparties default on the performance of their respective obligations, for example if the counterparty under a sales agreement defaults on payment or a supplier defaults on delivery, unless Syrah is protected by a letter of credit (which is often, but not always, the case in sales agreements), it may be necessary to approach a Mozambique or other international court to seek enforcement or some other legal remedy, if no alternative settlement can be reached. Such legal action can be uncertain, lengthy and costly. There is a risk that Syrah may not be able to seek the legal redress that it could expect under Australian law against a defaulting counterparty, or that a legal remedy will not be granted on satisfactory terms.

Key risks

BAM strategy	Relative to the Balama Operation, Syrah's BAM strategy is at an early stage. Accordingly it is subject to a range of risks and variables which may impact upon Syrah's ability to execute that strategy. These risks and variables include: • construction and the commissioning risk of the initial plant capacity and any subsequent expansion including risks relating to weather, availability of materials, availability and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, IT failures or disruptions, consumables, spare parts, plant and equipment. The commissioning process may uncover failures or deficiencies in processes, systems, plant and equipment required for the BAM strategy, and addressing such failures or deficiencies may result in Syrah incurring unexpected costs and production commencing later than anticipated. Any of these outcomes could have a material adverse impact on Syrah's results of operation and financial performance; • operational risks including that the performance of the qualification plant may be below expectations; • obtaining all necessary permits, authorisations and approvals for an expansion of the operations beyond the initial plant capacity; • the costs of developing a commercial scale BAM plant (should this be considered in the best interests of the Company); and • the success of any strategic relationships into which Syrah enters with third parties in connection with the execution of the BAM strategy. The risks and costs relating to a commercial plant development will be further assessed in the feasibility study which is currently underway. If any of these risks or variables were to materialise, costs were greater than expected or if there is lower than expected demand for Syrah's BAM, then Syrah's BAM-related activities may not proceed as presently intended, or (if they do proceed) they may take longer or cost more than anticipated and/or not generate the expected levels of revenue or profit.
Operational risks (including risks related to production ramp-up)	Mineral production involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate. Syrah's operations are subject to hazards normally encountered with mining and mineral processing enterprises and include hazards to employees and incidents which could result in damage to plant or equipment or personal injuries, in each case which may have a material adverse impact on Syrah's operations and financial results. No assurance can be given that the anticipated tonnages or grade of minerals will be achieved during production or that the indicated level of recovery rates will be realised. Additionally, material price fluctuations, as well as increased production and operating costs or reduced recovery rates, may render any potential mineral Resources or Reserves containing relatively lower grades uneconomic or less economic than anticipated, and may ultimately result in a restatement of such Resource or Reserve. Moreover, short-term operating factors relating to such potential mineral Resources or Reserves, such as the need for sequential development of mineral bodies and the processing of new or different mineral types or grades, may cause a mining operation to be unprofitable in any particular period. In any of these events, a loss of revenue or profit may be caused due to the lower than expected production or ongoing unplanned capital expenditure in order to meet production targets, or the higher than expected operating costs. During the production ramp-up and operational phase of the Balama Operations, there is a risk that difficulties may arise as part of the processing and production of minerals, including difficulty in obtaining and importing equipment, failures in plant and equipment and difficulties with product liberation, separation, screening, filtration, drying and bagging. Other risks during the production ramp-up and operational phase include, and are not limited to, weather, availability of materials, availability and productivity of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, IT failures or disruptions, consumables, spare parts, plant and equipment. The production ramp-up process may uncover failures or deficiencies in processes, systems, plant and equipment required for the Balama Operations, and addressing such failures or deficiencies may result in Syrah incurring unexpected costs and production ramp-up delays. Any of these outcomes could have a material adverse impact on Syrah's results of operation and financial performance.

Key risks

Geological and geotechnical risks	There is a risk that unforeseen geological or geotechnical issues may be encountered when developing and mining Ore Reserves, such as unusual or unexpected geological conditions, pit wall failures, tailings storage facility failures, rock bursts, seismicity and cave-ins. In any of these events, a loss of revenue may be caused due to the lower than expected production and/or higher than anticipated operation and maintenance costs and/or ongoing unplanned capital expenditure in order to meet production targets.
Cost inflation	Higher than expected inflation rates generally, or specific to the mining industry in particular, could be expected to increase operating and capital expenditure costs and potentially reduce the value of future project developments. While, in some cases, such cost increases might be offset by increased selling prices, there is no assurance that this would be possible. To the extent that such offset is not possible, this could adversely impact Syrah's financial performance.
Remote operating environment	Due to the remoteness of the Balama Operation, Syrah is subject to an increased number of risks including a lack of access to key infrastructure, security requirements, unexpected transportation and fuel costs, unexpected delays and accidents that could, singularly or collectively, materially negatively impact upon Syrah's financial performance and position. Any prolonged interruption to access to key infrastructure, including, for example, transport of product to the port of Nacala, clearing of product through customs and shipping from the port, could have significant adverse effects on the Company's ability to produce and sell product and therefore generate revenue. Further, as Syrah's primary asset is located in a remote part of Africa, it is susceptible to limitations in infrastructure, transportation services and costs associated with transportation due to, among other things, rises in the price of fuel. This also makes Syrah particularly susceptible to the availability of personnel, specialist services, parts, equipment and supplies on a timely basis.
Water sources	Any restrictions on Syrah's ability to access water may adversely impact the costs, production levels and financial performance of its operations. There is no guarantee that there will be sufficient future rainfall, or that the water level at the Chipembe Dam will be sufficient, to support Syrah's water demands in relation to its sites and operations or that access to water will otherwise remain uninterrupted. Any interruption to water access could adversely affect production and Syrah's ability to develop or expand projects and operations in the future. In addition, and while there are potential alternative water sources, there can be no assurance that Syrah will be able to obtain access to them on commercially reasonable terms or at all in the event of prolonged drought conditions or other interruptions to existing water access arrangements.

Key risks

Environmental regulation	Environmental regulations in the jurisdictions in which Syrah has operations impose significant obligations on companies that conduct the exploration for and mining of commodities. These regulations also cover the processing of ores into concentrate and subsequent transportation of those produced minerals as well as the possible effects of such activities upon the environment and local communities. Syrah must comply with all known standards, existing laws, and regulations in each case which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how vigorously and consistently the regulations are administered by the local authorities. There are inherent environmental risks in conducting exploration and mining activities, giving rise to potentially substantial costs for environmental rehabilitation, damage control and losses. Changes in environmental laws and regulations or their interpretation or enforcement may adversely affect Syrah's operations, including the potential profitability of its operations. Further, environmental legislation is evolving in a manner which may require stricter standards and enforcement (with associated additional compliance costs) and expose relevant operators to the risk of increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Syrah's operations. Syrah currently holds an environmental licence for the Balama Operations (due to expire in 23 April 2020). Renewal of the licence is conditional on the update of the environmental management plan and submission of the original environmental permit activity. In response to such risks, Syrah has developed an extensive environmental management program, undertakes annual external audits and periodic reporting, and has achieved ISO14001 and OHSAS:18001 certifications for environmental management. However, these programs are no guarantee that other environmental issues or concerns will not arise. If such issues or concerns were to arise, this may have an adverse effect on Syrah's ability to operate, reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.
Key personnel and labour market risk	Syrah has a number of key management personnel on whom it depends to manage and run its business. From time to time, Syrah will require additional key personnel or operational staff. In addition, Syrah has certain obligations regarding employment of local labour. The loss of any key personnel, coupled with any inability to attract suitably qualified replacement personnel, or the inability to attract suitably qualified additional personnel, could have a material adverse effect on Syrah's operational and financial performance. Syrah may also face difficulty attracting and retaining such personnel in certain cases, given the remoteness of the Balama Operation, the lack of infrastructure in the nearby surrounding areas, and the shortage of local readily available skilled labour. A limited supply of skilled workers could lead to an increase in labour costs and Syrah being ultimately unable to attract and retain the employees it needs. When new workers are hired, it may also take a considerable period of training and time before they are equipped with the requisite skills to work effectively and safely.
Community relations	Syrah's mining activities may cause issues or concerns with the local community in connection with, among other things, the potential effect on the environment as well as other social impacts relating to employment, use of infrastructure and community development. In response to such risks, Syrah has signed a Community Development Agreement with local key stakeholders and established ongoing engagement and management programs focused on optimising positive impacts and minimising the risk of negative impacts on the community. However, these programs are no guarantee that other issues or concerns will not arise with the local community. If such issues or concerns were to arise, this may have an adverse effect on Syrah's reputation and relationships with key stakeholders, which may in turn negatively impact its financial and operational performance.

Key risks

Currency and exchange rate risk	Syrah's activities may generate revenues, and Syrah may incur expenses, in a variety of different currencies, meaning its financial performance and position are impacted by fluctuations in the value of relevant currencies and exchange rates. In particular, it is anticipated that Syrah will be required to make certain payments under contracts for the Balama Operations in the local Mozambique currency. . A lack of liquidity or depreciation in the value of the local Mozambique currency, or the failure of or difficulties in implementing exchange control mechanisms in Mozambique, could adversely impact the financial position and performance of Syrah, including by making it more difficult or costly to convert the local currency or transfer it out of Mozambique. Accordingly, Syrah is exposed to exchange rate risk which may materially affect its financial performance and position.
Competition	Competition from Australian, Canadian, Chinese, Indian, Brazilian, Russian, Ukrainian Madagascan, and other international graphite producers and explorers may affect the potential future cash flow and earnings which Syrah may realise from its operations. This includes competition from new entrants into the market. The introduction of new mining and processing facilities and any increase in competition and supply in the global graphite market could lower the price of this commodity. Syrah may also encounter competition from other mining and exploration companies for the acquisition of new projects required to sustain or increase its potential future production levels. Syrah's downstream BAM strategy may also be impacted by new entrants to the market, or existing graphite producers, pursuing a similar strategy aimed at qualifying spherical graphite or other BAM products for battery purposes.
Government actions	Syrah's operations could be adversely affected by government actions in Mozambique, the USA, Dubai, China or other countries or jurisdictions in which it has operational exposures, investment or exploration interests or into which it makes sales. These actions include, but are not limited to, the introduction of or amendment to or changes in the interpretation of legislation, guidelines and regulations in relation to mining and resources exploration and production, taxation, the environment, carbon emissions, competition policy, export duties, and import tariffs. Such actions could impact upon land access, the granting of licences and permits, the approval of project developments and ancillary infrastructure requirements and the cost of compliance. The possible extent of the introduction of additional legislation, regulations, guidelines or amendments to existing legislation that might affect Syrah is difficult to predict. Any such government action may require increased capital commitments in order to ensure compliance or could delay or even prevent certain operation/activities of Syrah. Such actions could therefore have a material adverse effect on Syrah's financial condition. Syrah's business could be affected by new or evolving trade regulations and international standards, such as controls on exports, prices and sanctions restricting or regulating trading with, or the sale or purchase of goods or products to or from, entities in Mozambique, UAE, the United States or other jurisdictions relevant to Syrah's business (as well as additional costs in the form of tariffs and duties), any of which could adversely impact Syrah's sales and profitability.

Key risks

Political risk, war and terrorism, natural disasters, force majeure and sovereign risk	Syrah's operations could be affected by political instability in Australia, Mozambique, the USA, UAE or China or other countries or jurisdictions in which it has operations, investment interests, conducts exploration activities or has sales into. Syrah is therefore subject to the risk that it may not be able to carry out its operations as it intends or to ensure the security of its assets and its people (particularly those located outside of Australia). Given its geographic footprint, Syrah is subject to the risk of, among other things, loss of revenue, property and equipment as a result of expropriation, war, insurrection, civil disturbance, acts of terrorism and geopolitical uncertainty. As with any mining operation, Syrah is also at risk of natural disasters, both to the mine site and also to the logistics chain, which may include among other matters, abnormal or severe weather conditions, floods, cyclones and other natural disasters. The effect of these risks is difficult to predict and any combination of one or other of the above may have a material adverse effect on Syrah. Syrah has a limited ability to insure against some of these risks and other 'force majeure' risks (such as natural disasters). Syrah's primary asset is located in Mozambique and so it is subject to risks associated with operating in that country. Risks of operations in Mozambique may include economic, social or political instability or change, hyperinflation, widespread health emergencies or pandemics, reduced convertibility of local currency, sovereign loan default or collapse of the country's financial system, difficulty in engaging with the local community, instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of Syrah.
Tax and customs risk	Syrah is subject to taxation and other imposts in Australia, Mozambique, the USA and the UAE, as well as other jurisdictions in which Syrah has activities, sales and investments. Changes in taxation laws (including transfer pricing, tariffs and duties), or changes in the interpretation or application of existing laws by courts or applicable revenue authorities, may affect the taxation or customs treatment of Syrah's business activities and adversely affect Syrah's financial condition. Syrah's international contractual arrangements, asset, liability, revenue and expense recognition and taxation administration requires management judgment in relation to the application of tax laws in a number of jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain or in relation to which tax authorities may take a view which is different to the view taken by Syrah. Syrah recognises liabilities for tax, and if applicable taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made. Further, there may be delays in processing, tax or duty rebates or refunds for which Syrah has applied. Should it become unlikely that Syrah will recover such rebates or refunds, this could also adversely affect Syrah's financial condition and require a reclassification of assets or recognition of expenses in the Company's accounts. The revenue and profit from the Balama Operations will be subject to certain payments to the Mozambique Government (including in the form of taxes and royalties) as provided for in the proposed form of Mining Agreement (see summary of terms on page 19 of the investor presentation released by the Company on 19 September 2017).

Key risks

Regulatory risk	Syrah's businesses are subject, in each of the countries in which it operates, to various national and local laws and regulations relating to, among other things, construction and exploration and mining activities. A change in the laws which apply to Syrah's businesses or the way in which they are regulated could have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on Syrah's businesses and financial condition. The Balama Operations are subject to the laws of Mozambique. Under those laws, certain rights are granted in favour of the Mozambique Government and certain obligations imposed on Syrah. The nature and extent of application of relevant Mozambique law (including the "Mega-Projects Law" (Law No. 15/2012 of 10 August) has been clarified in the agreed form of the Mining Agreement (see summary of terms on page 19 of the investor presentation released by the Company on 19 September 2017). Syrah's operations could be adversely affected by government actions in Mozambique which alter the terms or operation of the Mining Agreement in respect of the Balama Operations or otherwise impact upon the manner in which Syrah conducts its operations and/or Syrah's relationship with, and obligations to, the Mozambique Government. Such government action could adversely impact Syrah's financial and operational performance and its financial position, in particular if it results in an increase in royalty payments, taxes or similar payments that Syrah is required to make or if it otherwise reduces the proportion of revenues or profits derived from the Balama Operations which Syrah is entitled to retain. While the proposed form of the Mining Agreement has been approved by the Council of Ministers, it requires sanctioning by the Administrative Court before it becomes binding and enforceable under Mozambique law. Accordingly, there is no guarantee at this stage that it will become binding and enforceable.
Security of tenure	The maintaining of tenements, obtaining renewals, and grant of tenements or permits depends on Syrah being successful in maintaining and, where appropriate, renewing statutory approvals for its activities and proposed activities. There can be no assurance that such approvals will be obtained and there is no assurance that new conditions or unexpected conditions will not be imposed. If such approval are not obtained or new or unexpected conditions are imposed, this could have a material adverse impact on Syrah's operational and financial performance.
Insurance risk	Syrah maintains insurance coverage as determined appropriate by its board and management, but no assurance can be given that Syrah will continue to be able to obtain such insurance coverage at reasonable rates (or at all) for certain events, or that any coverage it obtains will be adequate and available to cover all claims.
Litigation	Syrah may be involved in litigation and disputes from time to time with its contractors, sub-contractors and other parties. Litigation and disputes can be costly, including amounts payable in respect of judgments and settlements made against, or agreed to by, Syrah. They can also take up significant time and attention from management and the Board. Accordingly, Syrah's involvement in litigation and disputes could have an adverse impact on its financial position and performance.
Global economic conditions	Economic conditions, both domestic and global, may affect the performance of Syrah. Adverse changes in macroeconomic conditions, including global and country-specific growth rates, the cost and availability of credit, the rate of inflation, interest rates, exchange rates, government policy and regulations, general consumption and consumer spending, input costs, employment rates and industrial disruptions, among others, are variables which while generally outside the control of Syrah and its Directors, may result in material adverse impacts on Syrah's businesses and its operational and financial performance.

Key risks

Underwriting risk	Syrah has entered into an underwriting agreement with the underwriters, who have agreed to manage and fully underwrite the Placement, subject to certain terms and conditions. If certain conditions are not satisfied or certain events occur, the underwriters may terminate the underwriting agreement. Termination of the underwriting agreement could result in the Placement not proceeding or not raising the anticipated amount of proceeds, and accordingly materially adversely affect Syrah's business, cash flow, financial condition and results of operations (including its capacity to ramp up production of the Balama Operation and execute its BAM strategy). In this event, Syrah may be required to source funding by alternative means, which may result in additional costs (for example, by way of interest payments on debt) and/or restrictions being imposed on the manner in which Syrah may conduct its business and deal with its assets (for example, by way of restrictive covenants binding upon Syrah). The SPP is not underwritten, which means there can be no assurance as to the amount that will be raised under the SPP.
Risk of dilution	Investors should note that if they do not participate in the SPP, then their percentage shareholding in Syrah will be diluted to a greater extent than would be the case if they participate (noting that, in any event, dilution will be caused by the Placement).
Dividends	Any future determination as to the payment of dividends by Syrah will be at the discretion of the Directors and will depend on the financial condition of Syrah, future capital requirements and general business and other factors considered relevant by the Directors. Syrah does not currently pay dividends and no assurance in relation to the future payment of dividends or franking credits attaching to dividends can be given by Syrah.
Share price fluctuations	The market price of the Company's shares will fluctuate due to various factors, many of which are non-specific to Syrah, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, changes in government, fiscal, monetary and regulatory policies, global geo-political events and hostilities and acts of terrorism, and investor perceptions. Fluctuations such as these may adversely affect the market price of the Company's shares. Neither Syrah nor the Directors warrant the future performance of Syrah or any return on an investment in Syrah.

International offer restrictions

International offer restrictions

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 *et seq*. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

International offer restrictions

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

International offer restrictions

Spain

This document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Spain, from the requirement to publish a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in Spain except pursuant to one of the following exemptions under the Prospectus Directive as implemented in Spain:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments unless such entity has requested to be treated as a non-professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2014/65/EC, "MiFID II") and the MiFID II Delegated Regulation (EU) 2017/565;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements) unless such entity has requested to be treated as a non-professional client in accordance with MiFID II and the MiFID II Delegated Regulation (EU) 2017/565;
- to any person or entity who has requested to be treated as a professional client in accordance with MiFID II; or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 30 of the MiFID II unless such entity has requested to be treated as a non-professional client in accordance with the MiFID II Delegated Regulation (EU) 2017/565.

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering material relating to the New Shares (i) constitutes a prospectus or a similar notice as such terms are understood under art. 652a, art. 752 or art. 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of art. 27 *et seqq*. of the SIX Listing Rules or (ii) has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

International offer restrictions

United Arab Emirates

Neither this document nor the New Shares have been approved, disapproved or passed on in any way by the Emirates Securities and Commodities Authority ("ESCA") or any other governmental authority in the United Arab Emirates. The Company has not received authorisation or licensing from the ESCA or any other governmental authority in the United Arab Emirates to market or sell the New Shares within the United Arab Emirates. This document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates (excluding the Dubai International Financial Centre). No services relating to the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre).

In the Dubai International Financial Centre, the New Shares may be offered, and this document may be distributed, only as an "Exempt Offer", as defined and in compliance with the Markets Rules issued by the Dubai Financial Services Authority (the “DFSA”). The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.