

ASX ANNOUNCEMENT

6 August 2015

SYRAH ANNOUNCES SUCCESSFUL COMPLETION OF PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER

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Syrah Resources Limited (ASX:SYR) (**Syrah** or the **Company**) is pleased to announce the successful completion of its institutional placement (**Placement**) and the institutional component of its 4 for 19 pro rata accelerated renounceable entitlement offer (**Institutional Entitlement Offer**).

Highlights

- **Placement and Institutional Entitlement Offer successfully completed, raising approximately A\$166 million**
- **Strong support from existing institutional shareholders and strong demand from new institutional investors**
- **A\$3.50 clearing price under the institutional shortfall bookbuild, representing a A\$0.25 premium to the offer price of A\$3.25 per share**
- **Retail Entitlement Offer opens on Monday, 10 August 2015**

On 3 August 2015, Syrah announced a fully underwritten capital raising of approximately A\$211 million (**Capital Raising**) which will predominantly be used to fund the development of its Balama Graphite Project in Mozambique, as well as certain other purposes disclosed in the announcement of the Capital Raising.

The Placement was conducted at A\$3.25 per share and raised approximately A\$98 million, attracting strong demand from existing and new institutional investors.

The Institutional Entitlement Offer was also conducted at A\$3.25 per share and raised approximately A\$68 million, with strong support from existing institutional shareholders. Owing to the high levels of demand, a clearing price of A\$3.50 per share was achieved under the institutional shortfall bookbuild, representing a A\$0.25 premium to the offer price of A\$3.25 per share. This premium will be paid to renouncing and ineligible institutional shareholders (less any applicable withholding tax).

Chairman of Syrah, James Askew, said:

"We are delighted by the incredibly strong display of support shown by both existing institutional shareholders as well as new institutional investors. It is a clear endorsement of the quality of Syrah's world class Balama Graphite Project and its management team. We look forward to shortly inviting our retail shareholders to also participate in this important fundraising."

The new shares to be issued under the Placement and Institutional Entitlement Offer (including the institutional shortfall bookbuild) will rank equally with existing Syrah shares from the date of their issue. Settlement is expected to occur on Wednesday, 12 August 2015, with the shares expected to be issued and commence trading on ASX (on a normal settlement basis) the following day.

Commencement of Retail Entitlement Offer

Eligible retail shareholders will shortly be invited to participate in the retail component of the 4 for 19 pro rata accelerated renounceable entitlement offer (**Retail Entitlement Offer**), under which new shares will be offered at the same offer price as the Institutional Entitlement Offer (A\$3.25 per share). The Retail Entitlement Offer will open on Monday, 10 August 2015 and close at 5.00pm (AEST) on Friday, 21 August 2015.

Eligible retail shareholders will be able to subscribe for 4 new Syrah shares for every 19 existing Syrah shares held at 7.00pm (AEST) today. Eligible retail shareholders can choose to take up all, part or none of their entitlement. Entitlements which are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer, and entitlements that would otherwise have been offered to ineligible retail shareholders, will be sold through a shortfall bookbuild on or around Wednesday, 26 August 2015 (**Retail Bookbuild**). Any proceeds from the sale of entitlements under the Retail Bookbuild in excess of the offer price of A\$3.25 per share will be remitted proportionally to renouncing/ineligible retail shareholders (less any applicable withholding tax). There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet and accompanying personalised entitlement and acceptance form, which are expected to be despatched on Tuesday, 11 August 2015. Copies of the retail offer booklet will be available on the ASX website (www.asx.com.au) from Monday, 10 August 2015.

Indicative timetable

An updated indicative timetable for the Capital Raising is attached to this announcement.

Syrah shares are expected to resume trading on the ASX from market open today on an “ex-entitlement” basis.

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About Syrah Resources Limited

Syrah Resources Limited (ASX code: SYR) is an Australian resource company that is rapidly progressing its flagship Balama Graphite and Vanadium Project in Mozambique to production. The Project hosts the largest graphite ore reserves in the world with an Australasian Joint Ore Reserves Committee (JORC) compliant Ore Reserve of 81.4 Mt at 16.2% total graphic carbon. Balama is a 110km² granted Mining Concession located within the Cabo Delgado province in the district of Namuno in northern Mozambique. The Project is approximately 260 km by road west of Pemba and is accessible by a sealed, main road, running directly from Pemba Airport. The Port of Nacala is approximately 490 km by road south east of the Project and is the deepest port in Southern Africa.

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Appendix - Indicative timetable

Event	Date
Announcement of Capital Raising	Monday, 3 August 2015
Institutional Entitlement Offer	Monday, 3 August 2015 to Tuesday, 4 August 2015
Placement and Institutional Bookbuild	Wednesday, 5 August 2015
Trading halt lifted and Shares recommence trading on an "ex-entitlement" basis	Thursday, 6 August 2015
Record Date under Entitlement Offer	7.00pm (AEST) on Thursday, 6 August 2015
Retail Entitlement Offer opens	Monday, 10 August 2015
Despatch of retail offer booklet	Tuesday, 11 August 2015
Settlement of Placement, Institutional Entitlement Offer and Institutional Bookbuild	Wednesday, 12 August 2015
Issue and commencement of trading of new Shares under Placement, Institutional Entitlement Offer and Institutional Bookbuild	Thursday, 13 August 2015
Retail Entitlement Offer closes	5.00pm (AEST) on Friday, 21 August 2015
Retail Bookbuild	Wednesday, 26 August 2015
Settlement of Retail Entitlement Offer and Retail Bookbuild	Tuesday, 1 September 2015
Issue of new Shares under Retail Entitlement Offer and Retail Bookbuild	Wednesday, 2 September 2015
Commencement of trading of new Shares issued under Retail Entitlement Offer and Retail Bookbuild	Thursday, 3 September 2015

The above timetable is indicative only and subject to change without notice. All references to time are to Australian Eastern Standard Time (AEST). The commencement of quotation of new Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Syrah reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer period or accepting late applications, either generally or in particular cases, without notice.

Important notices

This announcement is not a financial product or investment advice, a recommendation to acquire Shares or financial, accounting, legal or tax advice. The information in this announcement does not contain all the information necessary to fully evaluate an investment. It should be read in conjunction with the other materials lodged with ASX in relation to the Capital Raising (including the investor presentation and the key risks set out therein), and Syrah's other periodic and continuous disclosure announcements. This announcement 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 information in this announcement and in the investor presentation in relation to the Capital Raising having regard to their own objectives, financial and tax situation and needs, and should seek legal, tax and other professional advice. Syrah is not licensed to provide financial product advice in respect of an investment in shares.

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This announcement contains certain forward-looking statement. The words "expect", "should", "will", and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this announcement include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof, the viability of future opportunities such as spherical graphite, recarburiser and vanadium, future market supply and demand. 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 announcement 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. To the extent that this announcement contains forward looking information, the forward looking information is subject to a number of risk factors, including those generally associated with the mining industry. 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 announcement 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 announcement speak only as of the date of this announcement. 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 announcement 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 announcement will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this announcement.



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.

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 (**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, Industry Guide 7 does not recognise classifications other than proven and probable reserves and, as a result, the SEC generally does not permit mining companies to disclose their mineral 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.

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