



SYRAH
RESOURCES

Notice of Annual General Meeting and Explanatory Memorandum

The Annual General Meeting of

SYRAH RESOURCES LIMITED

ACN 125 242 284

*Will be held at
11.00am (AEDST) on Friday, 13 November 2015*

at

*RACV Club
Level 2, Club Pavilion
501 Bourke Street, Melbourne, Victoria, 3000*

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

SYRAH RESOURCES LIMITED

ACN 125 242 284

Registered Office: Level 9, 356 Collins Street, Melbourne VIC 3000

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Syrah Resources Limited ("Syrah" or the "Company") will be held at the RACV Club, Level 2, Club Pavilion, 501 Bourke Street, Melbourne, Victoria, 3000 on Friday, 13 November 2015 at 11.00am (AEDST) ("Meeting").

AGENDA

The Explanatory Memorandum and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Memorandum and the proxy form in their entirety.

Capitalised terms not otherwise defined in this Notice have the meaning given in the Explanatory Memorandum which accompanies this Notice. References to the "Corporations Act" are to the *Corporations Act 2001* (Cth), unless the context requires otherwise.

ORDINARY BUSINESS

Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors and the auditor of the Company for the year ended 30 June 2015.

Note: Except for as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly no resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2015 be adopted."

The Remuneration Report is set out in the Annual Report.

Voting Exclusion

The Company will disregard any votes cast on Resolution 1 by:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or*
- (b) a Closely Related Party of such member.*

However, a person described in paragraphs (a) and (b) may cast a vote as a proxy if the vote is not cast on behalf of that person and:

- (c) the voter is appointed as a proxy by writing that specifies the way that the proxy is to vote; or*
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy in respect of Resolution 1.*

Resolution 2: Re-election of Mr Jose Caldeira as a Director of the Company

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

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

Resolution 3: Ratification of Prior Issue of Shares

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given to the issue of 30,001,032 Shares to institutional and sophisticated investors on 13 August 2015, made by way of placement and at an issue price of \$3.25 per Share."

Voting Exclusion

The Company will disregard any votes cast on Resolution 3 by:

- (a) a person who participated in the issue; or*
- (b) an associate of any person who participated in the issue.*

However, the Company need not disregard a vote if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above), in accordance with the directions on the proxy form; or*
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.*

Resolution 4: Approval of the issue of securities under the Long Term Incentive Plan

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

"That for the purposes of section 259B(2) of the Corporations Act, section 260C(4) of the Corporations Act and Listing Rule 7.2 exception 9(b), and for all other purposes, approval is given for the establishment of the 'Syrah Resources Limited Long Term Incentive Plan' and the issue of securities under that Long Term Incentive Plan on the terms and conditions described in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by:

- (a) any director who is eligible to participate in any employee incentive scheme in relation to the Company, or any associate of any such director; or*
- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.*

However, the Company need not disregard a vote if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above), in accordance with the directions on the proxy form; or*
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.*

Resolution 5: Increase in Aggregate Non-Executive Director Remuneration

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

“That for the purposes of rule 8.3(a) of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate annual Directors’ fees payable to non-executive Directors, for the years from and including the year commencing 1 July 2015, be increased from \$550,000 per annum to \$750,000 per annum.”

Voting Exclusion

The Company will disregard any votes cast on Resolution 5 by:

- (a) a Director or any associate of a Director; or*
- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.*

However, the Company need not disregard a vote if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above), in accordance with the directions on the proxy form; or*
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.*

Resolution 6: Approval to Issue Director Options to Mr James Askew

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

“That for the purposes of Listing Rule 10.14 and all other purposes, approval be given to grant up to 600,000 Director Options to Mr James Askew (a Director of the Company) as described in the Explanatory Memorandum.”

Voting Exclusion

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

- (a) James Askew or any associate of James Askew; or*
- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.*

However, the Company need not disregard a vote if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above), in accordance with the directions on the proxy form; or*
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.*

Resolution 7: Approval to Issue Director Options to Mr Sam Riggall

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

“That for the purposes of Listing Rule 10.14 and all other purposes, approval be given to grant up to 400,000 Director Options to Mr Sam Riggall (a Director of the Company) as described in the Explanatory Memorandum.”

Voting Exclusion

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

- (a) Sam Riggall or any associate of Sam Riggall; or
- (b) a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote if:

- (c) it is cast by a person who is otherwise excluded from voting on this Resolution (as described in paragraph (a) or (b) above), in accordance with the directions on the proxy form; or
- (d) it is cast by the Chairman as proxy for a person who is entitled to vote and who does not specify the way the proxy is to vote.

Resolution 8: Change of Auditor

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

"That, subject to ASIC consenting to the resignation of Grant Thornton as auditor of the Company that, pursuant to section 327B of the Corporations Act and for all other purposes, PricewaterhouseCoopers be appointed as auditor of the Company with effect from the later of the conclusion of the Meeting and the day on which ASIC gives its consent."

SPECIAL BUSINESS

Resolution 9: Approval of Proportional Takeover Provisions

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

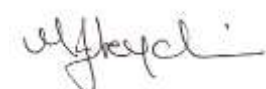
"That proportional takeover provisions in the form of clause 6 of the Constitution (as last approved by Shareholders) be included in the Constitution for a further period of three years, commencing from the date of this Meeting."

Under the Corporations Act, in order for Resolution 9 to be effective, this Resolution must be passed as a special resolution which requires 75% of votes cast on the Resolution (whether by Shareholders in person, or by proxy or by attorney and entitled to vote on the Resolution) to be in favour.

Undirected proxies

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy, even if the relevant resolution is connected directly or indirectly with the remuneration of Key Management Personnel of the Company. Shareholders should note that the Chairman intends to vote any undirected proxies in favour of all resolutions.

By order of the Board



Melanie Leydin
Company Secretary

Dated: 9 October 2015

SYRAH RESOURCES LIMITED

ABN 77 125 242 284

EXPLANATORY MEMORANDUM

Receipt and consideration of Accounts & Reports

A copy of the Annual Report (which incorporates the Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report) is not enclosed as there is no longer a requirement for the Company to incur the printing and distribution cost associated with doing so for all Shareholders. You may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9670 7264, and you may request that this occurs on a standing basis for future years. Alternatively you may access the Annual Report at the Company's website: www.syrahresources.com.au or via the companies announcement platform on ASX. Except for as set out in Resolution 1, no resolution is required on these reports.

Resolution 1: Adoption of Remuneration Report – Non Binding Resolution

Shareholders are asked to adopt the Remuneration Report for the year ended 30 June 2015. The Remuneration Report is set out on pages 29 to 38 of the Annual Report. The Company's remuneration strategy is designed to provide a link between the achievement of the Company's strategic objectives and executive rewards. It is designed to reward, motivate and retain the Company's executive team, with market competitive remuneration and benefits, to support the continued success of the Company's businesses and the creation of shareholder value.

The Remuneration Report sets out, in detail, the Company's policy for determining remuneration for Directors and members of the executive team. It includes information on the elements of remuneration that are performance based, the performance conditions that apply and the methodology used to assess the achievement of these performance conditions.

The vote on Resolution 1 is advisory only, and does not bind the Directors or the Company. However, a reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting. The Board will take into account the discussion on this resolution and the outcome of the vote when considering the future remuneration arrangements of the Company.

In addition, the Corporations Act provides for a "two strikes" rule in relation to the adoption of the Remuneration Report, meaning that if 25% or more of votes cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (referred to as a "spill resolution") to determine whether another meeting should be held (within 90 days) at which all of the Directors (other than the Managing Director) must go up for re-election.

No strike was recorded at the Company's previous annual general meeting. On this basis, while the vote on the Remuneration Report at this Meeting may potentially be counted towards the two strikes in the future, no board spill can occur this year.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

Resolution 2: Re-election of Mr Jose Caldeira as a Director of the Company

The Constitution requires that at every annual general meeting, at least one Director shall retire from office and provides that such Directors are eligible for re-election at the meeting. Mr Jose Caldeira, being eligible, offers himself for re-election. Mr Caldeira has served on the Board since 22 July 2014. The Board does not consider Mr Caldeira to be an independent director, given he is a senior partner of Sal & Caldeira Advogados, Lda, who provide Mozambique legal advice and services to the Company.

Mr Caldeira is a highly experienced legal and regulatory professional with over 25 years' experience in the legal industry. He is one of the pre-eminent lawyers in Mozambique. He is currently a senior partner at Sal & Caldeira Advogados, Lda in Mozambique. Sal & Caldeira is one of the leading law firms in Mozambique. Mr Caldeira has extensive experience in supplying legal and regulatory consulting services in the fields of natural resources, foreign investment, infrastructure, civil, administrative, commercial and labour law, as well as litigation.

Given the location of the Company's main asset in Mozambique, and the nature of the legal and regulatory system in place there, the other Directors consider Mr Caldeira's skills and expertise to be highly valuable to the Board.

Board recommendation

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

Resolution 3: Ratification of Prior Issue of Shares

Background

In August 2015, the Company announced a \$A211 million capital raising of A\$3.25 per share comprising of:

- (a) a placement of 30,001,032 Shares to raise approximately A\$98 million; and
- (b) a pro rata entitlement offer of approximately A\$113 million,

to provide funds for the development and construction of the Balama Graphite Project and to fund general and administrative costs, working capital and studies relating to certain future potential projects, including a vanadium scoping study and the potential development of a spherical graphite facility. The placement component was made to institutional and sophisticated investors.

In order to refresh the Company's ability to raise capital, shareholder ratification of the placement is sought at this time. As the issue of Shares under the entitlement offer was a pro rata offer to all existing shareholders, the Company is not required to seek Shareholder approval for that component of the capital raising.

Listing Rules

Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any 12 month period, any equity securities, if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

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

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

- (c) the number of Shares allotted and issued was 30,001,032 fully paid ordinary shares in the Company;
- (d) the Shares were issued at an issue price of \$3.25 each;
- (e) the Shares issued rank pari passu with all existing Shares;
- (f) the Shares were allotted and issued to various institutional and sophisticated investors; and
- (g) approximately A\$98 million was raised from the issue of these Shares, and the proceeds from the raising are being used primarily to fund the development and construction of the Balama Graphite Project and to fund general and administrative costs, working capital and studies

relating to certain future potential projects, including a vanadium scoping study and the potential development of a spherical graphite facility.

The Directors do not presently have any specific intention to issue Shares that would exceed the Company's capacity to issue shares under Listing Rule 7.1 in the absence of shareholder approval. Nevertheless, the Directors wish to preserve the flexibility to be able to issue the full 15% in the next 12 months without Shareholder approval. This will provide more scope for the Company to raise additional equity if required.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

Resolution 4: Approval of the issue of securities under the Long Term Incentive Plan

The Board has adopted a new Long Term Incentive Plan in order to assist in the motivation, retention and reward of Directors, senior management and other selected employees of the Company and its subsidiaries. The Board believes a Long Term Incentive Plan will form an important part of a comprehensive remuneration strategy for the Company's employees and Directors, aligning their interests with those of Shareholders by linking their rewards to the long term success of the Company and its financial performance.

Listing Rule 7.1 imposes a limit on the number of equity securities which the Company can issue in a 12 month period without prior shareholder approval.

Exception 9(b) of Listing Rule 7.2 provides that an issue of securities made under an employee incentive scheme (such as the LTI Plan) is not counted for the purposes of Listing Rule 7.1 provided that certain conditions have been met. One of these conditions is that members have, within the last three years, approved the issue of securities under the scheme as an exception to Listing Rule 7.1. Such shareholder approval is sought under Resolution 4.

The Directors do not presently have any specific intention to issue Shares that would exceed the Company's capacity to issue Shares under Listing Rule 7.1 in the absence of Shareholder approval. Nevertheless, the Directors wish to preserve the flexibility to issue the full 15% for each of the next three years. Approval under this Resolution 4 will provide more scope for the Company to raise additional equity if required.

The LTIP has been developed to provide the greatest possible flexibility in choice to the Board in implementing the executive incentive schemes. The LTIP enables the Company to offer employees and Directors a number of equity related interests, including Options, Performance Rights and deferred Shares.

A summary of material terms of the LTI Plan is set out as follows:

- the LTI Plan sets out the framework for the offer of Shares, Options or Performance Rights by the Company, and is typical for a document of this nature;
- the Board may, in its discretion, establish a Plan Committee to administer the LTI Plan;
- the Plan Committee may, in its discretion, offer Performance Rights, Options and Shares under the LTIP to:
 - a full-time or part-time employee of a body corporate of the Group;
 - a director of a body corporate in the Group who holds a salaried employment or office in a body corporate in the Group; or
 - a Director (whether executive or non-executive);

- in making its decision to issue Shares, Options or Performance Rights, the Plan Committee may decide the number of securities and the vesting conditions which are to apply in respect of the securities. The Plan Committee has broad flexibility to issue Shares, Options or Performance Rights having regard to a range of potential vesting criteria and conditions;
- in certain circumstances, unvested Options or Performance Rights will immediately lapse and any unvested Shares held by the participant will be forfeited if the relevant person is a “bad leaver” as distinct from a “good leaver”;
- if a participant acts fraudulently or dishonestly or is in breach of their obligations to the Company or its subsidiaries, the Plan Committee may determine that any unvested Performance Rights or Options held by the participant immediately lapse and that any unvested Shares held by the participant be forfeited;
- in certain circumstances, Shares, Performance Rights or Options can vest early, including following a change of control or other events of a similar nature. For the purposes of this rule, a relevant control event occurs in a number of scenarios in which a third party may acquire 50% or more of the Company’s Shares;
- the total number of Shares that would be issued were each Option, Performance Right and deferred Share under the LTI Plan exercised or vested (as applicable), plus the number of Shares issued in the previous three years under the LTI Plan, must not, at any time, exceed 5% of the total number of Company Shares on issue. Shares issued under the LTI Plan will rank equally in all respects with other Shares and the Company must apply for the quotation of such Shares;
- the Plan Committee has a discretion to impose restrictions (except to the extent prohibited by law or the Listing Rules) on Shares issued or transferred to a participant on vesting of an Option or a Performance Right, and the Company may implement appropriate procedures to restrict a participant from so dealing in the Shares;
- in respect of vested Options or Performance Rights, if the Plan Committee becomes aware of an event which would have resulted in vesting criteria not being satisfied, such as a material misstatement in the Company’s financial statements during the vesting period, any affected vested Options or Rights may be cancelled for no consideration;
- in the event of any reorganisation of the issued capital of the Company on, or prior to, the expiry of the Performance Rights or Options, the rights of the relevant security holder can be changed in the discretion of the Plan Committee, including to comply with the applicable Listing Rules in force at the time of the reorganisation; and
- the Plan Committee is granted a certain level of discretion under the LTI Plan, including the power to amend the rules under which the LTI Plan is governed and to waive vesting conditions, forfeiture conditions or disposal restrictions.

A copy of the LTI Plan is available to Shareholders free of charge on request.

At the date of this Notice, no securities have been issued under the proposed LTI Plan. Subject to approval of this Resolution 4, the Board intends to grant 100,707 Performance Rights to certain senior executives of the Company.

The precise number of securities to be issued by the Company to eligible employees under the LTI Plan within the next three years cannot be presently ascertained as it will depend on a variety of factors, including the achievement of Company and individual, financial and non-financial performance measures.

Shareholder loans

Under the LTI Plan, the Plan Committee may determine that a loan may be made by the Company to a participant for the purpose of acquiring or subscribing for Shares the subject of an offer under the LTI Plan, such terms and conditions to be determined with respect to any offer under the LTI Plan.

Shareholder approval by ordinary resolution is sought for the implementation of the LTI Plan, including in compliance with the following laws.

Exemption for financial assistance

Section 260C(4) of the Corporations Act requires shareholder approval by ordinary resolution in order to access the exemption from the prohibition on a company financially assisting the acquisition of shares in itself under section 260A of the Corporations Act. Any proposed loan to participants to fund the acquisition of Shares constitutes financial assistance. The exemption is available where the assistance is given under an employee share scheme that has been approved at a general meeting of the Company.

Exemption for security over own shares

Section 259B(2) of the Corporations Act requires shareholder approval by ordinary resolution in order to access the exemption from the prohibition on a company taking security over shares in itself under section 259B(1) of the Corporations Act. In this case, any proposed mortgage over Shares issued to participants in connection with any loan to fund the acquisition of those Shares constitutes such a security. The exemption is available where the security is taken under an employee share scheme that has been approved at a general meeting of the company.

Board recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 4.

Resolution 5: Increase in Aggregate Non-Executive Director Remuneration

Shareholder approval is sought to increase the maximum aggregate fees paid to non-executives of the Board by \$200,000, from \$550,000 to \$750,000 per annum. Shareholder approval is sought under rule 8.3(a) of the Constitution and Listing Rule 10.17. The current Maximum Fees Cap of \$550,000 was approved by Shareholders at the 2014 annual general meeting.

The Board considers it appropriate to increase the Maximum Fees Cap, to take account of:

- the Board actively seeking to appoint additional non-executive directors', to provide additional skills and expertise;
- the increase in size and scale of operations of the Company;
- the need to enable incremental increases as required over time; and
- the need for appropriate succession planning.

It is imperative that the Company remains able in the future to attract and retain non-executive directors with the appropriate experience, expertise, skills and diversity to oversee the Company's business and strategic direction. An increased Maximum Fees Cap will assist to achieve this and will also provide the Company with sufficient flexibility to make appropriate appointments to the Board if suitable candidates are identified.

Shareholders should also note that, if the proposed new Maximum Fees Cap is approved, it will not necessarily represent the full sum paid to non-executive Directors each financial year. The Company will in future continue to set the actual level of remuneration of its non-executive Directors within the Maximum Fees Cap, having regard to independent external advice, market practice, Board performance and other appropriate factors.

The remuneration of each non-executive Director for the financial year ended 30 June 2015 is detailed in the Annual Report. No executive Director receives fees for their services as a Director.

As required by Listing Rule 10.17, the following is a list of all securities issued to the Company's non-executive Directors under Listing Rule 10.11 or 10.14 within the preceding three years:

- 250,000 unlisted options granted to Rhett Brans for nil cash consideration on 12 June 2013, exercisable at \$2.86 and expiring 12 June 2016;
- 400,000 unlisted options granted to Rhett Brans for nil cash consideration on 2 October 2014, exercisable at \$6.31 and expiring 2 October 2019; and
- 400,000 unlisted options granted to Jose Manuel Caldeira for nil cash consideration on 2 October 2014, exercisable at \$6.31 and expiring 2 October 2019.

Board Recommendation

Given their interest in the outcome of this resolution, the Directors do not make any recommendation on how Shareholders vote in respect of Resolution 5.

Resolutions 6 to 7: Approval to issue Director Options

Requirement for Shareholder approval

Listing Rule 10.14 requires a listed company to obtain Shareholder approval prior to the issue of equity securities (including Director Options) to a director of the Company under an employee incentive scheme. As noted, each of Mr James Askew and Mr Sam Riggall are Directors of the Company and proposed recipients of Director Options under Resolutions 6 to 7.

The following information is provided to Shareholders for the purposes of Listing Rule 10.15:

- (a) subject to Shareholder approval, the maximum number of Director Options to be issued is 1,000,000 (of which 600,000 will be granted to James Askew and 400,000 will be granted to Sam Riggall);
- (b) the Director Options will be granted for nil cash consideration, and accordingly, no funds will be raised from the grant of Director Options;
- (c) the Director Options will be granted on and subject to the terms described below;
- (d) all Directors (executive or non-executive) are entitled to participate in the Long Term Incentive Plan, but for the purposes of Resolutions 6 and 7, at this time, the Company is only seeking to grant Director Options to each of James Askew and Sam Riggall. The other persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are Tolga Kumova, Rhett Brans and Jose Caldeira, being current Directors of the Company; and
- (e) if Shareholder approval is obtained, the Director Options will be granted shortly after the Meeting, but in any event no later than 12 months after the Meeting.

Details of proposed issue of Director Options

Name	Title	Number of Director Options	Number of Shares which each Director Option confers a right to acquire
Mr James Askew	Director	600,000	600,000
Mr Sam Riggall	Director	400,000	400,000

James Askew and Sam Riggall were offered 600,000 Options and 400,000 Options respectively, as part of their remuneration package when they were first appointed as Directors in October 2014. They have not yet been issued and accordingly are proposed for issue subject to approval by Shareholders at this Meeting.

Each Director Option will entitle its holder to subscribe for and be issued one Share at the relevant exercise price. The exercise price of each Director Option will be set at a 45% premium to the volume weighted average price of Shares trading on the ASX, measured over a 5 day period immediately prior to the date of the issue of the Director Options. The period for calculation of the exercise price has been selected to reflect the underlying market price of the Shares at the time of issue of the Director Options. The Board considers that this is an appropriate benchmark by which to measure the performance of the Company.

The Director Options will vest one year following the issue date. Each Director Option will then be exercisable for a period of up two years following the vesting date (provided that the Director remains on the Board during that period), following which the Director Options will lapse.

In the event that all of the Director Options issued pursuant to Resolutions 6 and 7 are exercised, the resulting issue of Shares will be equal to approximately 0.433% of the Company's fully diluted share capital (based on the number of Shares on issue as at the date of this Notice).

Any Shares issued by the Company pursuant to a Director Option will rank equally with, and carry the same rights and privileges as, existing Shares.

In the event that Resolutions 6 and 7 are passed, the Director Options will be allotted and issued as soon as possible after the Meeting.

Termination Benefits

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous 3 years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders.

Approval is therefore sought under sections 200B and 200E of the Corporations Act to allow for the Board to determine pro-rata vesting of the Director Options in the event of cessation of any of the respective engagements of Mr Askew or Mr Riggall in certain 'good leaver' circumstances (which would otherwise be deemed, and treated as, a termination benefit). The Board would not exercise this discretion should Mr Askew or Mr Riggall (as applicable) resign or be terminated for cause, in which event all unvested Director Options would immediately lapse.

Board Recommendation

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

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

Resolution 8: Change of Auditor

Grant Thornton has been the auditor of the Company since December 2011. During this time, Grant Thornton has conducted the audit in an effective and competent manner.

Having regard to the Company's growth and development and the location of its primary asset and its subsidiaries in Mozambique, the audit committee undertook a detailed review of the role of auditor of the Company. Following this review, the Audit, risk and compliance committee has recommended to the Board that PricewaterhouseCoopers be appointed as auditor of the Company. In making this recommendation, the audit committee was satisfied that PricewaterhouseCoopers is a well-established firm with the necessary expertise and resources to meet the Company's requirements. The audit committee also took into account the competitive service proposition offered by PricewaterhouseCoopers. Under the Corporations Act, members must approve the appointment of a new auditor.

Grant Thornton has submitted its resignation as auditor of the Company and advised the Company that it has applied to ASIC for consent to resign effective from the later of the conclusion of the Meeting and the day on which ASIC gives its consent. The Company expects that ASIC will give its consent prior to the Meeting.

PricewaterhouseCoopers has provided its consent to its appointment as auditor of the Company, subject to ASIC consenting to the resignation of Grant Thornton as auditor of the Company and the approval by members.

On the assumption that ASIC consents to Grant Thornton's resignation as auditor, Copper Strike Limited, as a member of the Company, has nominated PricewaterhouseCoopers of Level 19, 1 Southbank Boulevard, Southbank, Victoria to act as the auditor of the Company. In accordance with section 328B(3) of the Corporations Act, a copy of the notice of nomination is included at the end of this Explanatory Memorandum.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of Resolution 8.

Resolution 9: Approval of Proportional Takeover Provisions

Clause 6 of the Constitution contains provisions dealing with proportional takeover bids for Syrah Shares in accordance with the Corporations Act. The provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company.

Under the Corporations Act, the provisions must be renewed every three years or they will cease to have effect and as such, the current provisions had automatically ceased to have effect. If the proposed resolution is approved by Shareholders, the proportional takeover provisions will be in exactly the same terms as the existing provisions and will have effect until 17 November 2018.

The Corporations Act requires that the following information be provided to Shareholders when they are considering the inclusion of proportional takeover provisions in a constitution.

Effect

A proportional takeover bid is one where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares.

If a proportional takeover bid is made, the Directors must hold a meeting of the Shareholders of the class of shares being bid for to consider whether or not to approve the bid. A resolution approving the bid must be voted on before the 14th day before the end of the bid period. The resolution will be passed if more than 50% of votes are cast in favour of the approval (the bidder and its associates are not entitled to vote on the resolution). If no such resolution is voted on by that deadline, a resolution approving the bid is taken to have been passed.

If a resolution to approve the bid is rejected, binding acceptances are required to be rescinded, and all unaccepted offers and offers failing to result in binding contracts are taken to have been withdrawn.

If the bid is approved or taken to have been approved, the transfers resulting from the bid may be registered provided they comply with other provisions of the Corporations Act and the Constitution. The proportional takeover provisions do not apply to full takeover bids.

Reasons

Without the proportional takeover approval provisions, a proportional takeover bid may enable control of the Company to pass without members having the opportunity to sell all their Shares to the bidder. Shareholders may be exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium for their Shares.

The proposed proportional takeover provisions lessen this risk because they allow Shareholders to decide whether a proportional takeover bid is acceptable and should be permitted to proceed.

No knowledge of any acquisition proposals

At the date of this Notice, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Review of proportional takeover provisions

The Corporations Act requires that Shareholders be given a statement which examines the advantages and disadvantages (for directors and members) of the proportional takeover provisions proposed to be renewed and any historical examples of the application of those provisions to the Company.

While proportional takeover provisions have been in effect there have been no takeover bids for the Company, either proportional or otherwise. Accordingly, there are no actual examples against which to review the advantages or disadvantages of the existing proportional takeover provisions (that is clause 6 of the Constitution) for the directors and members of the Company. The directors are not aware of any potential takeover bid that was discouraged by clause 6.

Potential advantages and disadvantages

As well as a review of the advantages and disadvantages of the provisions proposed to be renewed during their prior period of operation, the Corporations Act requires that Shareholders be given a statement of the potential future advantages and disadvantages of the provisions.

The directors of the Company consider that the proposed renewal of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain free to make a recommendation on whether a proportional takeover bid should be approved.

The potential advantages of the proposed proportional takeover provisions for members are:

- (a) they give Shareholders their say in determining whether a proportional takeover bid should proceed;
- (b) they may assist Shareholders in not being locked in as a relatively powerless minority;
- (c) they increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced; and
- (d) knowing the view of the majority of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to approve or reject that offer.

Some of the potential disadvantages to members of the Company are:

- (a) it is a hurdle and may discourage the making of proportional takeover bids in respect of the Company;
- (b) this hurdle may depress the Share price or deny Shareholders an opportunity of selling their Shares at a premium; and
- (c) it may reduce the likelihood of a proportional takeover bid being successful.

However, the Directors do not perceive those or any other possible disadvantages as justification for not renewing the proportional takeover provisions for a further three years.

Voting

Resolution 9 is a Special Resolution and can only be passed if at least 75% of the votes cast, in person or by proxy, by Shareholders who are entitled to vote on the Resolution, are voted in favour.

Board Recommendation

The Board considers that refreshing the proportional takeover provisions is in the best interests of the Company. Accordingly, the Board unanimously recommends that Shareholders approve Resolution 9.

PROXY AND VOTING INSTRUCTIONS

1. Certain categories of persons (including Directors and the Chairman) are prohibited from voting on resolutions relating to the remuneration of Key Management Personnel, including as proxy, in some circumstances. If you are appointing a proxy, to ensure that your vote counts, please read the instructions on the proxy form carefully.
2. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00pm (AEDST) on 11 November 2015 will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time.
3. The details of the Resolutions contained in the Explanatory Memorandum accompanying this Notice should be read together with, and forms part of, this Notice.
4. On a poll, ordinary Shareholders have one vote for every Share held.
5. A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder.
6. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
 - the full name of the body corporate appointed as proxy; and
 - the full name or title of the individual representative of the body corporate to attend the Meeting.
7. Proxy appointments in favour of the Chairman, the secretary or any Director that do not contain a direction on how to vote will be voted by the Chairman in favour of each of the Resolutions proposed in this Notice. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
8. Key Management Personnel and their Closely Related Parties will not be able to vote your proxy on Resolution 1 unless you direct them how to vote. This does not apply to the Chairman, who is able to vote undirected proxies. If you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form. If you intend to appoint the Chairman as your proxy, you can direct him to vote by either marking the box for Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form or by marking the Chairman's box on the proxy form (in which case the Chairman will vote in favour of this item of business).
9. Proxy forms must be signed by a Shareholder or the Shareholder's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act, or signed by an authorised officer or agent.
10. A proxy form is attached. If required it should be completed, signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or certified copy of the authority) and must be returned to Security Transfer Registrars Pty Limited in accordance with the instructions set out in the proxy form by no later than 11.00am (AEDST) on 11 November 2015.

GLOSSARY

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

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect of the year ended 30 June 2015;

“**ASIC**” means the Australian Securities and Investments Commission;

“**associate**” has the meaning given to it in the Listing Rules;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Auditor’s Report**” means the auditor’s report on the Financial Report, in respect of the year ended 30 June 2015;

“**AEDST**” means Australian Eastern Daylight Savings Time;

“**Board**” means the Directors acting as the board of Directors of the Company;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Closely Related Party**” has the meaning given in section 9 of the Corporations Act;

“**Company**” or “**Syrah**” means Syrah Resources Limited ABN 77 125 242 284;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the *Corporations Act 2001* (Cth);

“**Director**” means a Director of the Company;

“**Director Options**” means options to acquire Shares (on a one for one basis), proposed to be granted under Resolutions 6 and 7;

“**Directors’ Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the year ended 30 June 2015;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities, in respect of the year ended 30 June 2015;

“**Grant Thornton**” means Grant Thornton Audit Pty Ltd (ACN 130 913 594);

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

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise);

“**Listing Rules**” means the Listing Rules of the ASX;

“**Long Term Incentive Plan**” or “**LTI Plan**” means the long term incentive plan governed under the *Syrah Resources Limited – Long Term Incentive Plan Rules*;

“Maximum Fees Cap” means the maximum aggregate annual Directors’ fees payable to non-executive Directors;

“Meeting” has the meaning given in the introductory paragraph of the Notice;

“Notice” means the Notice of Meeting accompanying this Explanatory Memorandum;

“Option” means an option to acquire a Share in the Company, subject to the terms of the option and the Long Term Incentive Plan;

“Performance Right” means a right to acquire a Share subject to the terms of the performance right and the LTI Plan;

“Plan Committee” means the committee which has been delegated power by the Board to administer the Long Term Incentive Plan or, if there has been no delegation, the Board;

“Proxy Form” means the proxy form attached to the Notice;

“Remuneration Report” means the remuneration report, which forms part of the Directors’ Report and which is set out in the Annual Report;

“Resolution” means a resolution referred to in the Notice;

“Share” means a fully paid ordinary share in the capital of the Company; and

“Shareholder” means shareholder of the Company.



11 September 2015

Melanie Leydin
Company Secretary
Syrah Resources Limited
Level 9, 356 Collins Street
Melbourne VIC 3000

Dear Melanie

Nomination of auditor

In accordance with section 328B(1) of the *Corporations Act 2001* (Cth), Copper Strike Limited (ACN 108 398 983), being a member of Syrah Resources Limited (ACN 125 242 284) (**Syrah**), nominates PricewaterhouseCoopers of Freshwater Place, Level 19, 2 Southbank Boulevard, Southbank, Victoria, for appointment as the auditor of Syrah.

Yours faithfully

A handwritten signature in dark ink, appearing to read "Tom Eadie".

TOM EADIE
Chairman
Copper Strike Limited

Registered Office

Copper Strike Limited ABN 16 108 398 983
Level 4 – 100 Albert Road South Melbourne Victoria 3205 Australia
Ph 03 9692 7222 Fax 03 9077 9233 email sross@leydinfreyer.com.au
www.copperstrike.com.au

SYRAH RESOURCES LIMITED

ACN: 125 242 284

REGISTERED OFFICE:

LEVEL 9
356 COLLINS STREET
MELBOURNE VIC 3000

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535, APPLECROSS WA 6953
AUSTRALIA
770 Canning Highway, APPLECROSS WA 6153
AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«HOLDER_NAME»
«ADDRESS_LINE_1»
«ADDRESS_LINE_2»
«ADDRESS_LINE_3»
«ADDRESS_LINE_4»
«ADDRESS_LINE_5»

Code:

SYR

Holder Number:

«HOLDER_NUMB

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE PRX

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote, hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 11:00am AEDST on Friday 13 November 2015 at RACV Club, Level 2 Club Pavilion, 501 Bourke Street, Melbourne Victoria 3000 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

ORDINARY RESOLUTIONS

For Against *Abstain

For Against *Abstain

1. Adoption of Remuneration Report

☐ ☐ ☐

6. Approval to Issue Director Options to Mr James Askew

☐ ☐ ☐

2. Re-election of Mr Jose Caldeira as a Director of the Company

☐ ☐ ☐

7. Approval to Issue Director Options to Mr Sam Riggall

☐ ☐ ☐

3. Ratification of Prior Issue of Shares

☐ ☐ ☐

8. Change of Auditor

☐ ☐ ☐

4. Approval of the issue of securities under the Long Term Incentive Plan

☐ ☐ ☐

SPECIAL RESOLUTION

5. Increase in Aggregate Non-Executive Director Remuneration

☐ ☐ ☐

9. Approval of Proportional Takeover Provisions

☐ ☐ ☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 11:00am AEDST on Wednesday 11 November 2015.

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My/Our contact details in case of enquiries are:

Name:

Number:

()

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

Security Transfer Registrars Pty Ltd

Online	www.securitytransfer.com.au
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

