

20 June 2016



SYRAH ANNOUNCES SUCCESSFUL COMPLETION OF A\$194 MILLION CAPITAL RAISING

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Syrah Resources Ltd (ASX: SYR) ("Syrah" or the "Company") is pleased to announce that it has successfully completed an institutional placement to professional and sophisticated investors ("Offer") of 32 million new fully paid ordinary shares to raise approximately A\$194 million of additional capital. The Offer was heavily oversubscribed, reflecting the quality of the Balama Project in Mozambique and confidence in Syrah's strategy to become a leading supplier of graphite to industrial and high growth, emerging technology markets.

Under the terms of the Offer, institutional investors will subscribe for 32 million new shares in the Company at A\$6.05 per share ("Offer Price"), to raise approximately A\$194 million before costs. The Shares issued under the Offer ("New Shares") will represent approximately 12.2% of the Company's undiluted share capital immediately following completion of the Offer. New Shares issued under the Offer will rank equally with existing Syrah shares. The Company is not required to seek shareholder approval for the issue of the New Shares.

The Offer Price of A\$6.05 represents a discount of:

- 5.5% to Syrah's closing price of A\$6.40 on the ASX as at 15 June 2016
- 2.2% to Syrah's 10 day volume weighted average price of A\$6.19 up to and including 15 June 2016

The proceeds of the Offer will be used to:

- Complete the development of the Balama Project (including working capital requirements) and to fund Syrah's general and administrative cost requirements; and
- Provide balance sheet flexibility and allow the Company to accelerate its spherical graphite strategy in response to significant market demand.

Settlement of the Offer is scheduled to occur on Wednesday 22 June 2016 and the new shares are expected to be allotted and commence trading on Thursday 23 June 2016.

The trading halt in respect of the Company's shares is expected to be lifted at market open today.

Managing Director of Syrah, Tolga Kumova, said: "We are extremely pleased with the level of support that Syrah has received in relation to the Offer from our existing and new institutional shareholders. Following completion of the Offer, Syrah will be in a very strong financial position to complete the development of our world class Balama Project and pursue our strategy of becoming a leading supplier of high quality, enhanced value graphite products".

Credit Suisse (Australia) Limited acted as Sole Lead Manager and Underwriter, and Gilbert + Tobin acted as legal advisers, to the Offer.

Tolga Kumova

Managing Director

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About Syrah Resources

Syrah Resources (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah is currently constructing the Balama graphite project (Balama) in Mozambique, with commercial production scheduled to commence in Q2 2017. Balama will be one of the largest global producers of high purity graphite and hosts the world's largest graphite Ore Reserve (JORC Code 2012 compliant), sufficient for over 40 years of production. Balama will target traditional industrial graphite markets and emerging technology markets.

Syrah has completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium ion batteries. To underpin this interest by global lithium ion battery manufacturers, Syrah is currently undertaking engineering and commercial studies regarding the construction of a spherical graphite plant in south-eastern USA. It is intended that such a plant would take graphite production from Balama and subject it to further purification and mechanical processing to produce world class spherical product for battery anodes.

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 Offer (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 Offer 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 does not constitute an offer, invitation or recommendation to subscribe for or purchase any Shares and neither this announcement nor anything contained in it shall form the basis of any contract or commitment. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, shares in Syrah ("Shares") in the United States or to any person acting for the account or benefit of a person in the United States, or in any other jurisdiction in which such an offer would be unlawful. The Shares referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States or to any person acting for the account or benefit of a person in the United States, unless the Shares have been registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws is available.

This announcement contains certain forward-looking statements. 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 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

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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.

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 (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, 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.