26 June 2023

SYRAH RESOURCES LIMITED - GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the General Meeting of Shareholders of Syrah Resources Limited ("Syrah" or the "Company") will be held at 10:00am (AEST) on Friday, 28 July 2023 at Gilbert + Tobin, Level 25, 101 Collins Street Melbourne VIC 3000 ("GM").

Recent legislative changes to the *Corporations Act 2001* (Cth) means there are new options available to shareholders as to how communications from the Company can be received. The Company will not be dispatching physical copies of meeting documents and notices, including the Notice of Meeting for the GM, unless you request a physical copy to be posted to you.

The Notice of Meeting and accompanying Explanatory Memorandum (including the Independent Expert Report) (**Meeting Materials**) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website: https://www.syrahresources.com.au/ or at the Company's share registry's website www.investorvote.com.au.
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "SYR".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will have received or will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

You may vote by attending the GM in person (or by attorney), by proxy or, in the case of corporate shareholders, by appointing a corporate representative.

The Company strongly encourages shareholders to lodge a directed proxy form prior to the GM. Shareholders may lodge their proxy form:

- electronically via www.investorvote.com.au; for intermediary online subscribers only (custodians) – please visit www.intermediaryonline.com;
- by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria 3067;
- by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001; or
- by fax to 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia).

Your proxy form must be received by 10.00am (AEST) on Wednesday, 26 July 2023 being not less than 48 hours before the commencement of the GM. Any proxy forms received after that time will not be valid for the GM.

The Meeting Materials are important and should be read in their entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser.

Syrah Resources Limited
ABN 77 125 242 284

Registered Office
c/– Vistra Australia (Melbourne) Pty Ltd
Level 4, 96-100 Albert Road South Melbourne, VIC 3205

www.syrahresources.com.au
T +61 3 9670 7264

If you are unable to access the Meeting Materials online at the above website links please contact our share registry Computershare Investor Services Pty Limited https://www.computershare.com/au or by phone on +61 3 9415 4000 (outside Australia) or 1300 850 505 (within Australia) to obtain a copy.

Shareholders can still elect to receive some or all of their communications in physical or electronic form or elect not to receive certain documents such as annual reports. To review your communications preferences or sign up to receive your shareholder communications via email, please update your details at https://www.computershare.com/au. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

Yours sincerely,

Melanie Leydin
Company Secretary
Syrah Resources Limited

Notice of General Meeting and Explanatory Memorandum

The General Meeting of

SYRAH RESOURCES LIMITED

ACN 125 242 284

Will be held at

10.00AM (AEST) on Friday, 28 July 2023

at

Gilbert + Tobin
Level 25, 101 Collins Street
Melbourne VIC 3000

This Notice of 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.

Independent Expert Report: Shareholders should carefully consider the Independent Expert Report prepared by KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Pty Ltd for the purposes of the Shareholder approvals required under item 7 of section 611 of the Corporations Act (see Resolutions 3, 4 and 5). The Independent Expert Report is set out in Annexure A of the Explanatory Memorandum. The Independent Expert has concluded that the conversion of the Convertible Notes is not fair but is reasonable, and therefore in the best interests of Non-Associated Shareholders in the absence of a superior alternative.

SYRAH RESOURCES LIMITED

ACN 125 242 284

Registered Office: c/- Vistra Australia (Melbourne) Pty Ltd Level 4, 96-100 Albert Road, South Melbourne VIC 3205

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting (**GM**) of shareholders of Syrah Resources Limited (**Syrah** or the **Company**) will be held at:

Venue: Gilbert + Tobin, Level 25, 101 Collins Street, Melbourne VIC 3000

Date: Friday, 28 July 2023

Time: 10.00am (AEST)

Chairman's letter

26 June 2023

Dear Syrah Shareholders,

On behalf of the Syrah Board, I am pleased to present this Explanatory Memorandum outlining important information in relation to the Company's new Convertible Notes with AustralianSuper.

The Board is seeking Shareholder approvals in relation to the Convertible Notes, including in relation to the proposed issue of the Series 5 and Series 6 Convertible Notes. The Company intends to use the funds raised from the issue of such convertible notes to fund capital costs associated with the Vidalia expansion project and for other general corporate purposes as the Board may consider appropriate at the time. As noted in Syrah's announcement on 27 April 2023, Shareholder approval in respect of Resolutions 2, 3, 4 and 5 is a condition to the issuance of the Series 5 and Series 6 Convertible Notes.

Business overview

At our Annual General Meeting on 19 May 2023, Shareholders were provided with a business update on the Company's operations which can be accessed at: www.syrahresources.com.au . Set out below is an overview of key matters in respect of Balama, Vidalia, the Company's financial position and the Convertible Notes. Shareholders should note that the Company's June 2023 quarterly activities and cashflow report is expected to be lodged with ASX on or around 18 July 2023 and which will also be accessible on: www.syrahresources.com.au .

(a) Balama

The medium and long-term growth outlook for natural graphite, Balama, Vidalia and Syrah are very positive. Global natural graphite demand is expected to exceed supply this decade with strong growth in the AAM market, and lack of investment in new supply from Chinese operations. This potential supply deficit is likely to be more acute in natural graphite products suitable for the AAM market, specifically fines flake. Syrah is the only major ex-China supplier advanced and operating in both upstream natural graphite and downstream AAM markets. Government policy in the US and other ex-China geographies is supporting ex-China sources of supply for natural graphite, which is designated as a critical mineral by several governments.

Nevertheless, in the high growth lithium-ion battery cell and electric vehicle supply chain that Syrah supplies, short term demand and supply imbalances can occur, and with minimal visibility in the downstream supply chain in China, such imbalances can be unanticipated. Such a situation has evolved in the natural graphite supply chain in the early months of 2023. Lithium-ion battery cell production outpaced demand requirements for electric vehicles, with Chinese AAM production growing even more strongly through 2022, leading to apparent cell and AAM inventory build-up through the latter part of 2022. However, electric vehicle sales weakened considerably in the first four months of 2023, which diverged from the consensus expectation of the battery supply chain and led to a slowing of orders and low spot market liquidity for lithium-ion battery cells, AAM and natural graphite in the first half of 2023. This has resulted in weaker sales orders and price bids for Balama natural graphite products which are below the cost of production. Given these demand conditions for natural graphite, which are expected to be short term, and the availability of significant finished product inventory, Syrah halted production at Balama at the start of May 2023, and as at the date of the Notice production at Balama remained paused. The decision to halt production was made to allow for downstream inventory consumption to occur and natural graphite demand conditions to improve which in turn led to the receipt of sales orders at sustainable prices warranting recommencement of Balama production. Electric vehicle sales strengthened through March, April and May 2023. Coarse flake demand conditions have remained stable and strong through 2022 and 2023 year to date.

(b) Vidalia

At Vidalia, the Company remains on schedule to start production of the 11.25kt per annum AAM processing facility in the September 2023 quarter. Since the announcement of the new Convertible Notes (Series 4, Series 5 and Series 6 Convertible Notes) with AustralianSuper, the capital cost estimate of the Vidalia initial expansion project has been revised to US$190 million, representing a 5% increase from the previous capital cost estimate of US$180 million and an 8% increase from the Final Investment Decision (**FID**) total installed capital cost estimate of US$176 million in February 2022. Our loan facility with the US Department of Energy requires that any increase in total capital costs estimated for this project is funded by the Company.

Syrah completed a definitive feasibility study on the expansion of Vidalia's production capacity to 45kt per annum AAM, and is planning to undertake long-lead items engineering and other early activities to maintain project momentum ahead of a FID proposal on this further expansion project to the Syrah Board by December 2023 and as soon as customer and financing commitments can be finalised.

The Company executed an offtake agreement for 8kt per annum with Tesla to supply natural graphite AAM from the 11.25kt per annum AAM Vidalia facility in December 2021 and has finalised AAM specifications in this offtake agreement. Tesla exercised an option in December 2022 to offtake an additional 17kt per annum AAM from Vidalia, subject to the further expansion of Vidalia's production capacity to 45kt per annum AAM. Syrah is finalising the detailed terms and conditions of this additional offtake obligation in an offtake agreement. Syrah has non-binding MOUs with Ford Motor Company and SK On Ltd, and additionally LG Energy Solution to evaluate AAM supply from Vidalia to the BlueOval SK joint venture and is also advancing commercial and technical engagement with further customers and supply chain participants.

(c) Cash Balance and Pro-forma Liquidity

The Company's cash balance at 31 May 2023 was US$117 million, which included unrestricted cash of US$54 million (inclusive of proceeds from the Series 4 Convertible Note that was issued on 12 May 2023) and restricted cash of US$63 million. Restricted cash is held in reserve accounts associated with our loan facility with the US Department of Energy and restricted project and operating accounts, which will be used to fund operational and construction costs. The decline in the Company's unrestricted cash balance since 31 March 2023, after excluding proceeds from the Series 4 Convertible Note, was due to operating, corporate and capital cost payments, in part attributed to continued Balama operations through April 2023, against lower Balama sales receipts.

Given the uncertain demand outlook for natural graphite products in the near term, the temporary production pause and low capacity utilisation at Balama together with further escalation in capital costs for the Vidalia initial expansion project, in reviewing the Company's future liquidity position in April 2023, the Syrah Board determined that further funding was required.

Overview of Convertible Notes

The Company has issued the following convertible notes to AustralianSuper:

(a) the Series 1 Convertible Note (issued on 28 October 2019);

(b) the Series 3 Convertible Note (issued on 29 June 2021); and

(c) the Series 4 Convertible Note (issued on 12 May 2023).

On 27 April 2023, Syrah entered into the Series 4, Series 5 and Series 6 Convertible Note Deed with AustralianSuper for up to A$150 million in Convertible Notes (being securities convertible into Shares) in three series as follows:

(a) A$50 million Series 4 Convertible Note issued on 12 May 2023;

(b) up to A$50 million Series 5 Convertible Note issuable at the Company's option before 31 December 2023; and

(c) up to A$50 million Series 6 Convertible Note issuable at the Company's option before 30 June 2024.

As noted above, the issue of the Series 5 and/or Series 6 Convertible Notes (at the Company's option) is subject to Shareholders approving Resolutions 2, 3, 4 and 5 at the General Meeting.

Further details of the terms and conditions of the Series 4, Series 5 and Series 6 Convertible Notes are contained in Schedule 1 of this Explanatory Memorandum.

These Convertible Notes provide the Company with additional liquidity to manage near-term demand volatility for Balama natural graphite, optimise its sales and operations strategy to achieve improved commercial outcomes for Syrah, and support the continued progression of its downstream strategy. Importantly, the Series 4, Series 5 and Series 6 Convertible Notes provide Syrah with the flexibility to assess the development of Balama forward sales orders and production in evaluating whether to potentially issue the Series 5 and/or Series 6 Convertible Notes. On 12 May 2023, the Company issued the Series 4 Convertible Note to fund pre-FID activities associated with the further expansion of Vidalia and working capital, TSF expansion capital costs and other sustaining capital costs for Balama as well as for general corporate purposes. If the Company issues the Series 5 and/or Series 6 Convertible Notes, the Company's current intention is to use the funds from the issue of such new Convertible Notes to fund capital costs associated with the initial expansion of Vidalia and for other general corporate purposes as the Board may consider appropriate at the time. If there is no material improvement in natural graphite market conditions, and considering the US$10 million increase in the total installed capital cost estimate for the initial expansion project at Vidalia, it is likely that the Company will elect to issue the Series 5 Convertible Note, if requisite Resolutions are approved by Shareholders, shortly after the General Meeting.

AustralianSuper is the largest superannuation fund in Australia and has been a long-term supporter of the Company having established its first investment in Syrah in 2015. AustralianSuper, as a long-term and active investor, has been, and continues to be, a significant investor in the Company via an ordinary shareholding since 2015 and its subscription to the Series 1, Series 3 and Series 4 Convertible Notes. Furthermore, AustralianSuper's investment is aligned to the Company achieving its strategic goals, including the capital intensive and long-duration development and operations of Balama and Vidalia. Further details of AustralianSuper's intentions regarding its investment in and the future of the Company are contained this Explanatory Memorandum.

Independent Expert's Report

Syrah has appointed KPMG Corporate Finance as the Independent Expert to provide a report on whether the Resolutions associated with the conversion of the Convertible Notes are fair and reasonable, and therefore in the best interests of Shareholders other than AustralianSuper and its associates (**Non-Associated Shareholders**). In its report, the Independent Expert has concluded that such Resolutions are not fair but are reasonable, and therefore in the best interests of Non-Associated Shareholders in the absence of a superior alternative. The Independent Expert's Report is included as Appendix A to this Explanatory Memorandum. You are encouraged to read the Independent Expert's Report in its entirety.

Syrah Directors' Recommendation

The Directors have carefully considered the new Convertible Notes with AustralianSuper and has determined the issue of the new Convertible Notes and the conversion of the existing and new

Convertible Notes to be in the best interests of Non-Associated Shareholders in the absence of a superior alternative. Accordingly, the Directors unanimously recommend that you vote in favour of all of the Resolutions. Each member of the Syrah Board intends to vote, or cause to be voted, all Shares which they control in favour of all of the Resolutions.

In reaching the unanimous decision to recommend to Shareholders to vote in favour of all the Resolutions, subject to the qualifications described above, the Directors considered various funding alternatives to avoid dilution and maximise value. After considering these alternatives, the Directors formed the view that, on balance, the combination of funding certainty, issuance flexibility and cost offered by the Series 4, Series 5 and Series 6 Convertible Notes ensures a superior outcome for Syrah Shareholders compared to what would be the case with the alternatives.

Reasons to vote in favour of each of the Resolutions are set out in detail in the Explanatory Memorandum. While the Directors unanimously recommend that Shareholders vote in favour of all the Resolutions, they also recognise there are reasons why some Shareholders may choose to vote against some or all Resolutions, having regard to their own particular circumstances or views. These reasons are also set out in the Explanatory Memorandum. The Directors unanimously believe that the benefits of the new Convertible Notes and the conversion of the Convertible Notes outweigh the potential disadvantages and risks. The Directors' recommendation and voting intention in respect of Resolutions 3, 4 and 5 are at all times subject to their fiduciary duties and obligations and the Independent Expert continuing to conclude that the matters the subject of such resolutions are in the best interests of Non-Associated Shareholders in the absence of a superior alternative.

How to Vote

The Resolutions can only be passed if they are approved by the requisite majority of Shareholders at the General Meeting being by a simple majority (i.e. more than 50%) of Shareholders present and voting at the Meeting (whether in person, by proxy, by attorney or in the case of corporate Shareholders by a corporate representative). Voting exclusions apply to each Resolution. The Company will disregard any votes by AustralianSuper and its associates in favour of the Resolutions.

Your vote is important in determining whether or not the Resolutions are passed. You may vote on the Resolutions by attending the General Meeting in person, or by appointing a proxy, attorney or body corporate representative to attend the General Meeting and vote on your behalf. If you do not wish to, or are unable to, attend the General Meeting in person, I encourage you to vote on the Resolutions by completing the personalised proxy form accompanying this Explanatory Memorandum and returning it to the Registry so that it is received no later than 10.00am (AEST) on Wednesday, 26 July 2023.

The General Meeting is scheduled to be held at 10.00am (AEST) on 28 July 2023 at Gilbert + Tobin, Level 25, 101 Collins Street, Melbourne VIC 3000. Shareholders, authorised proxies, attorneys and corporate representatives attending the meeting in person will be able to watch, ask questions and vote on the Resolutions.

Further Information

This Explanatory Memorandum sets out important information relating to the Resolutions, including the reasons for your Directors' recommendation and the Independent Expert's Report. It also sets out some reasons why you may wish to vote against the Resolutions.

I encourage you to read this Explanatory Memorandum carefully and in its entirety. You should also seek independent legal, financial, tax or other professional advice before making an investment decision in relation to your Shares.

If you have any questions regarding the Resolutions or this Explanatory Memorandum you should contact the Syrah Shareholder Information Line on 1300 918 430 (within Australia) or +61 3 9415 4087 (outside Australia) any time between 8.30am and 5.00pm (Melbourne time) on Monday to Friday (excluding public holidays).

On behalf of the Syrah Board, I thank you for your ongoing support. I look forward to your participation at the General Meeting and encourage you to vote in favour of all the Resolutions.

Yours sincerely,

Jim Askew

Non-Executive Chairman

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.

ORDINARY BUSINESS

Resolution 1 Ratification of prior issue of the Series 4 Convertible Note to AustralianSuper

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 be given for the ratification of the prior issue of the Series 4 Convertible Note to AustralianSuper on the terms and conditions described in the Explanatory Memorandum."

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum.

Resolution 2 Approval to issue the Series 5 and/or Series 6 Convertible Notes to AustralianSuper

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

"That for the purposes of Listing Rule 7.1 and for all other purposes, approval be given to issue of the Series 5 Convertible Note and Series 6 Convertible Note to AustralianSuper on the terms and conditions described in the Explanatory Memorandum."

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum.

Resolution 3 Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 1 and Series 3 Convertible Notes

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

"That for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval be given for the acquisition by AustralianSuper of a relevant interest in Shares issued on conversion of the Series 1 Convertible Note and Series 3 Convertible Note on the terms and conditions described in the Explanatory Memorandum."

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum.

Resolution 4 Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 4 Convertible Note

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

"That for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval be given for the acquisition by AustralianSuper of a relevant interest in Shares issued on conversion of the Series 4 Convertible Note on the terms and conditions described in the Explanatory Memorandum."

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum.

Resolution 5 Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 5 and Series 6 Convertible Notes

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

"That for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, approval be given for the acquisition by AustralianSuper of a relevant interest in Shares issued on conversion of the Series 5 Convertible Note and Series 6 Convertible Note on the terms and conditions described in the Explanatory Memorandum."

A voting exclusion applies to this Resolution as outlined in the Explanatory Memorandum.

By order of the Board

Melanie Leydin

Company Secretary

Dated: 26 June 2023

Convertible note issue to AustralianSuper and conversion of Convertible Notes

Explanatory memorandum

The Company has issued the following convertible notes to AustralianSuper:

(a) the Series 1 Convertible Note (issued on 28 October 2019);

(b) the Series 3 Convertible Note (issued on 29 June 2021); and

(c) the Series 4 Convertible Note (issued on 12 May 2023).

As announced on 27 April 2023, the Company may also issue the Series 5 and/or Series 6 Convertible Notes to AustralianSuper subject to Shareholders approving:

- the issue of Series 5 and Series 6 Convertible Notes;
- the conversion of the Series 1 and/or Series 3 Convertible Notes;
- the conversion of the Series 4 Convertible Note; and
- the conversion of the Series 5 and/or Series 6 Convertible Notes.

That said, the Company has not, at this time, determined to issue the Series 5 and Series 6 Convertible Notes. This decision will depend on an assessment of the Company's liquidity and future financing requirements. In this respect, Shareholder approval is being sought at this time to ensure that the Company has the flexibility to issue the Series 5 and/or Series 6 Convertible Notes should the Company deem it to be necessary, and should no other attractive financing alternative be available, to ensure the Company remains prudently capitalised. If there is no material improvement in natural graphite market conditions, and considering the US$10 million increase in total installed capital costs estimated for the initial expansion project at Vidalia, it is likely that the Company will elect to issue the Series 5 Convertible Note, if requisite approvals are approved by Shareholders, shortly after the Meeting.

This Explanatory Memorandum provides further detail in respect of the Resolutions (including why Shareholders may vote in favour or against the Resolutions) and should be read in its entirety (along with the Notice).

Shareholders should also carefully consider the Independent Expert Report (set out in Annexure A of this Explanatory Memorandum) for the purposes of the Shareholder approvals required under item 7 of section 611 of the Corporations Act (see Resolutions 3, 4 and 5). The Independent Expert has concluded that the conversion of the Convertible Notes is not fair is but reasonable, and therefore in the best interests of Non-Associated Shareholders in the absence of a superior alternative.

As previously announced, the United States Department of Energy (**DOE**) has provided funding to Syrah Technologies, LLC (the Company's wholly owned subsidiary) for the Vidalia initial expansion project pursuant to the terms of a loan agreement under which, notice to and consent from DOE is required, among other things, in relation to a Company change of control event. Because the issue to AustralianSuper of the Series 4, Series 5 and Series 6 Convertible Notes could constitute such an event, the Company has requested, and DOE has provided, the relevant consent.

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise, as well as periodic reporting, for the purpose of ASX making the information available to the securities market conducted by ASX. In particular:

- the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares; and

- the Company has obligations to issue periodic reports including on quarterly, half-year and full year basis. The Company's June 2023 quarterly activities and cashflow report is expected to be lodged with ASX on or around 18 July 2023.

Shareholders should refer to the ASX website www.asx.com.au (ASX code: SYR), or the Company's website https://www.syrahresources.com.au/investors/asx-announcements to read the announcements lodged with ASX in full (in particular, any announcements lodged with ASX after the date of the Notice and before the Meeting). Any reference to documents included on Syrah's website, https://www.syrahresources.com.au/ or the ASX website, are for convenience only, and none of the documents or other information available on Syrah's website form part of the Notice or this Explanatory Memorandum and are not interpreted as part of the Notice or this Explanatory Memorandum, or incorporated herein by reference unless expressly stated.

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.

Resolution 1 Ratification of prior issue of the Series 4 Convertible Note

Background

On 27 April 2023, the Company entered into the Series 4, Series 5 and Series 6 Convertible Note Deed with AustralianSuper for up to A$150 million in convertible notes (being securities exercisable into Shares) in three series as follows:

(a) A$50 million face value, issued on 12 May 2023 (**Series 4 Convertible Note**);

(b) A$50 million maximum face value issuable at the Company’s option before 31 December 2023 (**Series 5 Convertible Note**); and

(c) A$50 million maximum face value issuable at the Company’s option before 30 June 2024 (**Series 6 Convertible Note**).

The Series 4, Series 5 and Series 6 Convertible Notes are on substantially the same terms as the:

- A$55.8 million convertible note issued on 28 October 2019 to AustralianSuper (**Series 1 Convertible Note**); and

- A$28 million convertible note issued on 29 June 2021 to AustralianSuper (**Series 3 Convertible Note**),

(each being securities exercisable into Shares).

A summary of the key terms of the Series 4, Series 5 and Series 6 Convertible Note Deed and the Series 4, Series 5 and Series 6 Convertible Notes issued and proposed to be issued is set out in Schedule 1 of this Explanatory Memorandum.

Listing Rule 7.4

Listing Rule 7.1 provides that a company must not, within a 12-month period, issue or agree to issue Equity Securities (which includes convertible securities) representing more than 15% of its total fully paid ordinary securities on issue at the commencement of that 12-month period unless a specified exception applies or the issue is made with the prior approval of shareholders.

The issue of the Series 4 Convertible Note, the subject of this Resolution, did not exceed the 15% limit referred to above. For completeness, any Shares issued on conversion of the Series 4 Convertible Note will fall under Exception 9 in Listing Rule 7.2.

Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purposes of Listing Rule 7.1, thereby refreshing the Company’s 15% capacity in respect of that issue of securities and enabling it to issue further securities up to that limit.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 proposes the ratification and approval of the prior issue of the Series 4 Convertible Note to AustralianSuper, for the purpose of Listing Rule 7.4.

If Resolution 1 is passed, the prior issue of the Series 4 Convertible Note will be excluded in calculating the Company’s 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the allotment.

If Resolution 1 is not passed, the prior issue of the Series 4 Convertible Note will be included in calculating the Company’s 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the allotment.

Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following additional information is provided in relation to Resolution 1:

(a) the Series 4 Convertible Note was issued to AustralianSuper on 12 May 2023 with a face value of A$50 million on the terms and conditions contemplated in the Series 4, Series 5 and Series 6 Convertible Note Deed, as summarised in Schedule 1 of this Explanatory Memorandum. The Series 4 Convertible Note will be convertible into a number of Shares calculated on the basis set out in Schedule 1 of this Explanatory Memorandum and based on the principal outstanding under the Series 4 Convertible Note, and the initial conversion price of A$1.536 (as adjusted in accordance with the terms of the Series 4, Series 5 and Series 6 Convertible Note Deed);

(b) the amount drawn down by the Company pursuant to the Series 4 Convertible Note was A$50 million;

(c) the Series 4 Convertible Note has a maturity date of 12 May 2028 unless redeemed or converted before that date. The Series 4 Convertible Note may be converted at AustralianSuper's election at any time after 12 November 2025 and before the maturity date, and otherwise in accordance with the terms and conditions of the Series 4, Series 5 and Series 6 Convertible Note Deed;

(d) the date of issue, and number of, Shares issued on conversion of the Series 4 Convertible Note will depend on when and if the Series 4 Convertible Note is converted and whether accrued interest in respect of the Series 4 Convertible Note has been capitalised;

(e) the Company is using the funds raised from the issue of the Series 4 Convertible Note to fund:

    (i) US$6 million transition detailed & long-lead items engineering and other early activities on the Vidalia further expansion project to prepare for a final investment decision (**FID**) proposal;

    (ii) US$27 million Balama working capital, tailings storage facility (**TSF**) expansion and sustaining capital; and

    (iii) general corporate purposes;

(f) further information on the use of funds from the Series 4 Convertible Note is set out in the ASX announcement of 27 April 2023; and

(g) a voting exclusion statement is included in this Explanatory Memorandum.

Board recommendation

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

Voting intention

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1 (subject to the voting exclusion statement).

Voting exclusion

The Company will disregard any votes cast in favour of this Resolution 1 by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved or any associate of that person (being AustralianSuper or any of its Associates).

However, the Company need not disregard a vote on this Resolution 1, if:

(a) it is cast by a person as a proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with the directions on the Proxy Form or given to the proxy or attorney to vote on Resolution 1 in that way;

(b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote on Resolution 1, in accordance with a direction on the Proxy Form or given to the chair to vote on Resolution 1 as the chair decides; or

(c) it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 1; and

(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 Approval to issue the Series 5 and Series 6 Convertible Notes to AustralianSuper

Background

The background of the Series 5 and Series 6 Convertible Notes is set out in the "Background" section of the Explanatory Memorandum to Resolution 1 above.

The issue of the Series 5 and Series 6 Convertible Notes is conditional on Shareholders approving Resolutions 2, 3, 4 and 5 at the Meeting (unless AustralianSuper and the Company otherwise waive such requirement).

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, within a 12-month period, issue or agree to issue Equity Securities (which includes convertible securities) representing more than 15% of its total fully paid ordinary securities on issue at the commencement of that 12-month period unless a specified exception applies or the issue is made with the prior approval of shareholders.

Given the issue of the Series 5 and/or Series 6 Convertible Notes will result in the Company exceeding this 15% threshold, Shareholder approval is now sought in accordance with Listing Rule 7.1.

After Shareholder approval is obtained, any Shares issued on conversion of the Series 5 and/or Series 6 Convertible Notes will fall under Exception 9 in Listing Rule 7.2.

Noting that the issue of the Series 5 and Series 6 Convertible Notes is conditional on Shareholders approving Resolutions 2, 3, 4 and 5 at the Meeting (unless AustralianSuper and the Company otherwise waive such requirement):

(a) if Resolutions 2, 3, 4 and 5 are approved, one or both of the Series 5 and Series 6 Convertible Notes may be issued at a face value of up to A$50 million per series, and otherwise on the terms and conditions set out in the Series 4, Series 5 and Series 6 Convertible Note Deed. For completeness, it should be noted that the Company may, at its discretion, decide not to issue the Series 5 or Series 6 Convertible Notes and/or reduce the amount and face value of the Series 5 and/or Series 6 Convertible Notes prior to it being issued (subject to payment of a break fee). See also further detail in the Explanatory Memorandum to Resolutions 3, 4 and 5 below; and

(b) if Resolutions 2, 3, 4 and 5 are not approved, then the Company will not be able to issue the Series 5 or Series 6 Convertible Notes and AustralianSuper will not subscribe for such convertible notes (and no break fee would be payable by the Company to AustralianSuper in this instance, except if the Company has not complied with its obligations in seeking shareholder approval). See also further detail in the Explanatory Memorandum to Resolutions 3, 4 and 5 below.

Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following additional information is provided in relation to Resolution 2:

(a) the Company may issue the Series 5 and/or Series 6 Convertible Notes, each with a face value of up to A$50 million (up to A$100 million in total), on the terms and conditions contemplated in the Series 4, Series 5 and Series 6 Convertible Note Deed, as summarised in Schedule 1 of this Explanatory Memorandum. The Series 5 and Series 6 Convertible Notes will be convertible into a number of Shares calculated on the basis set out in Schedule 1 of this Explanatory Memorandum and based on the principal outstanding under the relevant convertible note, and the initial conversion price of A$1.536 (as adjusted in accordance with the terms of the Series 4, Series 5 and Series 6 Convertible Note Deed);

(b) if issued, the Series 5 and/or Series 6 Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent otherwise permitted, including by refreshment of the Company's placement capacity (for example if Resolution 1 is passed and placement capacity is not otherwise used) or any modification to the Listing Rules). For the avoidance of doubt, the approval by Shareholders of this Resolution 2 (and Resolutions 3, 4 and 5) does not mean that an issue notice in respect of the Series 5 and/or Series 6 Convertible Notes will be given by the Company to AustralianSuper. The issue of the Series 5 and/or the Series 6 Convertible Notes is at the election of the Company (at its sole discretion). In addition, if the necessary Shareholder approvals are obtained and the Series 5 and/or Series 6 Convertible Notes are not issued by the date that is no later than 3 months after the date of the Meeting, Shareholder approval received under this Resolution 2 (assuming it is received) may need to be refreshed;

(c) for the avoidance of doubt, the approval by Shareholders of this Resolution 2 (and Resolutions 3, 4 and 5) does not mean that an issue notice in respect of the Series 5 and/or Series 6 Convertible Notes will be given by the Company to AustralianSuper. The issue of the Series 5 and/or the Series 6 Convertible Notes is at the election of the Company (at its sole discretion);

(d) if issued, the Series 5 and Series 6 Convertible Notes will be issued to AustralianSuper;

(e) if issued, the amount to be drawn down by the Company pursuant to the Series 5 and/or the Series 6 Convertible Notes is up to A$50 million per series (maximum of A$100 million in total);

(f) the Series 5 and Series 6 Convertible Notes have a maturity date of 12 May 2028 unless redeemed or converted before such date. The Series 5 and Series 6 Convertible Notes may be converted at AustralianSuper's election at any time after 12 November 2025 and before the maturity date, and otherwise in accordance with the terms and conditions of the Series 4, Series 5 and Series 6 Convertible Note Deed;

(g) the date of issue, and number of, Shares issued on conversion of the Series 5 and Series 6 Convertible Notes will depend on when and if the Series 5 and Series 6 Convertible Notes are converted by the Company or AustralianSuper and whether interest in respect of the Series 5 and/or Series 6 Convertible Notes is paid in cash or capitalised (and added to the principal outstanding);

(h) if the Company draws down on the Series 5 and/or Series 6 Convertible Notes, the Company's current intention is to use the funds raised from the issue of such convertible notes to fund any additional capital costs associated with the Vidalia initial expansion project and for other general corporate purposes as the Board may consider appropriate at the time. If there is no material improvement in natural graphite market conditions, and considering the US$10 million increase in total installed capital costs estimated for the initial expansion project at Vidalia, it is likely that the Company will elect to issue the Series 5 Convertible Note, if requisite approvals are approved by Shareholders, shortly after the Meeting; and

(i) a voting exclusion statement is included in this Explanatory Memorandum.

Board recommendation

The Board recommends that Shareholders vote in favour of Resolution 2.

Voting intention

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2 (subject to the voting exclusion statement).

Voting exclusion

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed

issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any associate of that person (being AustralianSuper or any of its Associates).

However, the Company need not disregard a vote on this Resolution 2, if:

(a) it is cast by a person as a proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with the directions on the Proxy Form or given to the proxy or attorney to vote on Resolution 2 in that way;

(b) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote on Resolution 2, in accordance with a direction on the Proxy Form or given to the chair to vote on Resolution 2 as the chair decides; or

(c) it is cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 2; and

(ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 3, 4 and 5 Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 1, Series 3, Series 4, Series 5 and Series 6 Convertible Notes

Background

At the Company's general meeting on 1 August 2019, Shareholders approved the issue of the Series 1 Convertible Note. At the Company's annual general meeting on 21 May 2021, Shareholders approved the issue of the Series 3 Convertible Note.

The Background of the Series 4, Series 5 and Series 6 Convertible Notes is set out in the "Background" section of the Explanatory Memorandum to Resolution 1 above.

The issue of the Series 5 and/or Series 6 Convertible Notes is conditional on Shareholders approving Resolutions 2, 3, 4 and 5 at the Meeting (unless AustralianSuper and the Company otherwise waive such requirement).

Section 606 and item 7 of section 611 of the Corporations Act

Under section 606 of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a public company, if as a result of the acquisition any person's voting power in the company would increase:

(a) from 20% or below to more than 20%; or

(b) from a starting point that is above 20% and below 90%,

unless an exception to this rule applies. Exceptions include acquisitions pursuant to takeover offers, schemes of arrangement and shareholder approved acquisitions.

In broad terms, a person has a 'relevant interest' in shares if that person holds shares or has the power to control the right to vote or dispose of shares. A person's 'voting power' in a company is the number of voting shares in which the person and its Associates have a relevant interest in compared with the total number of voting shares in a company.

As at 14 June 2023, AustralianSuper has voting power of approximately 17.3% in the Company[1].

The Company expects that following any conversion of the Convertible Notes into Shares, AustralianSuper's voting power in the Company will increase beyond 20%.

Accordingly, Resolutions 3, 4 and 5 seek Shareholder approval for the purpose of item 7 of section 611 of the Corporations Act, being one of the exceptions to the prohibition in section 606 on acquiring more than 20% voting power, to enable AustralianSuper to convert the Convertible Notes and increase its voting power in the Company beyond 20% without breaching section 606 of the Corporations Act. See the tables beginning on page 23 below for further detail regarding AustralianSuper's anticipated maximum relevant interest in the Company as a result of the acquisitions.

Item 7 of section 611 of the Corporations Act provides an exception to the section 606 prohibition on acquiring more than 20% voting power. Item 7 allows a person and its Associates to acquire a relevant interest in shares that would otherwise be prohibited under section 606(2) of the Corporations Act if the proposed acquisition is approved in advance by a resolution passed at a general meeting of the company, and:

[1] Based on 675,897,730 Shares on issue as at the date of the Notice.

(a) no votes are cast in favour of the resolution by the person proposing to make the acquisition and their Associates; and

(b) the members of the company were given all information known to the person proposing to make the acquisition or their Associates, or known to the company, that was material to the decision on how to vote on the resolution.

Pursuant to and in accordance with item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74, the following information is provided in relation to Resolutions 3, 4 and 5:

AustralianSuper

The Series 1, Series 3 and Series 4 Convertible Notes have been issued to AustralianSuper, and, if issued, the Series 5 and Series 6 Convertible Notes will be issued to AustralianSuper.

AustralianSuper is the largest superannuation fund in Australia and has been a long-term supporter of the Company having established its first investment in Syrah in 2015.

AustralianSuper has confirmed that it does not have any Associates which have a relevant interest in Shares in the Company.

Reasons for the acquisitions

On:

(a) 19 June 2019, the Company announced the proposed issue of the Series 1 Convertible Note including that the Company intended to use the funds raised from the Series 1 Convertible Note for general corporate and working capital purposes of the Group;

(b) 10 December 2020, the Company announced the proposed issue of the Series 3 Convertible Note including that the Company intended to use the funds raised from the Series 3 Convertible Note for general corporate purposes;

(c) 27 April 2023, the Company announced the proposed issue of the Series 4 Convertible Note, and an agreement for the terms of issue of Series 5 and Series 6 Convertible Notes, including that the Company intended to use the proceeds from the Series 4 Convertible Note to fund:

    (i) US$6 million transition detailed & long-lead items engineering and other early activities on the further expansion of the Vidalia Active Anode Facility in the US (**Vidalia**) to prepare for an FID proposal;

    (ii) US$27 million working capital, TSF expansion and sustaining capital associated with the Balama Graphite Operation in Mozambique (**Balama**); and

    (iii) general corporate purposes.

If the Company issues the Series 5 and/or Series 6 Convertible Notes, the Company's current intention is to use the funds raised from the issue of such convertible notes to fund any additional capital costs for the Vidalia initial expansion project and for other general corporate purposes as the Board may consider appropriate at the time. If there is no material improvement in natural graphite market conditions, and considering the US$10 million increase in total installed capital costs estimated for the initial expansion project at Vidalia, it is likely that the Company will elect to issue the Series 5 Convertible Note, if requisite approvals are approved by Shareholders, shortly after the Meeting.

Advantages of the acquisitions

The Directors consider that approval of the conversion of the Convertible Notes and the acquisition of Shares by AustralianSuper have the following advantages to the Company and its Shareholders (other than AustralianSuper):

(a) AustralianSuper, as a long-term and active investor, has been, and continues to be, a significant and supportive investor in the Company via an ordinary shareholding since 2015 and its subscription to the Series 1, Series 3 and Series 4 Convertible Notes. AustralianSuper has also agreed to subscribe for the Series 5 and Series 6 Convertible Notes (subject to approval of Resolutions 2, 3, 4 and 5 and at the election of the Company) which would provide further funding optionality and flexibility to the Company;

(b) AustralianSuper's investment is aligned to the Company achieving its strategic goals, including the capital intensive and long-duration development and operations of Balama and Vidalia;

(c) the approval of Resolutions 2, 3, 4 and 5 is a condition precedent to the issue of the Series 5 and Series 6 Convertible Notes. Therefore, if approval is obtained, the Company will have the flexibility of issuing the Series 5 and/or Series 6 Convertible Notes and obtaining up to A$100 million in additional funding on the terms set out in the Series 4, Series 5 and Series 6 Convertible Note Deed. In this respect, the Company may therefore not need to consider alternative funding options to maintain sufficient cash liquidity through near-term end-market volatility and to achieve its strategic goals (which could have less attractive terms, or which may be ultimately more dilutive to shareholders than the Series 5 and/or Series 6 Convertible Notes);

(d) if Shareholders approve Resolutions 2, 3, 4 and 5, the interest rate on the Series 4 Convertible Note will reduce from 14% per annum to 11% per annum (where interest is capitalised and added to the principal outstanding);

(e) the approval of Resolution 3 is required for conversion of Series 1 and Series 3 Convertible Notes. If approval of Resolution 3 is obtained, AustralianSuper may issue a conversion notice for the Series 1 and Series 3 Convertible Notes before the maturity date (being 28 October 2024), and provided no subsequent shareholder approval is required for the acquisitions in respect of the Series 1 and Series 3 Convertible Notes, the Company will be able to convert the Series 1 and Series 3 Convertible Notes in full into Shares and, as such, will not be required to make a cash payment to AustralianSuper to redeem the Series 1 and Series 3 Convertible Notes. Such cash payment would be at least equal to the principal outstanding plus accrued but unpaid interest (which was A$109 million as at 31 May 2023, noting that any interest capitalised on these notes would increase the minimum redemption amount going forward). Redemption of the Series 1 and Series 3 Convertible Notes would require the Company to obtain significant alternative cash funding (which could have less attractive terms or which may be ultimately more dilutive to Shareholders compared with conversion of the Series 1 and Series 3 Convertible Notes).

    Similar considerations will also apply in respect of the shareholder resolutions to approve the conversion of the Series 4, 5 and 6 Convertible Notes;

(f) the conversion of the Convertible Notes giving AustralianSuper voting power in the Company materially in excess of 20% may mean that for any takeover offer or other control proposal to be successful it would likely require the support of AustralianSuper. This may deter opportunistic unsolicited takeover offers at an offer price which does not fairly reflect the fair value of the Company and which is not recommended by the Board;

(g) the Independent Expert has concluded that the conversion of the Convertible Notes is not fair but is reasonable, and therefore in the best interests of Non-Associated Shareholders in the absence of a superior alternative;

(h) in addition, the Independent Expert has stated the following advantages:

(i) approval of the acquisitions will facilitate additional funding being available to the Company via the Series 5 and Series 6 Convertible Notes;

(ii) acquisitions will improve the Company's net asset position;

(iii) the conversion price for the Series 4, Series 5 and Series 6 Convertible Notes is at a premium over recent trading prices for Shares;

(iv) approval of the Convertible Notes will reduce the relevant interest rate on the Series 4 Convertible Notes by 3.0% per annum; and

(v) with an increased equity position, AustralianSuper will be further incentivised to work towards the future success of the Company.

(i) Shareholders previously approved:

(i) the issue of the Series 1 Convertible Note at the Company's general meeting on 1 August 2019; and

(ii) the issue of the Series 3 Convertible Note at the Company's annual general meeting on 21 May 2021,

and the commercial terms of the Series 4, Series 5 and Series 6 remain essentially the same (other than for a higher interest rate and higher conversion price as specified in Schedule 1) as approved at that time. In this respect, there is some familiarity with the terms.

Disadvantages of the acquisitions

The Directors consider that approval of the conversion of the Convertible Notes and the acquisition of Shares by AustralianSuper have the following disadvantages to the Company and its Shareholders (other than AustralianSuper):

(a) Shareholders may believe that the Company's financing and capital requirements may be satisfied from alternative sources on terms which are more favourable to the Company (noting that the directors of the Company, having carefully considered the Company's options, do not consider this to be the case);

(b) conversion of the Convertible Notes into Shares will have a dilutionary effect on holdings of other Shareholders (in particular, after the acquisitions, AustralianSuper may have voting power to block any special resolutions proposed by the Company on which AustralianSuper is permitted to vote, and, may also effectively be able to block or pass ordinary resolutions on which AustralianSuper is permitted to vote. This will reduce the ability of Shareholders (other than AustralianSuper) to influence decisions of the Company. See the tables beginning on page 23 for further details of the potential impact of the conversion of the Convertible Notes and resulting acquisition of Shares may have on the Company's capital structure;

(c) the conversion of the Convertible Notes giving AustralianSuper voting power in the Company materially in excess of 20% may mean it is less likely that a takeover offer, scheme of arrangement or other control proposal is made for the Company at any time in the future if such takeover offer, scheme or other proposal is not supported by AustralianSuper. In addition, even if a takeover offer is made or a scheme of arrangement pursued, AustralianSuper will likely have the ability to block such takeover offer becoming unconditional if the minimum acceptance condition is above 50% or block the approval of a scheme of arrangement; and

(d) in addition, the Independent Expert has stated the following disadvantages:

(i) the acquisitions will result in a significant dilution of the Non-Associated Shareholders' interests in the Company;

(ii) the conversion price for the Series 1 and Series 3 Convertible Notes is around or at a discount over recent trading prices for Shares; and

(iii) the prospect of Shareholders receiving a takeover offer for the Company is arguably reduced.

If Resolutions 2, 3, 4 and 5 are not approved, then:

(a) the Company will not be able, or obliged, to issue the Series 5 or Series 6 Convertible Notes and AustralianSuper will not be subject to any obligation to subscribe for such convertible notes (no break fee would be payable by the Company to AustralianSuper in this instance); and

(b) the interest rate on the Series 4 Convertible Note will remain at 14% per annum until either the notes are converted or redeemed (and such interest rate will not reduce to 11% per annum) where interest is capitalised and added to the principal outstanding.

Material terms of the acquisitions

A summary of the material terms and conditions of:

(a) the Series 1 Convertible Note was set out in the notice of meeting in respect of the Company's general meeting on 1 August 2019;

(b) the Series 3 Convertible Note was set out in the notice of meeting in respect of the Company's annual general meeting on 21 May 2021 (with some additional terms as set out in Schedule 1 of this Explanatory Memorandum); and

(c) the Series 4, Series 5 and Series 6 Convertible Notes is set out in Schedule 1 of this Explanatory Memorandum.

All Convertible Notes are on substantially the same terms.

The Shares to be issued on conversion of the Convertible Notes will rank pari passu with the outstanding Shares of the Company on the relevant conversion date.

When the acquisitions are to occur

Pursuant to the terms of the Convertible Notes, AustralianSuper may elect to convert:

(a) the Series 1 and Series 3 Convertible Notes at any time after 28 April 2022 and prior to the respective maturity dates (each being 28 October 2024); and

(b) the Series 4, Series 5 and Series 6 Convertible Notes at any time after 12 November 2025 and prior to the respective maturity dates (each being 12 May 2028).

AustralianSuper may also convert the Convertible Notes in limited circumstances prior to the above dates including if a takeover offer was made for the Company or in the case of an event of default under the terms of the Convertible Notes.

The voting power AustralianSuper and its associates would have as a result of the acquisitions and the maximum extent of the increase in their voting power

The anticipated maximum relevant interest of AustralianSuper and its associates and the voting power of AustralianSuper and its associates in the Company (both current, and following the proposed acquisitions) is set out in the tables below:

Series 1 and Series 3 Convertible Notes

		All Shareholders	Non-Associated Shareholders	AustralianSuper and associates
Shares currently on issue as at the date of the Notice		675,897,730	559,194,655	116,703,075
Current voting power as at the date of the Notice		100.0%	82.7%	17.3%
Conversion of Series 1 Convertible Note	Total maximum number of Shares post-conversion of Series 1 and Convertible Note	763,256,047	559,194,655	204,061,392
	Voting power post-conversion of Series 1 Convertible Note (non-diluted)	100.0%	73.3%	26.7%
Conversion of Series 3 Convertible Note	Total maximum number of Shares post-conversion of Series 1 and Series 3 Convertible Notes	801,656,516	559,194,655	242,461,861
	Voting power post-conversion of the Series 1 and Series 3 Convertible Notes (non-diluted)	100.0%	69.8%	30.2%

***Note**: This table assumes:*

- *AustralianSuper and associates shareholding as at 14 June 2023;*
- *the Company has 675,897,730 Shares on issue as at the date of the Notice and that no further Equity Securities are issued and no Equity Securities convert into Shares before the date of conversion of the Series 1 and Series 3 Convertible Notes;*
- *Series 1 and Series 3 Convertible Notes are fully converted on the maturity date (being 28 October 2024) and are not redeemed for cash;*
- *interest on the Series 1 and Series 3 Convertible Notes (inclusive of establishment fee) accrues from day to day and is capitalised quarterly at a rate of 8.0% per annum from the date of issue to the maturity date (being 28 October 2024);*
- *the conversion price at the time of conversion is A$0.9686 being the adjusted conversion price at the date of the Notice. The conversion price is subject to Adjustment Rules that may occur as a result of certain corporate actions undertaken by the Company during the term of the Series 1 and Series 3 Convertible Notes, as set out in Schedule 1 of the notices of meetings dated 27 June 2019 (in respect of the Series 1 Convertible Note) and 25 January 2021 (in respect of the Series 3 Convertible Note); and*
- *AustralianSuper and any associates do not acquire a relevant interest in any additional Shares in the Company (and do not sell any Shares).*

Series 4, Series 5 and Series 6 Convertible Notes (if Resolutions 2, 3, 4 and 5 are approved and the Series 5 and Series 6 Convertible Notes are issued)

		All Shareholders	Non-Associated Shareholders	AustralianSuper and associates
Conversion of Series 1 and 3 Convertible Notes	Total maximum number of Shares post-conversion of Series 1 and Series 3 Convertible Notes (see table above)	801,656,516	559,194,655	242,461,861
	Voting power post-conversion of Series 1	100.0%	69.8%	30.2%

	and Series 3 Convertible Notes (non-diluted) (see table above)			
Conversion of Series 4 Convertible Note	Total maximum number of Shares post-conversion of Series 1, Series 3 and Series 4 Convertible Notes	859,601,290	559,194,655	300,406,635
	Voting power post-conversion of the Series 1, Series 3 and Series 4 Convertible Notes (non-diluted)	100.0%	65.1%	34.9%
Conversion of Series 5 Convertible Note	Total maximum number of Shares post-conversion of Series 1, Series 3, Series 4 and Series 5 Convertible Notes	915,623,222	559,194,655	356,428,567
	Voting power post-conversion of Series 1, Series 3, Series 4 and Series 5 Convertible Notes (non-diluted)	100.0%	61.1%	38.9%
Conversion of both Series 5 Convertible Note and Series 6 Convertible Note	Total maximum number of Shares post-conversion of Series 1, Series 3, Series 4, Series 5 and Series 6 Convertible Notes	971,645,155	559,194,655	412,450,500
	Voting power post-conversion of the Series 1, Series 3, Series 4, Series 5 and Series 6 Convertible Notes (non-diluted)	100.0%	57.6%	42.4%

***Note**: This table assumes:*

- *in respect of the Series 1 and Series 3 Convertible Notes, see the notes under the "Series 1 and Series 3 Convertible Notes" table above;*
- *the Company has 675,897,730 Shares on issue as at the date of the Notice and that no further Equity Securities are issued and no Equity Securities convert into Shares before the date of conversion of the Series 4, Series 5 and Series 6 Convertible Notes (as applicable) (other than the Series 1 and Series 3 Convertible Notes in respect of the Series 4 Convertible Note rows and the Series 1, Series 3 and Series 4 Convertible Notes in respect of the Series 5 Convertible Note and Series 5 and Series 6 Convertible Notes rows which are assumed to have converted in full at their maturity dates with all interest accruing and capitalising from their respective issue dates);*
- *the Series 4 Convertible Note is fully converted on the maturity date (being 12 May 2028) and is not redeemed for cash;*
- *the Series 5 and Series 6 Convertible Notes are issued in full 10 business days after the date of the General Meeting (being 11 August 2023), fully converted on the maturity date (being 12 May 2028) and are not redeemed for cash;*
- *interest on the Series 4 Convertible Note (inclusive of establishment fee) accrues from day to day and is capitalised quarterly at a rate of 14.0% per annum from the date of issue (being 12 May 2023) to (but excluding) the date of the General Meeting (being 28 July 2023) and a rate of 11.0% per annum from (and including) the date of the General Meeting to the maturity date (being 12 May 2028);*
- *interest on the Series 5 and Series 6 Convertible Notes (inclusive of establishment fee) accrues from day to day and is capitalised quarterly at a rate of 11.0% per annum from (and including) the date of the General Meeting (being 28 July 2023) to the maturity date (being 12 May 2028);*
- *the conversion price at the time of conversion is A$1.536 being the initial conversion price. The conversion price is subject to Adjustment Rules that may occur as a result of certain corporate actions undertaken by the Company during the term of the Series 4. Series 5 and Series 6 Convertible Notes, as set out in Schedule 1 of this Explanatory Memorandum; and*
- *AustralianSuper and any associates do not acquire a relevant interest in any additional Shares in the Company (and do not sell any Shares).*

Series 4 Convertible Note (if Resolutions 2, 3, 4 and/or 5 are not approved and Series 5 Convertible Note and Series 6 Convertible Note are not issued)

		All Shareholders	Non-Associated Shareholders	AustralianSuper and associates
Conversion of Series 1 and 3 Convertible Notes	Total maximum number of Shares post-conversion of Series 1 and Series 3 Convertible Notes (see table above)	801,656,516	559,194,655	242,461,861
	Voting power post-conversion of Series 1 and Series 3 Convertible Notes (non-diluted) (see table above)	100.0%	69.8%	30.2%
Conversion of Series 4 Convertible Note	Total maximum number of Shares post-conversion of Series 1, Series 3 and Series 4 Convertible Notes	868,561,721	559,194,655	309,367,066
	Voting power post-conversion of the Series 1, Series 3 and Series 4 Convertible Notes (non-diluted)	100.0%	64.4%	35.6%

***Note**: This table assumes:*

- *in respect of the Series 1 and Series 3 Convertible Notes, see the notes under the "Series 1 and Series 3 Convertible Notes" table above; and*
- *in respect of the Series 4 Convertible Note, see the notes under the "Series 4, Series 5 and Series 6 Convertible Notes" table above (as relevant) noting that interest on the Series 4 Convertible Note (inclusive of establishment fee) accrues from day to day and is capitalised quarterly at a rate of 14.0% per annum from the date of issue (being 12 May 2023) to the maturity date (being 12 May 2028).*

Intentions of AustralianSuper regarding the future of the Company

Other than as disclosed elsewhere in this Explanatory Memorandum, AustralianSuper has confirmed to the Company that AustralianSuper:

(a) has no present intention of making any significant changes to the business of the Company;

(b) has no present intention to inject further capital into the Company, unless requested by the Company in the future;

(c) has no present intention of making changes regarding the future employment of the present employees of the Company;

(d) has no present intention to redeploy any fixed assets of the Company;

(e) has no present intention to transfer any property between the Company and themselves;

(f) has no present intention to change the Company's existing policies in relation to financial matters or dividends; and

(g) has no present intention to change the Board, subject to nominating a director to the Board as noted below.

The Company takes no responsibility for any omission from, or any error or false or misleading statement in this section '*Intentions of AustralianSuper regarding the future of the Company*' of the Explanatory Memorandum.

AustralianSuper does not make, or purport to make, any statement in this Explanatory Memorandum other than the statements in this section '*Intentions of AustralianSuper regarding the future of the Company*' of the Explanatory Memorandum attributed to it. To the maximum extent permitted by law, AustralianSuper expressly disclaims liability and takes no responsibility for any omission from, or any error or false or misleading statement in, any other part of this Explanatory Memorandum.

The identity, associations (with AustralianSuper) and qualifications of any person who is intended to or will become a director if Shareholders agree to the acquisitions.

AustralianSuper and the Company have agreed that AustralianSuper may nominate a non-executive director (who may be an employee or officer of AustralianSuper) to the Board of the Company while AustralianSuper remains the holder of more than 15% of the Company's issued Shares subject to:

(a) the nominee having appropriate experience for a company of the nature of the Company;

(b) the nominee being approved by the Company's Board nominations committee (or equivalent);

(c) the nominee's appointment not resulting in the Board becoming comprised of majority non-independent non-executive directors; and

(d) the nominee agreeing in writing to comply with all applicable policies and procedures of the Company, laws and regulations relating to conflicts of interest and insider trading and to comply with confidentiality obligations in favour of the Company.

AustralianSuper has advised that it has no current intention to exercise this right to nominate a Director to the Board but reserves its rights to do so.

Details of the terms of any other relevant agreement between the acquirer and the target entity or vendor (or any of their Associates) that is conditional on (or directly or indirectly depends on) members' approval of the acquisitions

Other than the issue of the Series 5 and 6 Convertible Notes being conditional on shareholder approval of the conversion of the Convertible Notes, there is no such other relevant agreement.

Independent Expert Report

The Independent Expert Report prepared by the Independent Expert (a copy of which is attached as Annexure A to this Explanatory Memorandum) assesses whether the conversion of the Convertible Notes is fair and reasonable, and therefore in the best interests of the Company's Shareholders.

The Independent Expert has concluded that the conversion of the Convertible Notes is not fair but is reasonable, and therefore in the best interests of Non-Associated Shareholders in the absence of a superior alternative.

Shareholders should carefully read the Independent Expert Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

Board recommendation

The Directors have considered the Independent Expert's Report, in particular the opinion that the acquisitions are not fair but are reasonable, and therefore in the best interests of Non-Associated Shareholders in the absence of a superior alternative, together with the advantages and disadvantages of the acquisitions included in this Explanatory Memorandum and the Independent Expert's Report. In the Directors' opinion based on the Company's present circumstances, the advantages of the acquisitions considerably outweigh the disadvantages.

Accordingly, the Directors believe that the approval of Resolutions 3, 4 and 5 (as well as Resolutions 1 and 2) by the Shareholders is in the best interests of the Company as a whole and unanimously recommend that Shareholders vote in favour of Resolutions 1, 2, 3, 4 and 5.

Each Director intends to vote in favour of Resolutions 3, 4 and 5 in respect of all their direct and indirect shareholdings, representing a total of 4,566,435 Shares or approximately 0.7% of the Shares on issue as at the date of the Notice.

The Directors' recommendation and voting intention in respect of Resolutions 3, 4 and 5 are at all times subject to their fiduciary duties and obligations and the Independent Expert continuing to conclude that the matters the subject of such resolutions are in the best interests of the Non-Associated Shareholders in the absence of a superior alternative.

Voting intention

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 3, 4 and 5 (subject to the voting exclusion statement).

Voting exclusion

No votes may be cast in favour of Resolutions 3, 4 or 5 by:

(a) the person proposing to make the acquisitions and their Associates; or

(b) the persons (if any) from whom the acquisitions are to be made and their Associates.

Accordingly, the Company will disregard any votes cast on Resolutions 3, 4 and 5 by AustralianSuper and any of its Associates.

Proxy and voting instructions

1. In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7.00pm (AEST) on Wednesday, 26 July 2023 will be entitled to attend and vote at the Meeting as a Shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

2. The details of the Resolutions contained in the Explanatory Memorandum accompanying this Notice should be read together with, and form part of, this Notice.

3. On a poll, ordinary Shareholders have one vote for every Share held.

4. 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.

5. 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.

6. If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit (subject to any voting exclusion statements that apply). The Chairman intends to vote all available proxies in favour of each Resolution proposed in this Notice. If you do not mark a box next to any Resolution then by completing and submitting the Proxy Form, you will be expressly authorising the Chairman to vote as they see fit in respect of such Resolution.

7. Voting exclusions apply to each Resolution. AustralianSuper and its Associates will not be able to vote your proxy on any Resolution unless you direct them how to vote. If you intend to appoint such a person as your proxy, you should read the voting exclusions carefully and ensure that you direct them how to vote on each Resolution by marking either "For", "Against" or "Abstain" on the Proxy Form.

8. 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.

9. A Proxy Form is attached. If required, the Proxy Form should be completed and signed (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or a certified copy of the authority). Proxy forms must be returned to Computershare Investor Services Pty Limited in accordance with the instructions set out in the Proxy Form by no later than 10.00am (AEST) on Wednesday, 26 July 2023. You may lodge your proxy form:
   - electronically via www.investorvote.com.au; for intermediary online subscribers only (custodians) – please visit www.intermediaryonline.com;
   - by hand delivery to Computershare Investor Services Pty Ltd, 452 Johnston Street, Abbotsford, Victoria 3067;
   - by post to Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria 3001; or
   - by fax to 1800 783 447 (within Australia), or +61 3 9473 2555 (outside Australia).

Definitions

$ means Australian Dollars

Adjustment Rules means the adjustment rules set out in Schedule 1 of this Explanatory Memorandum

AEST means Australian Eastern Standard Time

ASIC means the Australian Securities and Investments Commission

Associate or **associate** has the meaning given to it in the Listing Rules or the Corporations Act (as the context requires)

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

AustralianSuper means AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898)

Balama means the Company's Balama Graphite Operation in Mozambique

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

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

Convertible Notes means the Series 1 Convertible Note, Series 3 Convertible Note, Series 4 Convertible Note, Series 5 Convertible Note and Series 6 Convertible Note (as applicable).

Corporations Act means the *Corporations Act 2001* (Cth)

Director means a Director of the Company

Equity Securities has the meaning given to it in the Listing Rules

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice

Group means the Company and its subsidiaries

Independent Expert means KPMG Corporate Finance, a division of KPMG Financial Advisory Services (Australia) Pty Ltd

Independent Expert Report means the report prepared by the Independent Expert which is contained in Annexure A to this Explanatory Memorandum

Listing Rules means the Listing Rules of the ASX

Meeting the General Meeting of Shareholders of the Company referred to in the introductory paragraph of the Notice

Non-Associated Shareholders means Shareholders other than AustralianSuper and its associates

Notice means the Notice of Meeting accompanying this Explanatory Memorandum

Proxy Form means the proxy form attached to the Notice

Resolution means a resolution referred to in the Notice

Series 1 Convertible Note has the meaning given to it in the "Background" section of the Explanatory Memorandum to Resolution 1

Series 1 Convertible Note Deed means the Series 1 convertible note deed dated 19 June 2019 between the Company and AustralianSuper

Series 3 Convertible Note has the meaning given to it in the "Background" section of the Explanatory Memorandum to Resolution 1

Series 3 Convertible Note Deed means the Series 2 and Series 3 convertible note deed dated 10 December 2020 between the Company and AustralianSuper

Series 4 Convertible Note has the meaning given to it in the "Background" section of the Explanatory Memorandum to Resolution 1

Series 5 Convertible Note has the meaning given to it in the "Background" section of the Explanatory Memorandum to Resolution 1

Series 6 Convertible Note has the meaning given to it in the "Background" section of the Explanatory Memorandum to Resolution 1

Series 4, Series 5 and Series 6 Convertible Note Deed means the Series 4, Series 5 and Series 6 convertible note deed dated 27 April 2023 between the Company and AustralianSuper

Share means a fully paid ordinary share in the capital of the Company

Shareholder means a holder of one or more Shares

Vidalia means the Company's Vidalia Active Anode Facility in the United States

Schedule 1

Part A – Summary of Series 4, Series 5 and Series 6 Convertible Notes

Security and status	• Unsecured • Prior to conversion, the Series 4, Series 5 and Series 6 Convertible Notes will rank equally with all other unsecured and unsubordinated debt obligations of Syrah including with Series 1 and Series 3 Convertible Notes.
Maximum issue size / face value and availability	• Series 4 Convertible Note: A$50 million. • Series 5 Convertible Note: A$50 million. • Series 6 Convertible Note: A$50 million.
Term / issue period	• Maturity date: 12 May 2028 (unless redeemed or converted earlier). • Syrah may elect (at its sole discretion) to issue the Series 5 Note before 31 December 2023 and the Series 6 Note before 30 June 2024 subject to Syrah shareholders approving the Shareholder Resolutions (as defined below).
Conditions Precedent to issuance of Series 5 Convertible Note and Series 6 Convertible Note	• Shareholder approval of: – issue of the Series 5 and Series 6 Convertible Notes for the purposes of ASX Listing Rule 7.1; – conversion of the Series 4 Convertible Note for the purposes of item 7 of section 611 of the Corporations Act; – conversion of the Series 5 and Series 6 Convertible Notes for the purposes of item 7 of section 611 of the Corporations Act; and – conversion of the existing Series 1 and 3 Convertible Notes for the purposes of item 7 of section 611 of the Corporations Act, by 31 August 2023 (together the “Shareholder Resolutions”).
Interest	• Until Shareholders approve all Shareholder Resolutions, interest will accrue from day to day on the principal outstanding under the Series 4 Convertible Note, and will be capitalised quarterly in arrears and added to the face value of the Series 4 Convertible Note at a rate of 14.0% per annum, unless Syrah elects to make interest payments in cash, in which case the relevant interest will be calculated at a rate of 13.5% per annum. • If Syrah shareholders approve the Shareholder Resolutions, interest will subsequently accrue from day to day on the principal outstanding under the Series 4, Series 5 and Series 6 Convertible Notes issued, and will be capitalised quarterly in arrears and added to the face value of the Series 4, Series 5 and Series 6 Convertible Notes issued at a rate of 11.0% per annum, unless Syrah elects to make interest payments in cash, in which case the relevant interest will be calculated at a rate of 10.5% per annum.
Conversion Price	• The initial conversion price will be A$1.536 (“Conversion Price”); representing Syrah’s 10-day volume weighted average share price (“VWAP”) up to and including the close of trading on 26 April 2023. • The Conversion Price is subject to adjustment(s) in the event of future share issues, capital reductions, share consolidations and other corporate actions during the term of the Series 4, Series 5 and Series 6 Convertible Notes, in accordance with customary adjustment rules (see Part B below).
Termination	• Syrah may, at its discretion, decide not to proceed with issuing either the Series 5 or Series 6 Convertible Notes, or may issue such notes for a lower amount (subject to payment of a break fee, as described below).

Fees	• Break fee – up to 1% of the face value of the applicable Series 5 and/or Series 6 Convertible Notes not issued (payable in cash) if Syrah decides not to issue the Series 5 and/or Series 6 Convertible Notes, defaults on its obligation to issue the Series 5 and/or Series 6 Convertible Notes or elects to reduce the face value of the Series 5 and/or Series 6 Convertible Notes (in which case the break fee will be A$500,000 *multiplied by* the amount by which the relevant face value has been reduced *divided by* the subscription amount for the relevant Convertible Note), but not if Syrah shareholders do not approve the Shareholder Resolutions and Syrah has complied with its obligations in seeking shareholder approval. • Establishment fee – 2% of the face value of the Series 4, Series 5 and Series 6 Convertible Notes will be capitalised and will accrue to the Principal Outstanding upon issuance of such convertible notes.
Conversion / Redemption	• At any time after 12 November 2025 and up to the maturity date, AustralianSuper may elect to convert the Series 4, Series 5 and Series 6 Convertible Notes issued into fully paid ordinary shares of Syrah, at the Conversion Price. • After 12 November 2025, if AustralianSuper elects to convert the Series 4, Series 5 or Series 6 Convertible Notes or the Series 1 or Series 3 Convertible Notes (whether one or several series at the same time) it must wait at least six months before it can elect to convert another series of the Convertible Notes (and amendments have been made to the Series 3 Convertible Note Deed to reflect this). This six-month requirement does not apply in the one month before the maturity date or if an event of default or a change of control in Syrah has occurred. • Upon conversion, the number of shares in Syrah to be issued to AustralianSuper will be calculated as: Principal Outstanding / Conversion Price, where the Principal Outstanding is the face value of the relevant convertible note series together with the establishment fee and accrued and capitalised interest and the Conversion Price is as set out above. • Subject to shareholders approving the conversion of the Convertible Notes for the purposes of item 7 of section 611 of the Corporations Act and such shareholder approval remaining valid at the time of conversion (noting that if there is some time between the time of shareholder approval and conversion and/or there is a change in circumstances from that which formed the basis of shareholder approval and the circumstances prior to conversion, the initial shareholder approval may no longer be valid and shareholder approval would need to be refreshed), on conversion of the Series 1, Series 3, Series 4, Series 5 and/or Series 6 Convertible Notes, AustralianSuper's voting power would be permitted to exceed 20% or increase from a position above 20% and below 90% without needing to rely on another exception in the Corporations Act (e.g. creep provisions). • If shareholder approval needs to be refreshed for the conversion of a Convertible Note series and conversion would result in AustralianSuper breaching section 606 of the Corporations Act, then Syrah will seek refreshed shareholder approval. If such refreshed shareholder approval is not obtained, Syrah will only convert such proportion of the principal outstanding of the Convertible Notes series into Shares as permitted by the Corporations Act and will redeem the remaining principal outstanding of the Convertible Notes series for a cash payment at a value based on the number of Shares that would otherwise have been issued to AustralianSuper on conversion multiped by the 30-day VWAP of Syrah's shares up to five business days prior to the last date for obtaining such shareholder approval. • If refreshed shareholder approval is obtained, Syrah will convert the remaining principal outstanding of the Convertible Notes series into Shares following such shareholder approval. • AustralianSuper may elect to convert the Series 4, Series 5 and/or Series 6 Convertible Notes at any time after the occurrence of an event of default or if a third party makes a takeover offer for all of the Shares of the Company or if the Company announces the execution of a scheme implementation agreement in respect of acquisition of all the Shares in the Company by scheme of arrangement. If AustralianSuper has not elected to convert the Series 4, Series 5 or the Series 6 Convertible Notes on or before the maturity date, then such convertible notes are redeemable in cash at the principal outstanding plus any accrued and unpaid interest upon maturity. They are also redeemable if AustralianSuper has not made a conversion election and a third party acquires control of Syrah including via a scheme of arrangement or a takeover offer for Syrah which has become unconditional and the bidder making a takeover offer has a relevant interest of at least 50% in Syrah or if AustralianSuper elects to redeem instead of convert the Series 4, Series 5 or Series 6 Convertible Notes in connection with an event of default.

	• In addition, in the context of a takeover offer of Syrah, if AustralianSuper requires a refreshed Syrah shareholder approval to convert a Convertible Note series and there is not sufficient time to do so 14 days before the end of the takeover offer period, and the takeover has become unconditional and the bidder has a relevant interest of at least 50% in Syrah, redemption of the Series 4, Series 5 and/or Series 6 Convertible Notes will be on a value based on the number of Syrah Shares that would otherwise have been issued to AustralianSuper on conversion multiped by the 30-day VWAP of Syrah's shares up to five business days prior to the last date for obtaining such shareholder approval).
Undertakings, representations and warranties	• Syrah and AustralianSuper give customary representations and warranties including in relation to registration, power and capacity, solvency, authorisations, compliance with law, ranking, capital structure, accuracy of information and no litigation (as applicable). • Syrah must comply with various customary undertakings prior to the maturity date, including in relation to the conduct of its business, non-disposal of material assets, not making material changes to its constitution, compliance with laws and provision of information to AustralianSuper. • While the Series 4, Series 5 and Series 6 Convertible Notes remain outstanding and prior to the date five business days after a change of control event (if any), Syrah also undertakes to consult with AustralianSuper prior to issuing any ordinary shares, equity securities or debt securities for the primary purpose of raising capital for Syrah or entering into debt financing agreements (other than any senior secured revolving debt / credit facilities), however consent of AustralianSuper is not required for any such transactions or agreements.
Assignment	• AustralianSuper may assign or transfer the Series 4, Series 5 and Series 6 Convertible Note Deed or the Series 4, Series 5 and/or Series 6 Convertible Notes to any of its related entities with written notice to Syrah provided it is validly transferred, the assignee enters into a deed of assignment and assumption and the assignee remains a related entity. • Otherwise, the Series 4, Series 5 and Series 6 Convertible Note Deed and the Series 4, Series 5 and/or Series 6 Convertible Notes cannot be assigned or transferred without the prior written consent of the other party.

Part B – Adjustment Rules

The Adjustment Rules are set out in full below.

1 Definitions

The following definitions apply in these Adjustment Rules, unless the context requires otherwise:

Capital Distribution means any Non-Cash Dividend.

Cash Dividend means:

(a) any Dividend which is to be paid or made in cash (in whatever currency); and

(b) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of 'Dividend',

and for the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of 'Dividend' shall be treated as being a Non-Cash Dividend.

Company Group means the Company and each of its related bodies corporate.

Conversion Right means a right of the Noteholder to convert a Convertible Note into Shares.

Current Market Price means, in respect of a Share at a particular time on a particular date, the average of the VWAP of one Share for the 10 consecutive trading days ending on the trading day immediately preceding such date, provided that:

(a) if at any time during the said 10 trading days period the Shares shall have been quoted ex-dividend (or ex- any other entitlement) and during some other part of that period the Shares shall have been quoted cum-dividend (or cum- any other entitlement) then:

   (i) if the Shares to be issued in such circumstances do not rank for the dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted cum-dividend (or cum- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or entitlement) per Share as at the date of the first public announcement of such dividend (or entitlement); or

   (ii) if the Shares to be issued in such circumstances rank for the dividend (or entitlement) in question, the quotations on the dates on which the Shares shall have been quoted ex-dividend (or ex- any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by such similar amount; and

(b) if the Shares on each of the said 10 trading days have been quoted cum-dividend (or cum- any other entitlement) in respect of a dividend (or entitlement) which has been declared or announced but the Shares to be issued do not rank for that dividend (or entitlement), the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend (or entitlement) per Share as at the date of the first public announcement of such dividend (or entitlement); and

(c) if such closing prices are not available on each of the 10 trading days during the relevant period, then the arithmetic average of such closing prices which are available in the relevant period shall be used (subject to a minimum of two such closing prices); and

(d) if only one or no such closing price is available in the relevant period, then the Current Market Price shall be determined in good faith by two Independent Financial Institutions.

Dividend means any dividend or distribution to Shareholders whether of cash, assets, or other property, and however described and whether payable out of profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to holders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes without limitation an issue of Shares or other securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

(a) where a Dividend in cash is announced which is to be, or may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Shares or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a Shareholder or Shareholders be, satisfied by the payment of cash, then the Dividend in question shall be treated as a Cash Dividend of the greater of (i) such cash amount and (ii) the Current Market Price of such Shares or, as the case may be, Fair Market Value of such other property or assets (as at the date of the first public announcement of such Dividend or capitalisation (as the case may be) or if later, the date on which the number of Shares (or amount of property or assets, as the case may be) which may be issued or transferred and delivered is determined);

(b) any issue of Shares falling within Rule 2.2 shall be disregarded;

(c) a purchase or redemption or buy back of share capital of the Company or any other member of the Company Group shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Shares by or on behalf of the Company or any other member of the Company Group, the price per Share (before expenses) on any one day (a Specified Share Day) in respect of such purchases or redemptions or buy backs exceeds by more than 5% of the VWAP of the Shares on the five trading days immediately preceding the Specified Share Day or, where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Shares at some future date at a specified price, on the five trading days immediately preceding the date of such announcement, in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend to the extent that the aggregate price paid (before expenses) in respect of such shares purchased, redeemed or bought back by the Company or, as the case may be, any of other member of the Company Group exceeds the product of (i) 105% of the VWAP of the Shares and (ii) the number of Shares so purchased, redeemed or bought back; and

(d) if the Company or any other member of the Company Group shall purchase, redeem or buy back any depositary or other receipts or certificates representing Shares, the provisions of paragraph (c) shall be applied in respect thereof in such manner and with such modifications (if any) as shall be determined in good faith by an Independent Financial Institution.

Effective Date means the first date on which the Shares are traded on the ASX ex-the relevant Capital Distribution or in the case of a purchase, redemption or buy back of Shares or any depositary or other receipts or certificates representing Shares, the date on which such purchase, redemption or buy back is made.

Non-Cash Dividend means any Dividend which is not a Cash Dividend.

Relevant Cash Dividend has the meaning given in Rule 2.2.

Scrip Dividend has the meaning given in Rule 2.2.

VWAP means the arithmetic average of the daily volume weighted average sale price of Shares sold on the ASX during the trading day (subject to excluding certain special trades, crossings, overseas trades and trades pursuant to exercise of options, and appropriate adjustments being made in respect of reconstructions, consolidations, divisions or reclassifications of Shares into a lesser or greater number of securities, other than a buyback or capital reduction, during the relevant period, and in respect of certain other market circumstances to adjust for market anomalies, such as suspensions of trading).

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2 Rules

2.1 Consolidation, subdivision etc

If and whenever there shall be an alteration to the number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the number of issued Shares immediately before such alteration; and

B is the number of issued Shares immediately after, and as a result of, such alteration.

Such adjustment shall become effective on the date the relevant alteration takes effect.

2.2 Issue of shares by way of capitalisation of profits or reserves

If and whenever the Company shall issue any Shares credited as fully paid to its Shareholders by way of capitalisation of profits or reserves, including Shares paid up out of distributable profits or reserves (save where Shares are issued in lieu of the whole or any part of a specifically declared (or payable) cash dividend (the ***Relevant Cash Dividend***) which the Shareholders concerned would or could otherwise have elected to receive (a ***Scrip Dividend***)) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the number of issued Shares immediately before such issue; and

B is the number of issued Shares immediately after such issue.

2.3 Scrip Dividends

In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price of such Shares on the day before such Scrip Dividend is declared exceeds 105% of the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of issued Shares immediately before such issue;

B is the number of Shares issued by way of such Scrip Dividend multiplied by the fraction for which (i) the numerator is the relevant part of the Relevant Cash Dividend in lieu of which Shares are issued by way of the Scrip Dividend, and (ii) the denominator is the Current Market Price (on the day before such Scrip Dividend is declared) of the Shares issued by way of the relevant Scrip Dividend; and

C is the number of Shares issued by way of such Scrip Dividend,

or by making such other adjustment as two Independent Financial Institutions shall certify to the Noteholder is fair and reasonable.

Such adjustment under this Rule 2.3 shall become effective on the date of issue of such Shares or if a record date is fixed therefore, immediately after such record date.

2.4 Capital Distribution

If and whenever the Company shall pay or make any Capital Distribution (except where the Conversion Price falls to be adjusted under Rule 2.2), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one Share on the last trading day preceding the Effective Date; and

B is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy-back of Shares or any depository or other receipts or certificates representing Shares by or on behalf of the Company or any other member of the Company Group, by the number of Shares on issue immediately following such purchase, redemption or buy back and treating as not being on issue any Shares or any Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date, or if later, the first date upon which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

2.5 Discounted rights issues in respect of Shares or rights to acquire Shares

Except where the Conversion Price falls to be adjusted under Rule 2.3., if and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class, by way of rights, any options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at a price per Share which is less than the Current Market Price per Share on the date of the first public announcement of the terms of such issue or grant of such Shares, options, warrants or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such issue or grant;

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares deliverable on the exercise thereof would purchase at the Current Market Price per Share on the first date on which the terms of such issue or grant are publicly announced (or if that is not a trading day, the immediately preceding trading day); and

C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase (or other rights of acquisition) in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate.

Provided that if at the time of issue or grant of any such options, warrants or rights (as used in this Rule 2.5, the Specified Date) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Rule 2.5, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription or purchase had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

2.6 Issue of Shares or rights to acquire Shares at a discount (other than by way of rights)

If and whenever the Company shall issue (otherwise than as mentioned in Rule 2.5) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for or purchase of, Shares) or shall issue or grant (otherwise than as mentioned in Rule 2.5) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than the Current Market Price per Share on the last trading day preceding the date of the first public announcement of the terms of such issue or grant of such Shares, options, warranties or other rights, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the issue or grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares;

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the issue of such additional Shares, or for the Shares to be issued on exercise of such option, warrants or other rights to subscribe for Shares, would purchase at the Current Market Price per Share on the first date on which the terms of such issue is publicly announced (or if that is not a trading day, the immediately preceding trading day); and

C is the number of Shares issued or, as the case may be, the maximum number of Shares which may be issued upon exercise of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase (or other rights of acquisition) in respect thereof at the initial conversion, exchange, subscription, purchase or acquisition price or rate.

Provided that if at the time of issue or grant of any such options, warrants or rights (as used in this Rule 2.6, the **Specified Date**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such rights of subscription are exercised or at such other time as may be provided) then for the purposes of this Rule 2.6, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription or purchase had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the grant of any such options, warrants or other rights.

2.7 Issue of convertible or exchangeable securities

Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within the provisions of this Rule 2.7, in the event of the issue by the Company or any other member of the Company Group (otherwise than as mentioned in Rules 2.5 or 2.6) or (at the direction or request of or pursuant to any arrangements with the Company or any member of the Company Group) by any other company, person or entity of any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than the Current Market Price per Share on the last trading day preceding the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at the Current Market Price per Share on the first date on which the terms of such issue are publicly announced (or if that is not a trading day, the immediately preceding trading day); and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Provided that if at the time of issue of the relevant securities or date of grant of such rights (as used in this Rule 2.7, the **Specified Date**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are exchanged or rights of subscription are exercised or, as the case may be, such securities are re-designated or at such other time as may be provided) then for the purposes of this Rule 2.7, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, re-designation had taken place on the Specified Date.

Such adjustment shall become effective on the date of issue of such securities.

2.8 Modification of rights of convertible or exchangeable securities

In the event of any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Rule 2.7 (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price on the last trading day preceding the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at the Current Market Price per Share on the first date on which the terms of such modification are publicly announced (or if that is not a trading day, the immediately preceding trading day) or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange, subscription or purchase price or rate but giving credit in such manner as an Independent Financial Institution considers appropriate (if at all) for any previous adjustment under this Rule 2.8 or Rule 2.7.

Provided that if at the time of issue of the relevant securities or date of grant of such rights (as used in this Rule 2.8, the **Specified Date**) such number of Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time (which may be when such securities are exchanged or rights of subscription are exercised or, as the case may be, such securities are re-designated or at such other time as may be provided) then for the purposes of this Rule 2.8, 'C' shall be determined by application of such formula or variable feature or as if the relevant event occurs or has occurred as at the Specified Date and as if such conversion, exchange, subscription, purchase or acquisition or, as the case may be, re-designation had taken place on the Specified Date.

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

3 Other Adjustment Events

If:

(a) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or

(b) one or more events or circumstances not referred to in any Adjustment Rules set out in Rule 2 have occurred which have or would have an effect on the position of the Noteholder as a class compared with the position of the holders of Shares, taken as a class (including, without limitation, any issue of securities (other than Shares or options, warranties or other rights to subscribe for, purchase, or otherwise acquire Shares), any demerger, spin-off or similar arrangement in respect of any business of the Company Group),

then, in any such case:

(a) the Company shall promptly notify the Noteholder in writing thereof;

(b) the Company and the Noteholder must jointly consult with an Independent Financial Institution, as to what adjustment, if any, should be made to the Conversion Price to preserve the value of the Conversion Rights; and

(c) the Company must make any such adjustment agreed by the Company and the Noteholder (or failing such agreement, as delivered by the Independent Financial Institution).

4 Other events or circumstances

Notwithstanding the foregoing provisions, where:

(a) the events or circumstances giving rise to any adjustment pursuant to paragraph 3 above have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Company (acting in good faith), a modification to the operation of the adjustment provisions is required to give the intended result, such modification shall be made to the operation of the adjustment provisions as may be advised by an Independent Financial Institution to be in its opinion appropriate to give the intended result; and

(b) such modification shall be made to the operation of paragraph 3 above as may be advised by an Independent Financial Institution to be in its opinion appropriate to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once.

5 Decision of an Independent Financial Institution

If any doubt shall arise as to whether an adjustment fails to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, the Company and the Noteholder must jointly consult an Independent Financial Institution and the written opinion of such Independent Financial Institution in respect of such adjustment to the Conversion Price shall be conclusive and binding on all parties, save in the case of manifest or proven error.

6 Compliance with ASX Listing Rules

Notwithstanding any other paragraph of these Note Terms, the rights of the holder of Convertible Notes will be changed to the extent necessary to comply with the ASX Listing Rules including, without limitation, as they apply to a reorganisation of capital undertaken by the Company at the time of the reorganisation. For the avoidance of doubt, if there are any inconsistencies between the ASX Listing Rules and the adjustment mechanisms provided for in this paragraph 6, the ASX Listing Rules will apply.

Annexure A

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The Directors
Syrah Resources Limited
Level 7, 477 Collins Street
Melbourne VIC 3000

19 June 2023

Dear Directors

Independent Expert Report and Financial Services Guide

Part One – Independent Expert Report

1 Introduction

Syrah Resources Limited (**Syrah** or **the Company**) is an Australian public company listed on the Official List of ASX Limited (**ASX**) with a closing market capitalisation of approximately A$616.1[1] million as at 13 June 2023.

Syrah's principal assets comprise a 95% interest in the Balama graphite mine and processing facility located in Mozambique (**the Balama Graphite Operation**), and a 100% interest in the Vidalia active anode material facility located in the United States (**the Vidalia Project**). The Balama Graphite Operation recommenced production in 2021 underpinned by supportive market conditions and sales orders for Balama products[2] and the Vidalia Project is expected to achieve first production in the September 2023 quarter. Syrah also undertakes marketing and sales activities from the United Arab Emirates.

[1] Currency in this report is denominated in Australian dollars (**A$**) or United States dollars (**US$**) unless otherwise stated

[2] But has been paused since the start of May 2023 driven by weaker market conditions for natural graphite in China. While Syrah is hopeful that market conditions will improve in the short term, the timing and rate of recovery, and also generation of positive net cash flow from the Balama Graphite Operation, is uncertain.

On 28 October 2019, Syrah issued a A$55.8 million convertible note to AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898) (**AustralianSuper**)[3] (**Series 1 Convertible Note**). The proceeds of the convertible note issue provided additional working capital, liquidity and greater flexibility to manage the Balama Graphite Operation production.

On 29 June 2021, Syrah issued a A$28.0 million convertible note to AustralianSuper (**Series 3 Convertible Note**), to support the orderly ramp-up of production at the Balama Graphite Operation under various market scenarios and maintain momentum for the expansion of the Vidalia Project.

On 27 April 2023, Syrah announced the execution of a new convertible note deed with AustralianSuper for up to A$150 million in convertible notes. These new convertible notes are structured in three tranches comprising:

- a A$50 million face value note which was issued on 12 May 2023 (**Series 4 Convertible Note**)
- an up to A$50 million face value note, issuable at Syrah's option before 31 December 2023, subject to Syrah shareholder approval (**Series 5 Convertible Note**)
- an up to A$50 million face value note, issuable at Syrah's option before 30 June 2024, subject to Syrah shareholder approval (**Series 6 Convertible Note**) (the Series 1, 3, 4, 5 and 6 convertible notes are collectively referred to as the **Convertible Notes**).

Proceeds from the Series 4 Convertible Note are to be used on an expansion of the Vidalia Project, Balama Graphite Operation working capital, tailings storage facility expansion and sustaining capital, as well as for general corporate purposes. The remaining A$100 million from Series 5 Convertible Note and Series 6 Convertible Note will provide funding options for operating strategy and project development.

Pursuant to the operation of section 606 of the Corporations Act 2001 (**the Act**), the future conversion of the Convertible Notes (the **Future Conversions**) requires approval of Syrah shareholders not associated with AustralianSuper (**the non-associated shareholders**). Accordingly, Syrah is now seeking the approval of non-associated shareholders for the future issue of new Syrah ordinary shares in satisfaction of the Convertible Notes in the event they are not redeemed.

The Directors of Syrah have requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**) prepare an Independent Expert Report (**IER**) to the non-associated shareholders in relation to the Future Conversions. We are not required to form an opinion as to the terms of the Convertible Notes agreed to between the parties or their issue. Our opinion is limited solely to the Future Conversions.

[3] AustralianSuper refers to AustralianSuper or any of its Associates.

We note that Syrah is seeking non-associated shareholder approval for the Future Conversion through 3 separate resolutions, being:

- Resolution 3: Approval of acquisition of relevant interest in Syrah shares by AustralianSuper on conversion of the Series 1 and Series 3 Convertible Notes
- Resolution 4: Approval of acquisition of relevant interest in Syrah shares by AustralianSuper on conversion of the Series 4 Convertible Note
- Resolution 5: Approval of acquisition of relevant interest in Syrah shares by AustralianSuper on conversion of the Series 5 and Series 6 Convertible Notes.

We note that it is open to non-associated shareholders to approve or reject each of the above resolutions in relation to the Convertible Notes. However, in the event shareholders do not approve all of the Future Conversions, Syrah will not be able to draw down on the Series 5 and 6 Convertible Notes and the Series 4 Convertible Note interest rate will not reduce from 14% per annum to 11% per annum (assuming interest is capitalised) [4].

In addition, Syrah is seeking shareholder approval for resolution 1 and 2 which are in relation to the ratification of the prior issue of the Series 4 Convertible Note, for the purpose of ASX Listing Rule 7.4 and approval to issue the Series 5 and 6 Convertible Notes, for the purpose of ASX Listing Rule 7.1 respectively.

Further details in relation to the terms of the Convertible Notes are set out in section 3 of this report and the Explanatory Statement to which this report is attached. This report should be considered in conjunction with and not independently of the information set out in the Explanatory Statement.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two of this report.

2 Purpose of this report

This report has been prepared for inclusion in the Explanatory Statement to accompany the Notice of Meeting to Syrah shareholders. The purpose of the meeting will be to seek, amongst other things, approval of the non-associated shareholders of the Future Conversions.

The sole purpose of this report is an expression of KPMG Corporate Finance's opinion as to whether the Future Conversions are fair and reasonable to Syrah's non-associated shareholders, and should not be interpreted as being a recommendation as to whether or not non-associated shareholders should vote in favour of the Future Conversions, which remains a decision for individual shareholders.

[4] Syrah has the option of electing to make interest payments in cash, rather than capitalised, in which case the relevant interest rates would be 13.5% per annum and 10.5% per annum respectively.

2.1 Technical requirements

Section 606 of the Act expressly prohibits a party obtaining more than 20% of the voting power of a listed Australian company unless a full takeover offer is made. An exemption to this rule is contained in Section 611 of the Act, which allows the target company shareholders the opportunity to vote in general meeting to forgo their right to a full takeover. In passing any resolution, no votes may be cast by the potential acquirer or their associates or by the persons from whom the acquisition is to be made or their associates.

AustralianSuper held approximately 17.3% of the Syrah ordinary shares on issue as at 13 June 2023. The final number of Syrah shares that will be held by AustralianSuper following the future conversion(s) of the Convertible Notes is not able to be determined at this stage as this will be dependent upon a number of factors, including:

- whether AustralianSuper elects to seek full or partial conversion of each of the Convertible Notes rather than redemption
- the date of conversion and the effective conversion price under the terms of the Convertible Notes
- the extent to which interest on the Convertible Notes is capitalised prior to conversion
- the extent to which any new shares are issued to non-associated shareholders, AustralianSuper or new shareholders in the form of new capital raisings or the conversion of Syrah performance rights and share rights already on issue.

However, based on AustralianSuper's current ordinary shareholding in Syrah, the Future Conversions will likely result in AustralianSuper holding in excess of 20% of the voting rights in Syrah and, as such, requires approval of the non-associated shareholders in a general meeting in the absence of a full takeover offer.

Regulatory Guide 74 issued by the Australian Securities and Investment Commission (**ASIC**) requires that in these circumstances, shareholders be supplied with sufficient information to enable them to assess the merits of the proposal. In such circumstances, the Directors of Syrah are required to provide shareholders with a detailed analysis as to whether the Future Conversions are fair and reasonable in the context of Syrah's non-associated shareholders.

The Directors may undertake such an analysis or, as is more commonly the case, the Directors may engage an independent expert to report on the proposal. In this case, the Directors of Syrah have requested KPMG Corporate Finance to prepare a report that satisfies the requirements under Section 611 of the Act.

In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides, in particular Regulatory Guide 111 'Content of expert reports' (**RG 111**) which outlines the principles and matters which it expects a person preparing an independent expert report to consider when providing an opinion on whether a transaction is "fair and reasonable".

2.2 _Basis of assessment_

Regulatory Guide 111 notes:

- 'fair and reasonable' is not regarded as a compound phrase
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer
- the comparison should be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash
- the expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison
- an offer is 'reasonable' if it is 'fair'
- an offer might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

In accordance with the requirements of Regulatory Guide 111 any consideration of value requires a comparison of the value of a Syrah share, inclusive of premium for control, prior to any conversion(s) of the Convertible Notes to the value of a Syrah share, on a minority interest basis, assuming the Future Conversions have occurred.

In assessing the reasonableness of the Future Conversions, we have considered in particular the following issues:

- the rationale of the Future Conversions
- the likelihood of an alternative funding solution being available
- recent trading prices of Syrah shares on the ASX
- the consequences of not approving the Future Conversions
- other advantages and disadvantages which may impact shareholders if the Future Conversions are approved.

3 Overview of the Convertible Notes

The key terms of the Series 1 Convertible Note are summarised below and were set out in more detail in the Explanatory Statement in respect of Syrah's general meeting held on 1 August 2019, at which shareholders approved the issue of the Series 1 Convertible Note.

Table 1: Key terms of the Series 1 Convertible Note

Term	Description
Face value	A$55.8 million
Maturity date	28 October 2024
Interest	Interest will accrue from day to day on the principal outstanding under the convertible note, and will be capitalised quarterly in arrears and added to the principal outstanding under the convertible note at a rate of 8% per annum, unless Syrah elects to make interest payments in cash, in which case the relevant interest will be calculated at a rate of 7.5% per annum.
Conversion price and adjustment	The initial conversion price will be A$1.0036. The conversion price is subject to adjustment(s) for certain corporate actions of Syrah during the term of the convertible note, in accordance with customary adjustment rules. The conversion price of the Series 1 Convertible Note at the date of this report was A$0.96855.
Conversion and redemption	At any time after 30 months from issue and prior to the maturity date, AustralianSuper may elect to fully convert the convertible note into fully paid ordinary Syrah shares at the conversion price.
Establishment fee	*Establishment fee* - 2% of the face value of the convertible note will be capitalised and will accrue to the principal outstanding upon issuance of the convertible note.
No approval of conversion	If shareholder approval is not obtained, the convertible note will remain on issue until a conversion notice from AustralianSuper is received by Syrah or the convertible note reaches maturity. If a conversion notice is issued by AustralianSuper and non-associated shareholder approval is not obtained, Syrah will issue new Syrah shares up to the highest level possible without causing a breach of section 606 of the Act and redeem the balance of the principal amount at the relevant date as a cash payment to AustralianSuper based on the 30 day volume weighted average price (**VWAP**) prior to the relevant date. Syrah may elect to seek shareholder approval at that time to convert the balance into new Syrah shares if it considers that it is in the best interests of Syrah to do so. If no conversion notice is issued prior, the convertible notes will be redeemed at maturity based on the principal amount at that date, including capitalised fees and interest.

Source: Syrah notice of meeting ASX announcement on 27 June 2019

The key terms of the Series 3 Convertible Note are summarised below and set out in more detail in the notice of meeting in respect of Syrah's general meeting on 21 May 2021, at which shareholders approved the issue of the Series 3 Convertible Note.

Table 2: Key terms of the Series 3 Convertible Note

Term	Description
Face value	A$28 million
Maturity date	28 October 2024
Interest	Interest will accrue from day to day on the principal outstanding under the convertible note, and will be capitalised quarterly in arrears and added to the principal outstanding under the convertible note at a rate of 8% per annum, unless Syrah elects to make interest payments in cash, in which case the relevant interest will be calculated at a rate of 7.5% per annum.
Conversion price and adjustment	The initial conversion price will be A$1.0036. The conversion price is subject to adjustment(s) for certain corporate actions of Syrah during the term of the convertible note, in accordance with customary adjustment rules. The conversion price of the Series 3 Convertible Note was at the date of this report was A$0.96855.
Conversion and redemption	At any time after 28 April 2022 up to the maturity date, AustralianSuper may elect to convert the Series 3 Convertible Note into new fully paid ordinary Syrah shares at the conversion price.
Establishment fee	*Establishment fee* - 2% of the face value of the convertible note will be capitalised and will accrue to the principal outstanding upon issuance of the convertible note.
Approval of conversion	If shareholder approval is not obtained, the convertible note will remain on issue until a conversion notice from AustralianSuper is received by Syrah or the convertible note reaches maturity. If a conversion notice is issued by AustralianSuper and non-associated shareholder approval is not obtained, Syrah will issue new Syrah shares up to the highest level possible without causing a breach of section 606 of the Act and redeem the balance of the principal amount at the relevant date as a cash payment to AustralianSuper based on the 30 day VWAP prior to the relevant date. Syrah may elect to seek shareholder approval at that time to convert the balance into new Syrah shares if it considers that it is in the best interests of Syrah to do so. If no conversion notice is issued prior, the convertible notes will be redeemed at maturity based on the principal amount at that date, including capitalised fees and interest.

Source: Syrah notice of meeting ASX announcement on 19 April 2021

The key terms of the Series 4, 5 and 6 Convertible Notes are summarised below and set out in more detail in the Explanatory Statement to which this report is attached.

Syrah may, at its discretion, decide not to proceed with issuing the Series 5 and/or Series 6 Convertible Notes, or may issue such notes for a lower amount (subject to payment of a break fee, as described in the table below).

Table 3: Key terms of the Series 4, 5 and 6 Convertible Notes

Term	Description
Face value	• Series 4 Convertible Note: A$50 million • Series 5 Convertible Note: A$50 million • Series 6 Convertible Note: A$50 million
Maturity date	12 May 2028
Interest	Until Syrah shareholders approve the Future Conversions and the issue of Series 5 and 6 Convertible Notes for the purpose of ASX Listing Rule 7.1, interest will accrue on the principal outstanding under the Series 4 Convertible Note (which was issued on 12 May 2023), and will be capitalised quarterly in arrears and added to the face value at a rate of 14.0% per annum, unless Syrah elects to make interest payments in cash, in which case the relevant interest will be calculated at a rate of 13.5% per annum. Following non-associated shareholders' approval for the Future Conversions and the issue of Series 5 and 6 Convertible Notes for the purpose of ASX Listing Rule 7.1, the interest rate will accrue on the principal outstanding under the notes issued and will be capitalised quarterly in arrears and added to the face value of the notes issued at a reduced rate of 11.0% per annum, unless Syrah elects to make interest payments in cash, in which case the relevant interest will be calculated at a reduced rate of 10.5% per annum.
Conversion price and adjustment	The initial conversion price will be A$1.536. The conversion price is subject to adjustment(s) for certain corporate actions of Syrah during the term of the convertible notes, in accordance with customary adjustment rules.
Conversion and redemption	At any time following 12 November 2025 and up to the maturity date, AustralianSuper may elect to convert the convertible notes into new fully paid ordinary Syrah shares at the conversion price. Following 12 November 2025, if AustralianSuper elects to convert the Series 4, 5 or 6 Convertible Notes or the Series 1 or 3 Convertible Notes (whether one or several series at the same time) it must wait at least six months before it can elect to convert another series of the Convertible Notes. This six-month requirement does not apply in the one month before the maturity date or if an event of default or a change of control in Syrah has occurred.

Term	Description
Fees on establishment or break	*Establishment fee* - 2% of the face value of the convertible notes will be capitalised and will accrue to the principal outstanding upon issuance of the convertible notes *Break fee* - 1% of the face value of the convertible notes not issued (payable in cash) if Syrah decides not to issue the Series 5 and/or Series 6 Convertible Notes, defaults on its obligation to issue the convertible notes or elects to reduce the face value of the Series 5 and/ or Series 6 Convertible Notes, but not if Syrah shareholders do not approve the Shareholder Resolutions and Syrah has complied with its obligations in seeking shareholder approval.
No approval of conversion	If shareholder approval is not obtained, the Series 4 Convertible Note will remain on issue until a conversion notice from AustralianSuper is received by Syrah or the convertible note reaches maturity. If a conversion notice is issued by AustralianSuper and non-associated shareholder approval is not obtained, Syrah will issue new Syrah shares up to the highest level possible without causing a breach of section 606 of the Act and redeem the balance of the principal amount at the relevant date as a cash payment to AustralianSuper based on the 30 day VWAP prior to the relevant date. If no conversion notice is issued prior, the convertible notes will be redeemed at maturity based on the principal amount at that date, including capitalised fees and interest.
Undertakings	While the Series 4, 5 and 6 Convertible Notes remain outstanding and prior to the date five business days after a change of control event (if any), Syrah also undertakes to consult with AustralianSuper prior to issuing any ordinary shares, equity securities or debt securities for the primary purpose of raising capital for Syrah or entering into debt financing agreements (other than any senior secured revolving debt/credit facilities), however consent of AustralianSuper is not required for any such transactions or agreements.

Source: The Explanatory Statement

4 Summary of Opinion

In our opinion:

- **the future conversion of the Series 1 and 3 Convertible Notes is not fair but is reasonable, and therefore in the best interests of non-associated shareholders in the absence of a superior alternative**
- **the future conversion of the Series 4 Convertible Notes is not fair but is reasonable, and therefore in the best interests of non-associated shareholders in the absence of a superior alternative**
- **the future conversion of the Series 5 and 6 Convertible Notes is not fair but is reasonable, and therefore in the best interests of non-associated shareholders in the absence of a superior alternative.**

In arriving at these opinions, we have assessed whether the Future Conversions are fair by comparing our assessed value of a Syrah share, inclusive of premium for control and prior to shareholder approval of the Future Conversions, to the range of values of a Syrah share immediately following approval of the Future Conversions, capturing the various conversion outcomes that could occur, on a minority interest basis[5].

We have assessed the value of a Syrah share, inclusive of a premium for control, to be in the range of $1.13 to $1.54 per share, which lies above our assessed range of outcomes assuming shareholder approval is provided and AustralianSuper elects to convert all or part of the Convertible Notes to ordinary shares, of between $0.86 and $1.09 per share on a minority interest basis. As such, we consider all of the Future Conversions to be not fair to non-associated shareholders.

In considering this outcome, it is important for non-associated shareholders to also consider the context in which the Convertible Notes have been/ are being issued and the qualitative considerations of the Future Conversions.

Syrah has not yet reached positive operational net cash flows from the Balama Graphite Operation. Furthermore, production at the Balama Graphite Operation has been paused since the start of May 2023 driven by weaker market conditions for natural graphite in China. While Syrah is hopeful that market conditions will improve in the short term, the timing and rate of recovery, and also generation of positive net cash flow from the Balama Graphite Operation, is uncertain. At the same time, Syrah is progressing development of the Vidalia Project, with

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[5] Approval of the Future Conversions by non-associated shareholders provides AustralianSuper with the right but not an obligation to convert any Convertible Notes on issue to fully paid ordinary shares in Syrah. Accordingly, there are a number of potential outcomes possible, ranging from none of the Convertible Notes on issue being converted, to all Convertible Notes on issue (including any Convertible Note that may be issued in the future) being converted.

ongoing development expenditure and some time before production and revenue generation from the new facilities.

Whilst the issue of the Series 4 Convertible Note on 12 May 2023 provided an inflow of funds, having regard to Syrah's current free cash position[6] and short term projections, it is possible, depending upon the time required to generate positive cash flows from operations and future expenditure requirements, that Syrah may be required to seek further funding. Approval of the Future Conversions will facilitate access to up to A$100 million in additional funding, as issue of the Series 5 and 6 Convertible Notes is conditional upon non-associated shareholder approval for the Future Conversions.

Syrah has advised that it has also considered other potential sources of funding, including an equity capital raise, commercial debt, government loans and grants. However, having regard to the current economic and lending environment, the operational status of the Balama Graphite Operation and the development stage of the Vidalia Project, the Company has not been able to identify a superior alternative funding option executable within the timeframe required to preserve the future momentum of the Company.

Whilst shareholder approval for the Future Conversions does not guarantee that AustralianSuper will seek to convert rather than redeem the Notes in the future, as this remains at the option of AustralianSuper, it does facilitate the potential for this to occur. Conversion of the Convertible Notes in their entirety will result in a significant reduction in Syrah's debt position, with a corresponding increase in net assets. However, this improved financial position would be achieved at the cost of giving significant influence of Syrah to AustralianSuper, which could hold up to 42.4% of Syrah's diluted issued capital[7][8].

In the event that non-associated shareholders do not approve the Future Conversions at this time, AustralianSuper will still be entitled but not obligated to seek conversion of the Series 1 and 3 Convertible Notes up to maturity, and the Series 4 Convertible Notes[9] any time from 12 November 2025 through to maturity. In the event AustralianSuper elects to seek conversion of some or all of the Convertible Notes, Syrah will:

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[6] While Syrah held US$84 million of cash as at 31 March 2023, US$36 million was required to be held in several restricted cash accounts, as requirement of the DOE Loan facility, and is not available to meet the operational requirements of Syrah.

[7] Excluding any impact in relation to Syrah's performance and other rights that may vest and convert to ordinary shares in due course

[8] assuming Series 5 and 6 Convertible Notes are issued, all interest is capitalised and the Convertible Notes are fully converted at maturity as set out in Section 11 of this report and the Explanatory Statement.

[9] and the Series 5 and 6 Convertible Notes will not be issued as they are conditional upon non-associated shareholder approval of the Future Conversions

- convert that portion of the Convertible Notes that provides AustralianSuper with up to a 19.99% interest in Syrah
- seek non-associated shareholder approval for the balance, including any capitalised interest and fees, of the Convertible Notes being converted
- if non-associated shareholder approval is not provided at that time, the balance, including any capitalised interest and fees, of the Convertible Notes being converted will be redeemed for a cash payment. The amount of the cash payment will be based on the number of Syrah shares that would otherwise have been issued to AustralianSuper on conversion multiplied by the Syrah share VWAP measure at the relevant dates under the terms of each of the Convertible Notes.

In the absence of Syrah securing an alternate source of funding, redemption of the Convertible Notes will result in a deterioration in Syrah's available cash position, all other things being equal. Moreover, in the event Syrah is required to raise alternative funding, if Syrah were to pursue funding via an equity capital raise, this may be required to be implemented at a discount to the prevailing Syrah share price which, based on current traded prices for Syrah's shares, would likely fall below the conversion prices of the Convertible Notes.

On balance, whist we consider the Future Conversions to be not fair, we consider the benefits to non-associated shareholders, and in particular, the facilitation of access to the funding from the Series 5 and 6 Convertible Notes and the potential for a significantly improved net asset and gearing position of Syrah following any future conversion outweigh the disadvantages, which include:

- the voting interest of non-associated shareholders' in Syrah will be significantly diluted through the issue of new shares to AustralianSuper. We note however, that the level of dilution in non-associated shareholders' economic interest in Syrah will be lower due to, amongst other things, the non-associated shareholders' pro rata participation in the benefit of the removal of the associated debt obligation.
- the prospects of non-associated shareholders receiving a full control value for a Syrah share will arguably be reduced in the event of a future conversion of part or all of the Convertible Notes, with any full change of control transaction requiring the agreement of AustralianSuper.

As such, we consider each of the Future Conversions to be reasonable, and therefore in the best interests of non-associated shareholders, in the absence of a superior alternative.

5 Key considerations

5.1 Fairness

The Future Conversions are not fair

The value of Syrah can reasonably be expected to change over time and it is not possible at this time to assess the level of control premium, if any, that may be paid by AustralianSuper at the time of any future conversion(s).

Accordingly, in assessing the fairness of the Future Conversions, we have compared the current value of an existing Syrah share, inclusive of a premium for control, to the current value of a Syrah share assuming shareholders have approved the Future Conversions and a notional immediate conversion of the Convertible Notes, on a minority interest basis (i.e. excluding a premium for control).

Given the potential for partial conversion of some or all of the Convertible Notes at various points in time, there are in actuality a myriad of potential outcomes in terms of the final financial and dilutionary impact of any future conversion of the Convertible Notes upon Syrah. However, in the context of considering the impact of a change of control transaction under section 611 of the Act and having regard to Syrah's financial position, we consider it appropriate for the purpose of our analysis to assess fairness using a range determined by assuming the non-associated shareholders have approved the Future Conversions, the Series 5 and 6 Convertible Notes are issued in full and:

- at one end, assuming AustralianSuper elects not to convert any of the Convertible Notes
- at the other end, assuming AustralianSuper elects to convert the full amount of all of the Convertible Notes, including an assumption that all interest and fees are capitalised to May 2023.

We consider the range of values calculated having regard to the above scenarios represent the full range of outcomes for the non-associated shareholders at this time, including the various potential partial conversions scenarios that could occur, and are therefore appropriate for the purpose of our fairness assessment.

Value of an existing Syrah share, inclusive of a premium for control

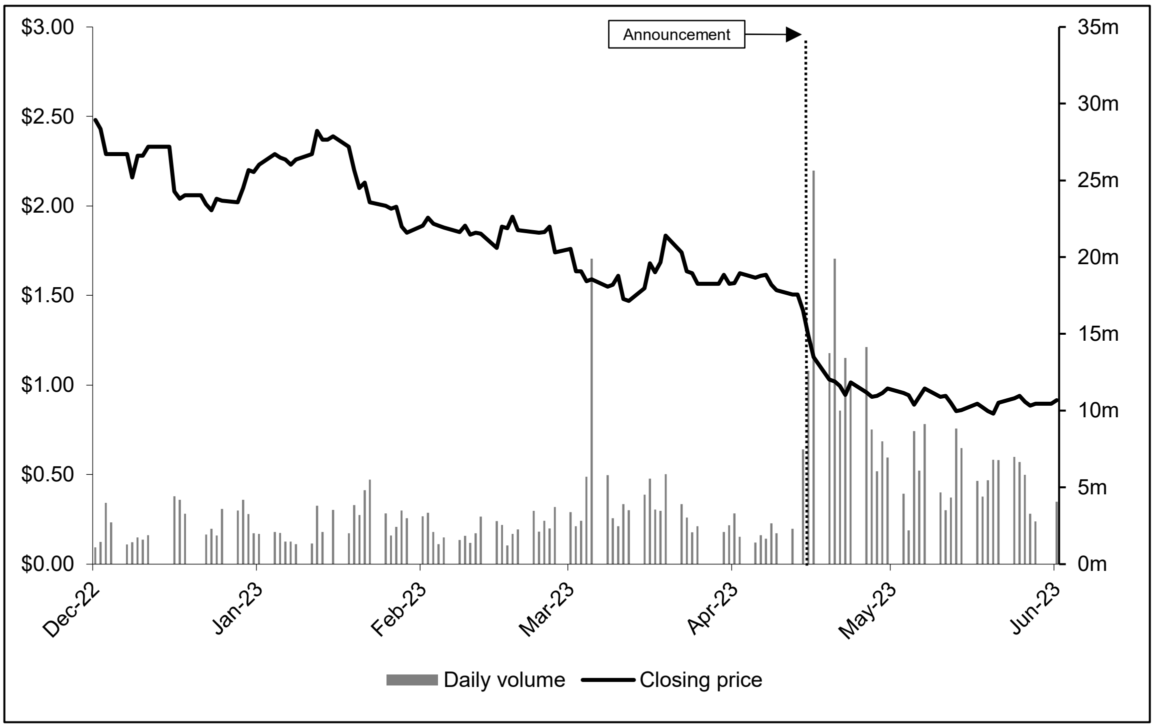
Given:

- we are unable to predict either when the Convertible Notes will be converted, if at all, or the value of Syrah's shares, inclusive of a premium for control, at that date
- non-associated shareholders will continue to hold shares in Syrah following any future conversion
- in the absence of an alternative offer for Syrah, non-associated shareholders will be required to realise their investment on-market in the event they decide to realise their shareholding in Syrah,

we consider recent trading of Syrah shares prior to the date of this report to be an appropriate reference point as to the current market value for non-associated shareholders for the purpose of determining whether or not to support the Future Conversions.

In this regard, we have considered that Syrah's shares have traded at various levels between A$0.84 and A$2.52 over the six months prior to 13 Jun 2023 as shown in the figure and table below.

Figure 1: Syrah's daily closing share price on ASX and volume trading for the 6 months to 13 June 2023



Source: IRESS and KPMG Corporate Finance Analysis

Table 4: Trading liquidity in Syrah's shares in the six months prior to 13 June 2023

Period up to and including 13 Jun 23	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
1 day	0.90	0.93	0.92	3.7	4.1	0.6%
1 week	0.89	0.98	0.92	14.6	15.9	2.4%
1 month	0.84	0.99	0.91	106.9	118.0	17.5%
3 months	0.84	1.85	1.17	445.7	382.0	56.8%
6 months	0.84	2.52	1.42	763.6	537.2	79.9%

Source: IRESS and *KPMG Corporate Finance Analysis*

Notes:

1. *Share price data represents intra-day trading rather than closing prices*
2. *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.*

However, we also note that Syrah's shares have traded at a lower range of between A$0.84 and A$1.35, with a VWAP of A$0.99, since the announcements on 27 April 2023 of Syrah's March 2023 quarterly activities, the outcome of the Vidalia Project further expansion feasibility study and the details of the Series 4, 5 and 6 Convertible Notes, in the period to 13 June 2023 as set out in the table below.

Table 5: Trading liquidity in Syrah's shares post 26 April 2023

Period from 27 Apr 23 to 13 Jun 23 incl.	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
48 days	0.84	1.35	0.99	265.2	268.9	39.9%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis

Notes:

1. *Share price data represents intra-day trading rather than closing prices*
2. *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.*

We consider trading in Syrah shares to be liquid over this recent trading period with 39.9% of Syrah's issued capital being traded over the 48 calendar days, which equates to an equivalent annual liquidity of over 300% of Syrah's issued capital.

Based on the above, we consider a price in the range of A$0.90 to A$1.10 to be reflective of the current market value of a share in Syrah on a minority interest basis as at the date of this report.

In order to determine a 100% control value, these minority values are required to be adjusted by a control premium. We have adopted a control premia range of 25% to 40% for the purpose of this report, having regard to the outcome of a recent study[10] in relation to control premia

[10] RSM "Control Premium Study 2021"

observed in successful takeovers and schemes of arrangement in the Australian metals and mining sector over the period 1 July 2005 to 31 December 2020, which indicated over a data set of 161 transactions, the 2-day, 5-day and 20-day pre-bid average premium was 29.8%, 32.5% and 36.6% respectively.

In considering the evidence provided by actual transactions, it is important to recognise, however, that the observed premium for control is an outcome of the valuation process, not a determinant of value and that each transaction will reflect to varying degrees the outcome of a unique combination of factors, including amongst other things:

- pure control premium in respect of the acquirer's ability to utilise full control over the strategy and cash flows of the target entity
- the level of synergies available to all acquirers, such as the removal of costs associated with the target being a listed entity and/or costs related to duplicated head office functions
- synergistic or special value that may be unique to a specific acquirer
- whether the acquisition is competitive.

Our range of assessed values for Syrah incorporates a control premium reflecting synergies that would generally be available to a pool of purchasers. It does not include any potential strategic or operational benefits unique to AustralianSuper, if any.

On this basis, we have assessed the value of Syrah, inclusive of a premium for control, to be in the range of approximately $1.13 and $1.54 per Syrah share, as set out in the table below.

Table 6: Assessed equity value of a controlling interest in Syrah at the date of this report

Valuation summary	Low	High
Share price (A$/share, minority interest basis)	0.90	1.10
Control Premium	25%	40%
Value per share (100% control basis) (A$/share)	**1.13**	**1.54**
Outstanding shares (million)	676	676
Equity value (100% control basis) (A$m)	**760**	**1,041**

Source: Capital IQ and KPMG Corporate Finance analysis

Note:

1. *Outstanding shares are as at 13 June 2023*
2. *Our range of assessed values for Syrah prior to approval of the Future Conversions does not include any adjustment for the potential impact of any future issue of the Series 5 and 6 Convertible Notes as this is uncertain at this time.*

Notional value of a Syrah share immediately following approval of the Future Conversions, on a minority interest basis (i.e. excluding a premium for control).

In considering the notional value of a Syrah share immediately following approval of the Future Conversions we have had regard to the range of potential outcomes discussed above.

At one end, we have assessed the notional value of a Syrah share on a minority interest basis immediately following approval of the Future Conversions assuming the issue of the Series 5 and 6 Convertible Notes but no conversion of the Convertible Notes to be in the range of approximately A$0.86 to A$1.07 per Syrah share. In our assessment, we have adjusted for:

- the additional cash to be received assuming the Series 5 and 6 Convertible Notes are issued
- the increase in the debt component of the Convertible Notes, including capitalised interest to May 2023 and the establishment fees resulting from the issue of the Series 5 and 6 Convertible Notes
- the option value component of the Series 5 and 6 Convertible Notes[11]
- a notional minority discount, being the inverse of our adopted control premium range set out above,

as set out in the table below.

Table 7: Summary of assessed equity value immediately following approval of the Future Conversions

Assessed equity value immediately following approval of Future Conversion	Low	High
Equity value (100% control basis) (A$m)	**760**	**1,041**
Cash received from further issue of Convertible Notes		
Series 5 & 6	100	100
Less debt		
Series 5 & 6	(102)	(102)
Less option value		
Series 5 & 6	(29)	(29)
Adjusted equity value (100% control basis) (A$m)	**730**	**1,010**
Minority Discount	20%	29%
Adjusted equity value (minority interest) (A$m)	**584**	**722**
Outstanding shares (million)	676	676
Adjusted equity value per Share (minority interest)	**0.86**	**1.07**

Source: Capital IQ and KPMG Corporate Finance analysis

Notes:

1. *Option values for Series 5 and 6 Convertible Notes have been calculated using the Black-Scholes option pricing method, at an assumed volatility of 70%, a share price of A$0.92, a maturity date of 12 May 2028 and a conversion price of A$1.536*
2. *Debt for Series 5 & 6 Convertible Notes has been calculated assuming establishment fees of 2% of the respective face value on issue have been capitalised*
3. *All figures and amounts estimated as at 13 June 2023, adjusted for estimated draw down of the Series 5 and 6 Convertible Notes which has not yet occurred*
4. *Figures may not add exactly due to rounding.*

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[11] It is not required to adjust of the options value of the Series 1,3 and 4 Series Convertible Notes as these are assumed to have already been reflected in the recent trading prices of Syrah shares on the ASX

At the other end, we have assessed the notional value of a Syrah share on a minority interest basis immediately following approval of the Future Conversions, assuming the issue of the Series 5 and 6 Convertible Notes and the full conversion of all of the Convertible Notes has occurred to be in the range of A$0.96 to A$1.09 per Syrah share. In our assessment, we have adjusted for:

- the additional cash to be received assuming the Series 5 and 6 Convertible Notes are issued but with no increase in debt as this is assumed to be converted
- removal of the estimated current debt amounts, including capitalised establishment fees and interest, in relation to the Series 1, 3 and 4 Convertible Notes
- removal of the option value component of the Series 1, 3 and 4 Convertible Notes
- a notional minority discount, being the inverse of our adopted control premium range set out above
- expansion of the issued capital of Syrah for the new shares to be issued following conversion consistent with the above,

as set out in the table below.

Table 8: Summary of assessed equity value assuming full future conversions

Assessed equity value assuming Future Conversion	Low	High
Equity value (100% control basis) (A$m)	**760**	**1,041**
Cash received from further issue of Convertible Notes		
Series 5 & 6	100	100
Less debt		
Series 5 & 6	(102)	(102)
Less option value		
Series 5 & 6	(29)	(29)
Add back debt		
Series 1 & 3	109	109
Series 4	52	52
Series 5 & 6	102	102
Add back option value		
Series 1 & 3	32	32
Series 4	15	15
Series 5 & 6	29	29
Adjusted equity value (100% control basis) (A$m)	**1,068**	**1,349**
Minority Discount	20%	29%
Adjusted equity value (minority interest) (A$m)	**855**	**963**
Outstanding shares (million)	887	887
Adjusted equity value per Share (minority interest)	**0.96**	**1.09**

Source: Capital IQ and KPMG Corporate Finance analysis

Notes:

1. *Option values have been calculated using the Black-Scholes option pricing method, at an assumed volatility of 70%, a share price of A$0.92, a maturity date of 28 October 2024 for Series 1 and 3 Convertible Notes, a maturity date of 12 May 2028 for Series 4 Convertible Notes and conversion prices of A$0.9686 and A$1.536 for Series 1 & 3 and Series 4, respectively*
2. *Debt for Series 1 & 3 Convertible Notes reflect estimated balance as at 13 June 2023, including capitalised establishment fees and interest since issuance*
3. *Debt for Series 4 Convertible Notes includes capitalised establishment fees of 2%*
4. *All figures and amounts estimated as at 13 June 2023, adjusted for estimated draw down of the Series 5 and 6 Convertible Notes which has not yet occurred*
5. *Figures may not add exactly due to rounding.*

There are a myriad of potential outcomes in terms of conversions and the final financial and dilutionary impact upon Syrah. However, we would expect these potential outcomes would fall within the range calculated by both scenarios set out above. That is, fall within the range of between A$0.86 to A$1.09 per Syrah share, being the low value assuming no future conversions and the high value assuming full future conversions.

The chart below provides a comparison of our assessed valuation ranges for a Syrah share in assessing fairness of the Future Conversions.

Figure 2: Comparison of our assessed valuation ranges for a Syrah share

Source: KPMG Corporate Finance Analysis

As the range of values per Syrah share, on a minority basis, immediately following approval of the Future Conversions falls below our range of assessed current values for a Syrah share, inclusive of a premium for control, we consider the Future Conversions to be not fair to the non-associated shareholders.

5.2 *Reasonableness*

The Future Conversions are reasonable

In accordance with RG111, a transaction may be considered reasonable if, despite being not fair, there are sufficient reasons for shareholders to approve the Future Conversions in the absence of a superior alternative. In determining the Future Conversions to be reasonable, we have had regard to the following matters. We consider these matters to have equal application to each of the Series 1, 3, 4, 5 and 6 Convertible Notes, unless otherwise specifically noted.

5.2.1 Advantages

Approval of the Future Conversions will facilitate additional funding being available to Syrah via the Series 5 and 6 Convertible Notes

Having regard to Syrah's current free cash position and short term projections, it is possible, depending upon the time to generate positive cash flows from operations and future expenditure requirements, that in order for the Company to maintain is current momentum, Syrah may be required to seek further funding in the medium term. Approval of the Future Conversions will facilitate access to additional funding of up to A$100 million, as the issue of the Series 5 and 6 Convertible Notes is conditional upon non-associated shareholder approval for the Future Conversions.

Syrah has advised that it has also considered other potential sources of funding, including an equity capital raise, commercial debt, government loans and grants. However, having regard to the current economic and lending environment, the operational status of the Balama Graphite Operation and the development stage of the Vidalia Project, the Company has not been able to identify a superior alternative funding option executable within the timeframe required to preserve the future momentum of the Company.

Approval of the Future Conversions does not commit Syrah to issuing the Series 5 and 6 Convertible Notes either in part or in full which is at Syrah's option, subject to a 1% break fee. This enables to Syrah to reduce the potential dilution through the future conversion of the Series 5 and 6 Convertible Notes if the funding is not required in part or in full, or if alternative superior funding is able to be secured prior to the issue of the Series 5 and 6 Convertible Notes, which Syrah as advised it is still pursuing.

In this regard, we note however, that should approval for the Future Conversions not be received and the Series 5 and 6 Convertible notes are unable to be issued, it is possible that Syrah may be required to pursue funding via an equity capital raise. It is the Company's view, and we concur, that any such equity raise would likely be required to be completed at a discount to the prevailing Syrah share price. Based on current traded prices for Syrah's shares, this equity raise price would fall below the conversion price of the Series 5 and Series 6 Convertible Notes and therefore, all other things being equal, would be more dilutive than conversion of the Series 5 and 6 Convertible Notes for a similar amount of funding.

The Future Conversion will improve Syrah's net asset position

Whilst shareholder approval of the Future Conversion does not guarantee that AustralianSuper will seek to convert rather than redeem the Convertible Notes in the future, as this remains at the option of AustralianSuper, it does facilitate the potential for this to occur.

The Future Conversion will improve Syrah's net asset position reflecting extinguishment of the liability component of the Convertible Notes recorded on the balance sheet of Syrah. Based on Syrah's consolidated net assets as at 31 December 2022, which reflected only the Series 1 and 3 Convertible Notes (as the Series 4, 5 and 6 Convertible Notes were not issued at that date), Syrah's net assets would increase from $438.2 million to $509.1 million and its gearing level (total borrowings divided by net assets) would reduce from 16.2% to nil%.

In the event that Syrah's shareholders do not approve the Future Conversions at this time, AustralianSuper will still be entitled but not obligated to seek conversion of the Series 1 and 3 Convertible Notes up to maturity, and conversion of the Series 4 Convertible Notes[12] any time from 12 November 2025 through to maturity. In the event AustralianSuper does seek to convert some or all of the Convertible Notes, Syrah will:

- convert that portion of the Convertible Notes that provides AustralianSuper with up to a 19.99% interest in Syrah
- seek non-associated shareholder approval for the balance, including any capitalised interest and fees, of the Convertible Notes being converted
- if non-associated shareholder approval is not provided at that time, be required to repay the remaining balance, including any capitalised interest and fees, of the Convertible Notes after conversion of that portion that does not require approval.

We also note that in the event AustralianSuper does not elect to convert the Convertible Notes, they will be required to be repaid in full by cash at the relevant maturity dates.

Any requirement to repay the Convertible Notes will result in a deterioration in Syrah's available free cash position, all other things being equal, which may result in Syrah being required to raise alternative funding.

The conversion price for the Series 4, 5 and 6 Convertible Notes is at a premium over recent trading prices for Syrah shares

Whilst it is not possible to assess the level of control premium or discount, if any, that may be paid by AustralianSuper at the time of any future conversion(s), we have considered a comparison of the $1.536 per share conversion price for the Series 4, 5 and 6 Convertible Notes to the 1 day, 1 week and 1 month volume weighted average price (**VWAP**) of Syrah's shares on the ASX to 13 June 2023. The conversion price for the Series 4, 5 and 6 Convertible Notes represents a premium of between 67.3% and 69.5% to the respective VWAPs as set out in the table below.

[12] and the Series 5 and 6 Convertible Notes will not be issued as they are conditional upon non-associated shareholder approval of the Future Conversions

Table 9: Comparison of conversion price to recent traded prices – Series 4, 5 and 6 Convertible Notes

Period up to and including 13 Jun 23	Price VWAP $	Conversion price[1] $	% of issued capital
1 day	0.92	1.5360	67.3%
1 week	0.92	1.5360	67.8%
1 month	0.91	1.5360	69.5%

Source: IRESS and KPMG Corporate Finance Analysis

Notes:

1. *Conversion price for the Series 4, 5 and 6 Convertible Notes at the date of this report*
2. *May not calculate exactly due to rounding*

The current price of a Syrah share may differ from the price at which Syrah's shares are trading at the date in the future when non-associated shareholders meet to consider the Future Conversions. General market sentiment and conditions and reaction to future Syrah announcements could all impact upon Syrah's share price. Accordingly, non-associated shareholders will need to consider, inter alia, movements in Syrah's share price subsequent to the date of this report in deciding whether to approve the Future Conversions.

We would also highlight that there is the potential for the conversion prices for the Convertible Notes to be reduced should certain trigger events occur in the period prior to any future conversion.

Approval of the Convertible Notes will reduce the relevant interest rate on the Series 4 Convertible Notes by 3.0% per annum

Following non-associated shareholders' approval for the Future Conversions (and the issue of Series 5 and 6 Convertible Notes for the purpose of ASX Listing Rule 7.1), the interest rate on the Series 4 Convertible Notes will:

- decrease from 14.0% per annum to 11.0% per annum, in relation to interest capitalised
- decrease from 13.5% per annum to 10.5% per annum in relation to interest paid in cash.

This will have the benefit of either reducing the level of dilution from the future conversion of the Series 4 Convertible Notes, or the amount of cash required to repay same, depending upon AustralianSuper's future decision in relation to future conversion.

With an increased equity position, AustralianSuper will be further incentivised to work towards the future success of Syrah

The conversion of the Convertible Notes will increase AustralianSuper's overall interest in Syrah from approximately 17.3% up to approximately 42.4%. We would expect this would further incentivise AustralianSuper to work towards the future success of Syrah. We have been advised by Syrah that AustralianSuper has been a supportive, long-term focussed investor since becoming a shareholder of Syrah.

5.2.2 Disadvantages

The Future Conversions will result in a significant dilution of the non-associated shareholders' interests in Syrah

Following the Future Conversions, the non-associated shareholders' ownership interest in Syrah will be diluted from the current 82.7% to as little as approximately 57.6%[13], all other things being equal. As such, the interest of the non-associated shareholders in Syrah will be significantly diluted and AustralianSuper would be able to exert a level of influence over Syrah's Board and future operations. However, we note the dilution of the economic interest of non-associated shareholders can be expected to be lower as, amongst other factors, they will also receive a pro rata interest in the increase in Syrah's net assets as a result of the removal of Syrah's debt obligation attached to the Convertible Notes. We also note that AustralianSuper has indicated to Syrah that it does not at this time intend to seek to make any changes to the business of Syrah nor seek to nominate any representatives to the Board of Syrah, but has reserved its rights in this regard. Further details in relation to AustralianSuper's stated intentions are set out in the Explanatory Statement.

The conversion price for the Series 1 and 3 Convertible Notes represents only a small premium over recent trading prices for Syrah shares

Whilst it is not possible to assess the level of control premium or discount, if any, that may be paid by AustralianSuper at the time of any future conversion(s), we note the $0.9686 per share conversion price for the Series 1 and 3 Convertible Notes:

- compares to Syrah's' closing share price on the last trading day prior to the date of their announcement on 19 June 2019 of A$0.94 and on 10 December 2020 of A$1.00
- ranges from a small premium of 5.5% to 6.9% to the 1 day, 1 week and 1 month VWAP of Syrah's shares on the ASX to 13 June 2023 as set out in the table below.

Table 10: Comparison of conversion price to recent traded prices – Series 1 and 3 Convertible Notes

Period up to and including 13 Jun 23	Price VWAP $	Conversion price[1] $	% of issued capital
1 day	0.92	0.9686	5.5%
1 week	0.92	0.9686	5.8%
1 month	0.91	0.9686	6.9%

Source: IRESS and KPMG Corporate Finance Analysis

Notes:

1. *Conversion price for the Series 1 and 3 Convertible Notes at the date of this report*

[13] assuming Series 5 and 6 Convertible Notes are issued, all interest is capitalised and the Convertible Notes are fully converted at maturity as set out in Section 11 of this report and the Explanatory Statement.

Whilst this level of premium lies below the 25% to 40% premium adopted by us in Table 6 above in assessing a 100% control value of Syrah, we note that AustralianSuper will not secure full control of Syrah through the Future Conversions. As a result, it is reasonable to expect that AustralianSuper would not be required to pay a full control premium.

The prospect of non-associated shareholders receiving a takeover offer for Syrah is arguably reduced

With AustralianSuper increasing its interest in Syrah upon the future conversion of the Convertible Notes, it is arguable that the prospects of non-associated shareholders receiving an offer for their shares inclusive of a full premium for control is reduced. However, we note that AustralianSuper already holds a 17.3% interest in Syrah and therefore any takeover offer for a 100% interest in Syrah is already dependent upon AustralianSuper's support. Accordingly we do not consider the position of the non-associated to be materially different as a result of any future conversions.

5.2.3 Other considerations

It is possible that AustralianSuper may not be required to pay a premium for control

We note that whilst it is not possible at this time to determine the actual premium or discount to be paid by AustralianSuper at the date of any future conversion(s) of the Convertible Notes, non-associated shareholders should be aware that it is possible that AustralianSuper may acquire a significant level of control of Syrah without payment of a premium for control.

Directors' intentions

The Directors have advised that they each intend to recommend that the non-associated shareholders vote in favour of the Future Conversions and that they each intend to vote the Syrah shares they each hold personally or which are held on their behalf in favour of the Future Conversions, representing approximately 0.7% of the current issued capital Syrah. The Directors recommendation and voting intention in respect of the Future Conversions are subject to their fiduciary duties and obligations and the Independent Expert continuing to conclude that the Future Conversions are in the best interests of the non-associated shareholders.

The Convertible Notes are not transferable beyond AustralianSuper and its related entities, without the prior written consent of Syrah

The Convertible Notes are not transferrable by AustralianSuper beyond its related entities, without the prior written consent of Syrah. Accordingly, we consider this provides some certainty as to the final identity of the party to which the new Syrah shares would be issued on conversion of the Convertible Notes.

6 Other matters

In forming our opinion, we have considered the interests of the non-associated shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual shareholders. It is not practical or possible to assess the implications of the Future

Conversions on individual shareholders as their financial circumstances are not known. The decision of each shareholder as to whether or not to approve the Future Conversions is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolutions may be influenced by his or her particular circumstances, we recommend that individual shareholders including residents of foreign jurisdictions seek their own independent professional advice.

Our report has also been prepared in accordance with the relevant provisions of the Act and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting non-associated shareholders in considering the Future Conversions. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

KPMG Corporate Finance has made reasonable enquiries of Syrah and Syrah has concluded that the Future Conversions are not captured by Design and Distribution Obligations regulations.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Notice of Meeting to be sent to Syrah shareholders in relation to the Future Conversions, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Notice of Meeting.

Our opinion is based solely on information available as at the date of this report as set out in Appendix 2 of the attached report. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion. We refer readers to the limitations and reliance on information section as set out in Section 7 of this report.

References to a calendar year (i.e. the 12 months to 31 December XX) have been abbreviated to CYXX.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully

Jason Hughes	Sean Collins
Authorised Representative	Authorised Representative

Contents

7 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of Syrah or any or its associated entities for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of Syrah's management. We have had discussions with Syrah's management in relation to the nature of the business operations, specific risks and opportunities, historical results and prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Syrah has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts/projections and other statements and assumptions about future matters (**forward-looking financial information**) prepared by or on behalf of Syrah. KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report and Syrah remains responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information or tested the mathematical integrity of the models. However, we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward-looking financial information may affect our valuation and opinion.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

7.1 Disclosure of information

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. Due to commercial sensitivity and/or confidentiality undertakings we have limited the level of disclosure in relation to certain key business arrangements. However, we have disclosed a summary of material information which we relied on in forming our view, which is consistent with the type of information that is regularly placed into the public domain by Syrah.

8 Industry overview

Syrah's principal assets comprise its interest in the Balama graphite mine and processing facility and the Vidalia active anode facility. Accordingly, the current and expected financial performance of Syrah is significantly impacted by developments in the international graphite industry. To provide a context for assessing the prospects of Syrah, we have included an overview of recent trends in the international graphite markets at Appendix 3.

9 Profile of Syrah

9.1 Company overview

Syrah is a vertically integrated natural graphite and battery anode company headquartered in Melbourne, Australia. Syrah was incorporated in 2007 and listed on the Australian Securities Exchange in September 2007. The Company's assets principally comprise its 95% interest in the Balama Graphite Operation and its 100% interest in the Vidalia Project.

Additionally, Syrah has a sales and marketing entity based in the United Arab Emirates (**Syrah Global DMCC**).

9.2 Profile of the Balama Graphite Operation

9.2.1 Overview

In 2011, Syrah announced the acquisition of Jacana Resources Ltd which held the Balama Graphite Operation. The Balama Graphite Operation is located on a 110.6km^2 mining concession in Northern Mozambique, within the district of Balama in the Cabo Delgado province. The Balama Graphite Operation is a high grade, open pit mining and processing operation utilising conventional mining and processing methods with a low strip ratio.

The Balama Graphite Operation entered into production in November 2017, following the completion of a feasibility study in May 2015. Production was suspended in March 2020, following the enactment of COVID-19 management measures by the Mozambique Government, which impaired the mobility of a significant portion of the Balama Graphite Operation's workforce. Additionally, graphite demand weakness and forward contracting challenges also contributed to the suspension of production. Syrah announced the expected restart of production at the Balama Graphite Operation on 22 February 2021, with production ultimately recommending in March 2021.

Figure 3: Balama Graphite Operation location

Source: Syrah Resources website

9.2.2 *Balama Graphite Operation graphite Ore Reserves and Mineral Resources*

Set out below is a summary of the Balama Graphite Operation's graphite Ore Reserves and Mineral Resources along with its vanadium Mineral Resources as at 31 December 2022.

Table 11: Balama Graphite Operation graphite Ore Reserves

	Tonnes (Mt)	TGC[1] (%)	Graphitic Carbon (Mt)[2]
Ativa & Mualia	**55.5**	**17.9**	**9.9**
Proved	-	-	-
Probable	55.5	17.9	9.9
Mepiche	**53.4**	**14.9**	**8.0**
Proved	-	-	-
Probable	53.4	14.9	8.0
Stockpiles	**1.4**	**11.1**	**0.2**
Proved	-	-	-
Probable	1.4	11.1	0.2
Total	**110.3**	**16.4**	**18.0**
Proved	-	-	-
Probable	110.3	16.4	18.0

Source: CY22 Annual Report

Notes:

1. *TGC refers to total graphitic carbon*
2. *Mt refers to million tonnes*
3. *Grades reported at a 7.2% total graphitic carbon cut-off grade*
4. *Amounts may not add exactly due to rounding*

Table 12: Balama Graphite Operation graphite Mineral Resources

Category	Tonnes (Mt)	TGC (%)	Graphitic Carbon (Mt)
Ativa & Mualia	**322.5**	**12.4**	**40.0**
Measured	21.7	17.0	3.7
Indicated	117.9	12.4	14.7
Inferred	182.9	11.8	21.6
Mepiche	**711.8**	**11.2**	**79.9**
Measured	-		
Indicated	120.9	13.6	16.4
Inferred	590.9	10.7	63.5
Stockpiles	**1.4**	**11.1**	**0.2**
Measured	-	-	-
Indicated	1.4	11.1	0.2
Inferred	-	-	-
Total	**1,035.7**	**11.6**	**120.0**
Measured	21.7	17.0	3.7
Indicated	240.2	13.0	31.2
Inferred	773.8	11.0	85.1

Source: CY22 Annual Report

Notes:

1. *Grades reported at a 5% total graphitic carbon cut-off grade*
2. *Amounts may not add exactly due to rounding*

Table 13: Balama Graphite Operation vanadium Mineral Resources

Category	Tonnes (Mt)	V_2O_5 (%)
Balama West	**638**	**0.20**
Measured	23	0.34
Indicated	255	0.21
Inferred	360	0.20
Mepiche	**783**	**0.20**
Measured	-	-
Indicated	123	0.34
Inferred	660	0.20
Total	**1,421**	**0.20**
Measured	23	0.34
Indicated	378	0.26
Inferred	1,020	0.20

Source: CY22 Annual Report

Notes:

1. *V_2O^5 refers to vanadium pentoxide*
2. *Grades reported at a 3%*
3. *Amounts may not add exactly due to rounding*

9.2.3 Balama Operational Scorecard and Outlook

Table 14: Balama Graphite Operation operating statistics

Quarter Ending	Unit	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23
Plant Feed	000t	311	265	224	214	280
Plant Feed Grade	TGC	19%	20%	20%	20%	20%
Recovery	%	76%	79%	80%	78%	71%
Graphite Produced	000t	46	44	38	35	41
Fine/Coarse Mix	-	83/17	83/17	86/14	87/13	91/9
Average Fixed Carbon	%	95%	95%	95%	95%	95%

Source: Syrah's Quarterly Activities Report for the period ending 31 March 2023

Syrah noted in its Quarterly Activities Report that notwithstanding increased production for the period ending 31 March 2023 at the Balama Graphite Operation to 41 kilotonnes (**kt**) of natural graphite, production was constrained by operational stoppages necessitated by maximum finished product inventory constraints driven by weaker market conditions for natural graphite in China, and also due to minor unexpected processing inefficiencies with ore feed variability and unplanned equipment performance related issues.

Balama C1[14] cash operating costs (FOB Port of Nacala) for the quarter were US$668 per tonne, impacted by lower production for the quarter as well as recovery below 80% and increases in diesel prices since March 2022.

Syrah also noted that considering prevailing volatile market conditions and the availability of significant finished product inventory, the company would moderate production from the Balama Graphite Operation until demand conditions and sales orders at economic prices warranted higher capacity utilisation. During this time, Syrah indicated it would also review and evaluate the potential for more dynamic operating scenarios at lower capacity utilisation, to match periods of volatile customer demand and lower sales ordering. Syrah is also focused on preserving the Balama Graphite Operation's capability to quickly return to higher capacity utilisation as the market balances and natural graphite demand returns and grows.

Table 15: Balama Graphite Operation natural graphite sales and marketing

Quarter Ending	Unit	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23
Graphite Sold and Shipped	000t	35	44	55	28	30
Weighted Average Price (CIF)[1]	US$/t	573	662	688	716	636
Finished Product Inventory	000t	30	30	14	20	30

Source: Syrah's Quarterly Activities Report for the period ending 31 March 2023

Notes:

1. *CIF refers to cost, insurance and freight.*

Natural graphite sales for the quarter ended 31 March 2023 were 30 kt, with Syrah noting lower than anticipated fines product sales to Chinese anode customers and increased unsold finished product inventory at quarter end. The increase in unsold finished product inventory was caused by Chinese anode production outpacing both lithium-ion cell production as well as EV sales growth. Natural graphite sales were unconstrained by container and breakbulk vessel availability but volatile sales order performance inhibited sales growth.

In June 2021, Syrah applied to the United States International Development Finance Corporation (**DFC**) for debt financing to fund initial working and sustaining capital, expansion of the tailings storage facility and feasibility studies for development of the vanadium by-product resource at the Balama Graphite Operation.

During the March 2023 quarter, commercial engagement continued with the DFC, with the DFC undertaking a public disclosure process of an environmental and social impact assessment on the Balama Graphite Operation. Subsequently, Syrah received an updated, indicative and non-binding term sheet for US$128.5 million in debt financing, including a US$50 million tranche for the future development of tailings storage facilities at the Balama Graphite Operation.

[14] C1 cost is defined as the net direct cash cost incurred at each processing stage (including mining, site processing, treatment, refining and transport) less net-by-product credits (if any).

9.3 Balama Graphite Operation vanadium by-product

The Balama Graphite Operation contains a vanadium by-product Resource which is liberated during the graphite production process and could potentially be refined into a saleable high purity vanadium pentoxide product via processing of material currently reporting to tailings at the Balama Graphite Operation.

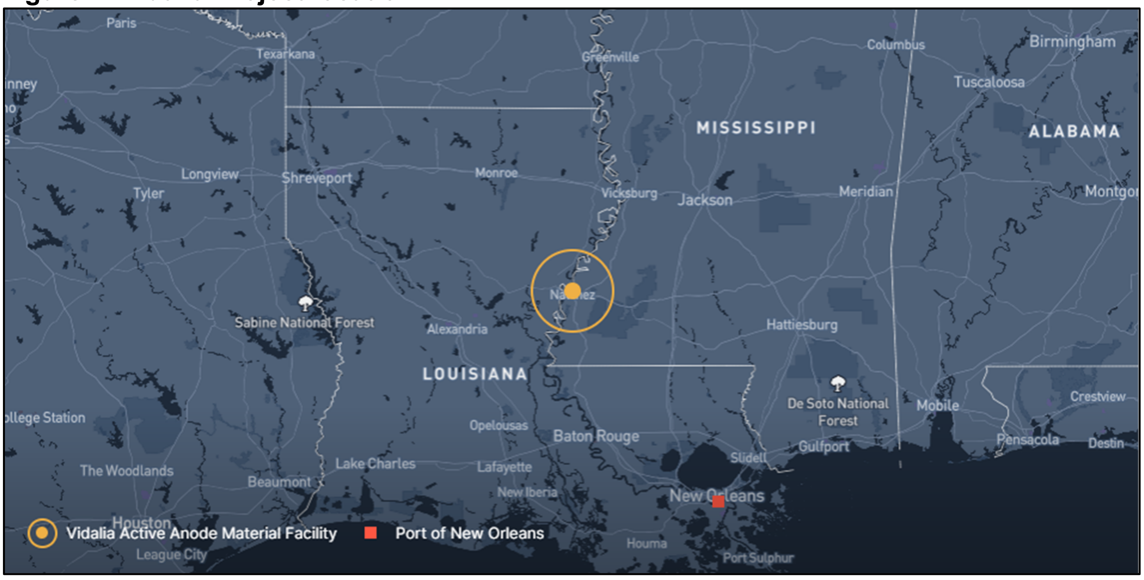
9.4 Profile of the Vidalia Project

The Vidalia Project is a downstream processing facility that produces graphite-based active anode material (**AAM**), a critical material used in lithium-ion batteries for electric vehicles and other battery technologies.

Syrah purchased a 25-acre site in Vidalia, Louisiana, located within the Vidalia Industrial Park in 2018 and commenced development of a qualification facility. Following successful production of AAM to battery specification, in December 2021, Syrah purchased an additional 13 acres of the land immediately north of the existing site, taking the total site to 38 acres, to accommodate possible future planned expansions of the Vidalia Project.

An expanded 11.25 kilotonne per annum (**ktpa**) processing facility is currently under construction with commencement of operation expected to occur during the September 2023 quarter and will be the first AAM facility integrated with a natural graphite mine outside of China (**the Vidalia Initial Expansion**).

Figure 4: Vidalia Project location



Source: Syrah website

In April 2023, Syrah announced the results of a Definitive Feasibility Study on the further expansion of the Vidalia facility to a capacity of 45 ktpa total AAM (**the Vidalia Further Expansion**), which based on the parameters adopted by Syrah returned a strong implied internal rate of return and net present value.

Vidalia offtake

In December 2021, Syrah executed an offtake agreement with Tesla, Inc. to supply 8 ktpa AAM of the Vidalia plant's initial 11.25 ktpa capacity at a fixed price and for an initial term of no less than four years, with Tesla subsequently exercising an option to offtake an additional 17 ktpa AAM, at a fixed price and for an initial term of no less than four years, subject to the expansion of production capacity at the Vidalia Project to 45 ktpa AAM.

Vidalia financing and grant funding

On 28 July 2022, Syrah announced that it had entered into binding documentation for a loan facility up to US$102 million from the US Department of Energy (**DOE**) to Syrah Technologies, LLC (**Syrah Technologies**) to support the financing of the Vidalia Initial Expansion (**the DOE Loan**). The US$102 million loan includes a maximum capitalised interest amount of approximately US$4 million, with US$98 million in advances available. The DOE Loan was closed in December 2022 and the first advance of US$21 million was completed in the March 2023 quarter. Under the DOE Loan Syrah is required to fund cash in restricted project accounts to meet reserve requirements for the DOE Loan and for cash disbursements for the initial project construction.

On 20 October 2022, Syrah announced that Syrah Technologies had been selected for consideration for a US$220 million grant from the DOE to fund a significant proportion of capital costs of the Vidalia Further Expansion (**the DOE Grant**). The DOE Grant was originally expected by Syrah to be closed in the June 2023 quarter but is now being assessed in conjunction with alternative funding options. In parallel, Syrah has commenced the application process for a further loan from the DOE for the purpose of funding the Vidalia Further Expansion.

9.5 Profile of Syrah Global DMCC

Syrah Global DMCC is responsible for customer relationship management, sales contracting, sales and operational planning, linking production to market delivery, land and ocean transport and logistics, short-term market analysis and reporting, as well as technical marketing and value-in-use.

9.6 *Historical financial performance*

Syrah's historical audited consolidated financial performance for each of CY21 and CY22 is summarised below.

Table 16: Syrah historical consolidated financial performance

US$'000	Audited 12 months 31-Dec-21	Audited 12 months 31-Dec-22
Revenue	29,044	106,180
Cost of sales	(61,663)	(92,876)
Gross profit / (loss)	**(32,619)**	**13,304**
Distribution costs	(7,158)	(33,438)
Administrative expenses	(9,546)	(12,043)
Other income	2,671	11,853
Write-down of inventories	(1,296)	(6,078)
Finance income	130	2,113
Finance expenses	(6,345)	(5,121)
Loss before income tax	**(54,163)**	**(29,410)**
Income tax (expense) / benefit	(2,707)	2,565
Loss after income tax for the year	**(56,870)**	**(26,845)**
Other comprehensive income (net of tax)		
Exchange differences on translation of foreign subsidiaries	354	(7,017)
Total comprehensive loss for the year	**(56,516)**	**(33,862)**
Total comprehensive loss for the year attributable to:		
Equity holders of Syrah	(53,560)	(31,969)
Non-controlling interest	(2,956)	(1,893)
Weighted average ordinary shares on issue (m)	*497*	*646*
Basic loss per share [1,2] (cents)	*(10.79)*	*(4.95)*

Source: CY22 Annual Report and KPMG Corporate Finance Analysis

Notes:

1. *Profit / (loss) used in basic loss per share is 2022: (US$31.969 million), 2021: (US$53.560 million)*
2. *Amounts may not add exactly due to rounding.*

We note the following in relation to Syrah's historical financial performance:

- revenue increased from US$29.0 million in CY21 to US$106.2 million in CY22, largely reflecting a significant increase in sales (production recommenced part way through CY21), as well as an improvement in weighted average prices.
- expenditure balances such as cost of sales, distribution costs and administrative expenses increased from CY21 to CY22, reflecting an increase in mining and production costs, shipping costs and employee benefits expenses.

9.7 Historical financial position

Syrah's historical audited consolidated financial position as at each of 31 December 2021 and 31 December 2022 are summarised below.

Table 17: Syrah historical consolidated financial position

US$'000	Audited 31-Dec-21	Audited 31-Dec-22
Cash and cash equivalents	52,914	90,376
Trade and other receivables	7,865	20,918
Inventories	20,385	25,194
Available-for-sale financial assets	395	-
Total current assets	**81,559**	**136,488**
Trade and other receivables	7,955	10,252
Property, plant and equipment	180,520	274,456
Mining assets	132,764	119,869
Intangible assets	129	44
Deferred tax assets	25,961	28,861
Total non-current assets	**347,329**	**433,482**
Total assets	**428,888**	**569,970**
Trade and other payables	18,062	25,671
Lease liabilities	3,229	2,007
Provisions	2,173	2,302
Total current liabilities	**23,464**	**29,980**
Trade and other payables	1,496	1,588
Borrowings	69,852	70,925
Lease liabilities	12,980	12,641
Deferred tax liabilities	3,622	3,958
Provisions	24,960	12,701
Total non-current liabilities	**112,910**	**101,813**
Total liabilities	**136,374**	**131,793**
Net assets	**292,514**	**438,177**
Equity		
Issued Capital	619,285	795,975
Reserves	(14,008)	(19,055)
Accumulated losses	(317,008)	(341,095)
Non-controlling interest	4,245	2,352
Total Equity	**292,514**	**438,177**
Shares on issue (m)	*498.7*	*670.6*
Net asset backing per share ($)	*0.59*	*0.65*
Current ratio (times) [1]	*3.48*	*4.55*
Gearing (%) [2]	*23.9*	*16.2*

Source: CY22 Annual Report and KPMG Corporate Finance Analysis
Notes:

1. *Current ratio represents current assets divided by current liabilities*
2. *Gearing represents total loans and borrowings (excluding lease liabilities) divided by net assets*
3. *Amounts may not add exactly due to rounding*

We note the following in relation to Syrah's financial position:

- the movement in cash and cash equivalents largely reflects proceeds from issue of shares, as well receipts from customers, offset by payments to suppliers and employees, and payments for property, plant and equipment
- trade and other receivables have increased year on year with increased sales volumes and commodity prices
- the property, plant and equipment as well as mining assets principally comprise assets associated with the Balama Graphite Operation and the Vidalia Project
- the increase in property, plant and equipment is largely attributable to the capitalisation of costs associated with the development of tailings storage facilities at the Balama Graphite Operation, and progression of the Vidalia Initial Expansion
- trade and other payables have increased year on year with cost of sales and other expenses
- borrowings comprise the Series 1 and Series 3 convertible notes and associated costs
- In March 2022, Syrah completed an equity raise of approximately US$178 million, through the issue of approximately 38 million new fully paid ordinary shares at an issue price of A$1.48 each.

9.8 Statement of cash flows

Syrah's historical audited consolidated statement of cashflows for each of CY21 and CY22 are summarised below.

Table 18: Syrah statement of cash flows

US$'000	Audited 12 months 31-Dec-21	Audited 12 months 31-Dec-22
Receipts from customers	25,361	98,233
Payments to suppliers and employees (incl. GST)	(60,564)	(131,165)
Interest received	135	1,736
Net cash outflow from operating activities	**(35,068)**	**(31,196)**
Payments for property, plant and equipment	(21,622)	(99,117)
Payments for intangibles	(86)	-
Payments for security deposits	-	(4,360)
Receipts from security deposits	2,363	-
Net cash outflow from investing activities	**(19,345)**	**(103,477)**
Proceeds from issue of shares	13,733	180,777
Proceeds from issue of convertible note series 3	21,050	-
Share issue transaction costs	(223)	(5,187)
Payment for interest of lease liabilities	(1,215)	(986)
Payments of lease liabilities	(583)	(2,335)
Net cash inflow from financing activities	**32,762**	**172,269**
Net increase/ (decrease) in cash and cash equivalents	**(21,651)**	**37,596**
Cash and cash equivalents at the beginning of the period	74,992	52,914
Effects of exchange rate changes on cash and cash equivalents	(427)	(134)
Cash and cash equivalents at the end of the period	**52,914**	**90,376**

Source: CY22 Annual Report

Notes:

1. *Amounts may not add exactly due to rounding*

Syrah's cash and cash equivalents increased from US$52.9 million as at 31 December 2021 to US$90.4 million as at 31 December 2022 as at 31 December 2022. Principally as a result of proceeds from issue of shares, whereby Syrah raised approximately US$178 million through the issue of approximately 38 million shares, as well as receipts from customers, offset by payments to suppliers and employees, and payments for property, plant and equipment.

Syrah's cash and cash equivalents balance as at 31 March 2023 was US$80.2 million, with a significant amount of cash since 31 December 2021 being transferred to restricted bank accounts associated with the DOE Loan

9.9 Taxation

Syrah and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Syrah also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

A summary of Syrah's unused tax losses as at 31 December 2022 is summarised in the table below

Table 19: Syrah's unused tax losses

US$'000	Audited 31-Dec-21	Audited 31-Dec-22
Unused tax losses for which no deferred tax asset has been recognised	131,053	150,747
Potential tax benefit at 30%	39,316	45,224

Source: CY22 Annual Report

9.10 Contingent liabilities

We have been advised by Syrah's management that there are no material contingent liabilities outstanding.

9.11 Borrowings

Syrah's borrowings of US$70.9 million as at 31 December 2022 comprised the Series 1 and Series 3 Convertible Notes and associated capitalised interest, transaction costs and exchange differences.

Whilst the DOE Loan was closed in December 2022, the first advance of US$21 million was not completed until the March 2023 quarter and as such the DOE Loan is not reflected in Syrah's borrowings as at 31 December 2022.

9.12 Board of Directors

The current Directors of Syrah are set out below.

Table 20: Syrah's Board of Directors

Board member	
James Askew	**Lisa Bahash**
Non-Executive Chairman	Non-Executive Director
Shaun Verner	**Sara Watts**
Managing Director and Chief Executive Officer	Non-Executive Director
José Caldeira	**John Beevers**
Non-Executive Director	Non-Executive Director

Source: CY22 Annual Report

Further details in relation to the experience and other directorships of the Directors of Syrah are set out in the Company's CY22 Annual Report.

9.13 Share capital and ownership

9.13.1 Ordinary shares on issue

As at 31 May 2023, Syrah had approximately 673.4 million ordinary shares on issue. Syrah's top 10 shareholders as at 31 May 2023 are summarised in the table below.

Table 21: Syrah's top 10 shareholders

Shareholder	Interest in Syrah shares (millions)	Voting power in Syrah
AustralianSuper	111.7	16.58%
Paradice Investment Management	51.0	7.58%
Mr Bruce N Gray	45.5	6.76%
Vanguard Group	22.6	3.35%
Tribeca Investment Partners	20.7	3.08%
First Sentier Investors	16.4	2.43%
Dimensional Fund Advisors	15.2	2.26%
State Street Global Advisors	13.1	1.94%
BlackRock Investment Management	12.5	1.86%
Ausbil Investment Management	10.7	1.60%

Source: Syrah management

Notes:

1. *As set out in the Explanatory Statement, AustralianSuper's current interest in Syrah shares has increased to approximately 17.3%*

9.13.2 Performance rights

As at 31 December 2022 Syrah had 12,963,376 performance rights on issue. These performance rights consist of 2,976,586 vested and 9,986,790 unvested rights. As advised by management Syrah had 12,452,561 performance rights as well as 1,201,786 non-executive director share rights on issue, as at the date of this report.

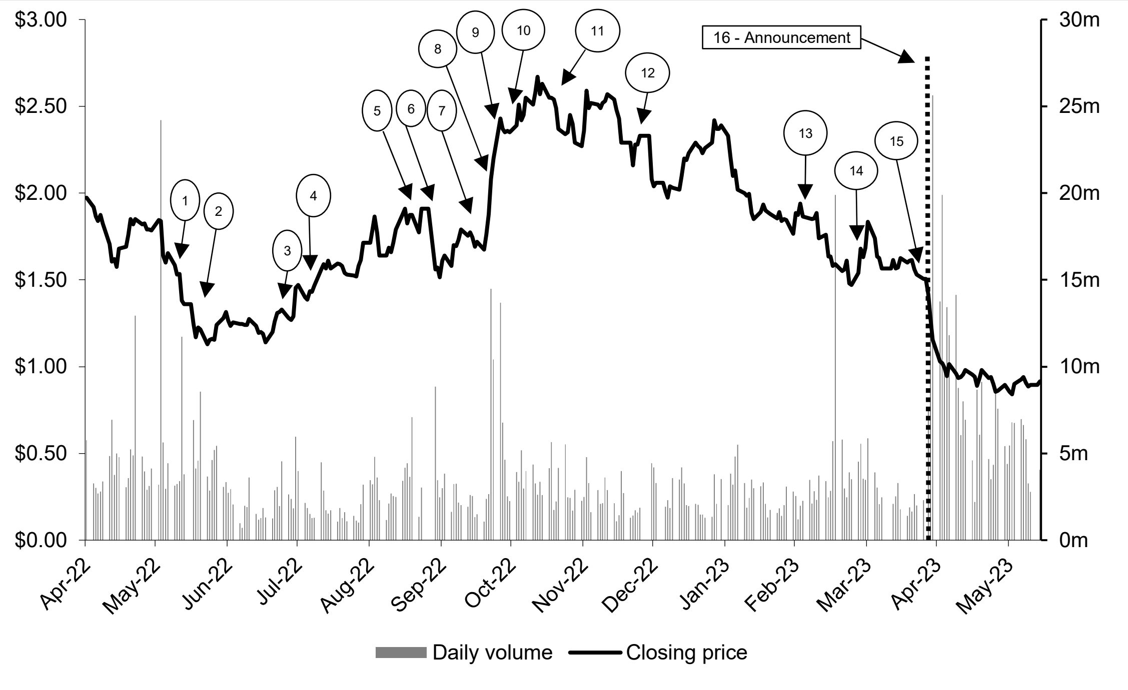
9.13.3 Options

As at 31 December Syrah had nil options on issue.

9.14 Share price and volume trading history

The chart below depicts Syrah's daily closing price on the ASX over the 12-month period to 26 April 2023 (inclusive), being the last trading day prior to the announcement by Syrah that it had executed a new convertible note deed with AustralianSuper, and for the period subsequent to that date to 13 June 2023, along with the combined daily volume of shares traded on the ASX and Chi-X over the period.

Figure 5: Syrah's daily closing share price on ASX and volume trading



Source: IRESS, KPMG Corporate Finance Analysis and ASX announcements

Other than normal full year, half year and quarterly activities reporting, Syrah announcements identified on the ASX website as being price sensitive over the twelve-month period to 26 April 2023 (inclusive) include:

1. 9 June 2022. Syrah advised that it had received reports of an insurgent attack at a third party's mine project site near Ancuabe, approximately 200km from Balama in the Cabo Delgado province, northern Mozambique and that it had taken the precautionary measure of suspending all personnel and logistics movements through the route section until further notice.

2. 17 June 2022. Syrah advised Balama logistics and personnel movements would recommence, following a review of security with contractors and other key stakeholders.

3. 22 July 2022. Syrah announced that it had entered into a non-binding memorandum of understanding with Ford Motor Company (**Ford**) and SK On., Ltd (**SK On**) to evaluate a strategic arrangement, including natural graphite AAM supply to the BlueOval SK joint venture (a joint venture between Ford and SK On that supplies lithium-ion batteries for Ford's electric vehicles), relating to the Vidalia Project.

4. 28 July 2022. Syrah announced that it had entered in a binding documentation for a loan facility up to US$102 million from the DOE to support the funding of the Initial Expansion of the Vidalia Project to 11.25ktpa AAM production capacity.

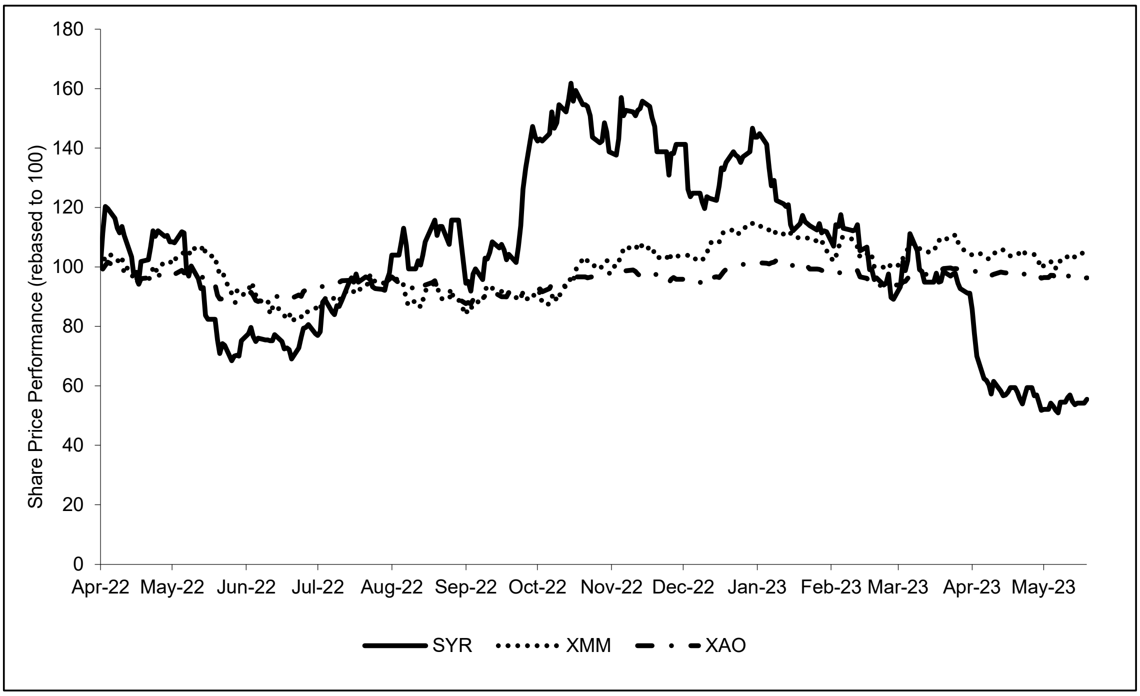
5. 21 September 2022. Syrah announced a trading halt pending release of further information.
6. 26 September 2022. Syrah announced that operations at the Balama Graphite Operation had been interrupted by industrial action.
7. 11 October 2022. Syrah announced that a restart of Balama operations was underway following the previous announcement of industrial action interruption.
8. 19 October 2022. Syrah announced a trading pause and subsequent halt pending release of further information.
9. 20 October 2022. Syrah announced that:
    a. employees and contractors had returned to Balama site and camp and had retained its operational capability at site
    b. it had entered into a non-binding memorandum of understanding with LG Energy Solution,. Ltd to evaluate natural graphite AAM supply from the Vidalia Project
    c. Syrah's wholly owned subsidiary, Syrah Technologies LLC had been selected for a Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing grant of up to US$220m from the DOE.
10. 27 October 2022. Syrah announced that mining and processing operations, and unrestricted logistics movements had resumed at the Balama Graphite Operation with the full complement of employees and contractors onsite.
11. 14 November 2022. Syrah announced that it had been informed of security concerns in Namuno district around 50km from the Balama Graphite Operation.
12. 23 December 2022. Syrah announced that Tesla had exercised its option to offtake an additional 17ktpa AAM from the Vidalia Project at a fixed price for an initial term of no less than four years and that the companies were working towards finalising the detailed terms of this additional offtake in an offtake agreement.
13. 3 March 2023. S&P DJI announced a rebalance of its indices, with the addition of Syrah to the S&P/ASX 200 Index.
14. 30 March 2023. Syrah announced an update to the Balama Graphite Operation Ore Reserve and Mineral Resource estimate.
15. 27 April 2023. Syrah announced the completion of and successful outcome of the Definitive Feasibility Study in relation to the Vidalia Further Expansion.
16. 27 April 2023. Syrah announced the execution of a new convertible note deed with AustralianSuper in relation to the Series 4, 5 and 6 Convertible Notes.

Further details in relation to all announcements made by Syrah to the ASX can be obtained from either Syrah's website at www.syrahresources.com.au or the ASX's website at www.asx.com.au.

9.14.1 Relative share price performance

As illustrated in the figure below, Syrah's closing share price outperformed against both the S&P/ASX 300 Metals and Mining index (**XMM**) and the S&P/ASX All Ordinaries index (**XAO**) for the majority of the period to 13 June 2023, but has in recent times underperformed against both indices, which may reflect the market's reaction to the potential future dilution as a result of the Future Conversions but also general market sentiment in relation to excess apparent inventories of materials in the Chinese battery supply chain (including AAM), volatile demand conditions for the Balama Graphite Operation's natural graphite products from Chinese anode customers and production constraints at the Balama Graphite Operation due to maximum inventory positions.

Figure 2: Syrah's share price performance relative to ASX Metals & Mining and ASX All Ordinaries



Source: Capital IQ and KPMG Corporate Finance Analysis

9.14.2 Trading Liquidity on ASX

An analysis of volume of trading in Syrah's shares over various periods in the 12 months to 26 April 2023 (inclusive) is set out in the table below

Table 22: Trading liquidity in Syrah's shares prior to 26 April 2023

Period up to and including 26 Apr 23	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
1 day	1.40	1.49	1.43	10.7	7.5	1.1%
1 week	1.40	1.60	1.49	21.5	14.5	2.1%
1 month	1.40	1.85	1.61	102.3	63.5	9.4%
3 months	1.40	2.43	1.75	350.4	200.1	29.8%
6 months	1.40	2.69	2.03	757.4	373.0	55.6%
12 months	1.11	2.69	1.83	1,553.1	849.3	126.7%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis

Notes:

1. *Share price data represents intra-day trading rather than closing prices*
2. *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.*

Syrah's shares exhibited strong liquidity over the 12-month period to 26 April 2023 (inclusive), with an average of approximately 0.5% of issued capital traded per day, and an average daily value of approximately $6.2m. Over this period other than during periods of voluntary trading halts, Syrah's shares were traded on all available trading days on the ASX.

An analysis of the volume of trading in Syrah's shares over the period 27 April 2023 to 13 June 2023 inclusive is set out below, over which Syrah's shares were traded on each of the 33 trading days available.

Table 23: Trading liquidity in Syrah's shares post Initial Announcement

Period from 27 Apr 23 to 13 Jun 23 incl.	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
48 days	0.84	1.35	0.99	265.2	268.9	39.9%

Source: IRESS, Capital IQ and KPMG Corporate Finance Analysis

Notes:

1. *Share price data represents intra-day trading rather than closing prices*
2. *Percentage of issued capital is the cumulative volume traded over the period divided by the weighted average number of shares on issue over that period.*

Since 27 April 2023, Syrah's share price has declined from the closing price on 26 April 2023, and traded at a discount to the conversion price for the Series 4, 5 and 6 Convertible Notes.

10 Profile of AustralianSuper

AustralianSuper is a privately owned investment manager incorporated in Australia. It was formed on 1 July 2006 through the merger of Superannuation Trust of Australia and Australian Retirement Fund. The registered office of AustralianSuper is Level 30, 130 Lonsdale Street, Melbourne, Victoria.

AustralianSuper is Australia's largest superannuation fund and manages members' retirement savings on behalf of approximately 2.87 million Australians as at 30 June 2022.

As at 30 June 2022, AustralianSuper had A$258 billion invested across various asset classes including domestic and international shares, private equity, listed and unlisted infrastructure, listed and unlisted property, credit, fixed interest, cash and other assets. As at 30 June 2022, AustralianSuper's assets were located in:

- Australia (51.3%)
- North America (29.4%)
- developed Europe (excluding the United Kingdom (**UK**)) (7.7%)
- the UK (4.8%)
- emerging markets (4.6%)
- Japan (1.3%)
- developed Asia (excluding Japan) (0.9%).

AustralianSuper was ranked 20th out of 300 global funds based on total assets in the Thinking Ahead Institute and Pensions & Investment joint study, Global top 300 pension funds, conducted by Willis Towers Watson in September 2022.

10.1 Strategy and investments

AustralianSuper's 2023 to 2025 business plan balances investment across its three year priorities including supporting long-term investment performance, delivering foundational activities, supporting ongoing membership growth, ensuring compliance with regulatory changes, investing in foundational data capabilities and improving member experience.

AustralianSuper markets itself as a long-term investor, focussing on managing its portfolio through the current market cycle, however taking time to identify and research the long-term trends that it believes impact its investment strategy and program into the future. This includes understanding the potential impacts on the economic environment and different investment markets of longer-term trends, such as technological disruption, climate change and the carbon transition, geopolitics and increased government intervention.

AustralianSuper has an investment committee that is responsible for:

- overseeing and monitoring the performance of AustralianSuper's investment options against its objectives
- monitoring the investment governance for members by approving the fund's investment strategy and providing oversight of the investments program
- overseeing the fund's investment governance framework, while managing risk across the portfolio
- reviewing investment policies and approving large direct investments.

10.2 Board of Directors

The Directors of AustralianSuper are set out below.

Table 24: AustralianSuper Board of Directors

Board member	
Dr Don Russell	**Philippa Kelly**
Independent Chair	Director
Michele O'Neil	**Jo-anne Schofield**
Deputy Chair, Director	Director
Julia Angrisano	**Glenn Thompson**
Director	Director
Gabrielle Coyne	**Janice van Reyk**
Director	Director
John Dixon	**Daniel Walton**
Director	Director
Clair Keating	**Innes Willox**
Director	Deputy Chair

Source: AustralianSuper website

11 Impact of the Future Conversion

11.1 Dilutionary impact

Syrah currently has approximately 675.9 million fully paid ordinary shares on issue. AustralianSuper held approximately 116.7 million fully paid ordinary shares, representing 17.3% of the issued capital in the Company at 13 June 2023.

Non-associated shareholders would, as a block, be diluted from approximately 82.7% down to approximately 57.6%, assuming, inter alia:

- all of the Future Conversions are approved by non-associated shareholders
- the Series 5 and 6 Convertible Notes are issued in full 10 business days after the date of the General Meeting at which non-associated shareholders will be asked to approve the Future Conversions
- all of the Convertible Notes are fully converted at maturity at the relevant conversion price set out in the Convertible Notes agreements
- interest attaching to the Convertible Notes is fully capitalised
- no reorganisation events occur prior to maturity.

Further details in relation to the assumptions underlying various dilution scenarios are set out in the notes to table 16 below.

In the event interest on the Convertible Notes accruing subsequent to 26 April 2023 is paid fully in cash, existing shareholders would be diluted down to approximately 63.0% assuming full conversion of the Convertible Notes at the relevant maturities.

As non-associated shareholders will separately vote to approve the future conversion of the various series of the Convertible Notes and, if the Future Conversions are approved, AustralianSuper will be able to complete partial conversions of the various tranches, the final diluted shareholding of non-associated shareholders is not able to be determined with any certainty at this time. However, based on current Syrah shares on issue the interest of non-associated shareholders in Syrah post the Future Conversions may lie between the current 82.7% and the 57.6% noted above. Various dilution scenarios are summarised in the table below:

Table 25: AustralianSuper's estimated future shareholder interests

All shares shown in millions Estimated change in shareholding	All Shareholders	Non-associated shareholders	AustralianSuper
Current shares on issue	**675.9**	**559.2**	**116.7**
% of voting interest	*100.0%*	*82.7%*	*17.3%*
Conversion of Series 1 and 3 only			
Current shares on issue	675.9	559.2	116.7
New shares issed for conversion - Series 1 and 3	125.8	-	125.8
Total number of shares post conversion	**801.7**	**559.2**	**242.5**
% of voting interest	*100.0%*	*69.8%*	*30.2%*
Conversion of Series 1,3 and 4 only			
Current shares on issue	675.9	559.2	116.7
New shares issed for conversion - Series 1 and 3	125.8	-	125.8
New shares issed for conversion - Series 4	57.9	-	57.9
Total number of shares post conversion	**859.6**	**559.2**	**300.4**
% of voting interest	*100.0%*	*65.1%*	*34.9%*
Conversion of Series 1, 3, 4, 5 and 6			
Current shares on issue	675.9	559.2	116.7
New shares issed for conversion - Series 1 and 3	125.8	-	125.8
New shares issed for conversion - Series 4	57.9	-	57.9
New shares issed for conversion - Series 5 and 6	112.0	-	112.0
Total number of shares post conversions	**971.6**	**559.2**	**412.5**
% of voting interest post conversions	*100.0%*	*57.6%*	*42.4%*

Source: Syrah management and KPMG Corporate Finance Analysis

Notes:

1. *The scenarios summarised above assume:*
   a. *all of the Future Conversions are approved by non-associated shareholders*
   b. *the Convertible Notes (those converted under the summaries shown) are fully converted at maturity at the relevant Conversion Price set out in the Convertible Notes agreements*
   c. *interest attaching to the Convertible Notes is fully capitalised*
   d. *no reorganisation events occur prior to maturity*
   e. *Syrah has approximately 675.9 million shares on issue and that no further shares are issued (including in relation to current Performance Rights on issue) or bought back*
   f. *in respect of Series 1 and 3, the conversion price at the time of conversion is A\$0.9686 being the adjusted conversion price at the date of this report. The conversion price is subject to adjustment rules that may occur as a result of certain corporate actions undertaken by Syrah during the term of the Series 1 and 3 Convertible Notes.*
   g. *the Series 5 and 6 Convertible Notes are issued in full 10 business days after the date of the General Meeting of Syrah shareholders (being 11 August 2023).*
   h. *interest on the Series 4 Convertible Note (inclusive of the capitalised 2% establishment fee) accrues and is capitalised quarterly at a rate of 14.0% per annum from the date of issue (being 12 May 2023) to the date of the General Meeting (being 28 July 2023) and a rate of 11.0% per annum subsequently to the maturity date (being 12 May 2028).*
   i. *in respect of Series 4, 5, and 6 Convertible Notes, the conversion price at the time of conversion is A\$1.536 being the initial conversion price. The conversion price is subject to adjustment rules that may occur as a result of certain corporate actions undertaken by Syrah during the term of the Series 4, 5 and 6 Convertible Notes.*

2. *These dilution scenarios assume AustralianSuper does not acquire or dispose of a relevant interest in any additional shares in Syrah (other than through the future conversions).*
3. *Scenarios reflect shareholdings and shares on issue as at 13 June 2023.*

In the event that non-associated shareholders approve the future conversion of Series 1, 3 and 4, but do not approve the future conversion of Series 5 and 6, the higher 14.0% interest rate on Series 4 will apply and non-associated shareholders may be diluted to down to approximately 64.4% assuming full capitalisation of interest, full conversion of Series 1, 3 and 4 Convertible Notes at the relevant maturities and Series 5 and 6 Convertible Notes are not drawn down.

11.2 Board of Directors and management

Following the Future Conversions, AustralianSuper's interest in Syrah will increase significantly as set out above. We note that Syrah and AustralianSuper have agreed that AustralianSuper may nominate a non-executive director to the Board of Syrah while AustralianSuper remains the holder of more than 15% of Syrah's issued shares. As set out in the Explanatory Statement, AustralianSuper has advised that it has no current intention to exercise this right to nominate a Director to the Board of Syrah but reserves its right to do so. As such, AustralianSuper will continue to have the right to propose appointment of a representative to Syrah's Board of Directors.

11.3 Syrah's net assets

The Future Conversions if implemented, will have a substantial positive impact on the Company's net asset position and gearing profile as a result of the conversion of the Notes debt to equity. Based on Syrah's financial position as at 31 December 2022, which reflected only the Series 1 and 3 Convertible Notes (as Series 4, 5 and 6 were not issued at that date), Syrah's net assets would increase from $438.2 million to $509.1 million, whilst its gearing would fall from 16.2% to nil as a result of conversion of Series 1 and 3. We note these calculations do not reflect the DOE Loan borrowings that have been drawn down post 31 December 2022.

The net asset and gearing impact of the future conversion of Series 4, 5 and 6 will depend upon the accounting for the Notes following their issue and Syrah's net assets at the relevant date.

11.4 Transaction costs

Management has advised that the Future Conversions are not expected to result in any material transaction costs for Syrah.

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Jason Hughes, Sean Collins and Ben Della-Bosca. Each has a significant number of years of experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as preparation of expert reports.

Jason Hughes is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Jason is a Fellow of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce and a Graduate Diploma in Applied Finance.

Sean Collins is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd and a Partner in the KPMG Partnership. Sean is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Chartered Institute of Securities and Investments in the United Kingdom and holds a Bachelor of Commerce.

Ben Della-Bosca is an Authorised Representative of KPMG Financial Advisory Services (Australia) Pty Ltd. Ben is an Associate of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia and holds a Masters of Applied Finance, a Bachelor of Commerce and a Graduate Diploma in Applied Finance.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Future Conversions are fair and reasonable to the non-associated shareholders. KPMG Corporate Finance expressly disclaims any liability to any non-associated shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Explanatory Statement or any other document prepared in respect of the Future Conversions. Accordingly, we take no responsibility for the content of the Explanatory Statement as a whole or other documents prepared in respect of the Future Conversions.

Our report makes reference to "KPMG Corporate Finance analysis". This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented.

Independence

KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently. In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of Syrah for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Other than fees to be received in respect to preparing this report, neither KPMG Corporate Finance or the KPMG Partnership have provided professional services to AustralianSuper or Syrah in relation to the Future Conversions. By way of disclosure, total fees received from Syrah by the KPMG partnership and/or KPMG Corporate Finance in the 2 years prior to the date of announcement of the Series 4, 5 and 6 Convertible Notes were $nil. Total fees received from AustralianSuper and its related entities by KPMG and/or KPMG Corporate Finance over the same 2 year period were approximately $13 million. The quantum of the fees received from both Syrah and AustralianSuper are not material to either the KPMG Partnership or KPMG Corporate Finance.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Explanatory Statement to be issued to the shareholders of Syrah. Neither the whole nor the any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Professional standards

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board. KPMG Corporate Finance and the individuals responsible for preparing this report have acted independently.

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information:

- company presentations and announcements of Syrah
- Syrah's company website
- Syrah's annual report for the periods ended 31 December 2022 and 31 December 2021
- data providers including S&P Capital IQ Pty Ltd, Refinitiv, Connect 4, IBISWorld Pty Ltd, Benchmark Mineral Intelligence, Strategy& and IRESS.
- various ASX company announcements
- various broker and analyst reports
- various press and media articles

Non-public information

- other confidential agreements, documents, presentations and industry papers provided by Syrah

In addition, we have held discussions with, and obtained information from, the senior management of Syrah.

Appendix 3 – Overview of the graphite industry

To provide a context of assessing the future prospects of Syrah, we have set out below an overview of the recent and expected trends in the international graphite market.

Graphite

Graphite is a crystalline form of carbon and an internationally traded commodity with prices driven by worldwide demand and supply factors. Production comprises both natural and synthetic graphite. Graphite is used in:

- refractories and steelmaking as a heat resistant material, an input to raise carbon content molten steel and lubrication in the manufacturing process
- the battery industry as an anode material in battery technologies
- brake linings, particularly in heavier vehicles
- foundry facings and lubricants given its heat resistant properties.

The graphite industry production is segmented between natural graphite and synthetic graphite, with coated spherical graphite (i.e. battery grade) also produced via refining of flake graphite.

Natural

There are three types of natural graphite: a*morphous graphite, crystalline vein graphite* and *flake graphite*. Flake graphite is the only form of natural graphite used in significant quantities in the battery anode supply chain and, as such, production has focused on flake graphite. Flake graphite is formed when deposits of carbon come under pressure and temperature and is most often hosted in metamorphic rock where flake graphite deposits are distributed fairly uniformly throughout the rock and can vary in both flake size and purity. Flake sizes range from 180-300+ microns ("Jumbo Flake" and "Large Flake") to 75-150s microns ("Fine Flake"). Each flake size category has unique applications.

Synthetic

Synthetic graphite (or *artificial graphite*) is currently the largest source of graphite globally. It is fabricated by heat treatment of petroleum coke, coal-tar pitch or oil. Synthetic graphite is not a single material but rather a member of a broad family of essentially pure carbon. It can be tailored to vary widely in its strength, density, conductivity, pore structure, and crystalline development. These attributes contribute to its widespread applicability.

Spherical graphite

Spherical graphite, also known as battery-grade graphite, is the anode material used in battery technologies, and typically represents up to 50% by mass of the battery metals in a lithium-ion battery. It is produced by refining flake graphite concentrate into ultra-high purity microscopic spheres.

Graphite Demand

Historically consumption has been predominantly in steel-related industries, with historical graphite prices demonstrating correlation with steel industry demand and activity. Bearish longer-term trends persist in the steel industry, as major steelmaking economies begin to curb production in a long-term effort to reduce emissions given the highly emissive nature of steel smelting. A rapidly growing use of graphite is for active anode material for lithium-ion batteries used in electric vehicles (**EV**), grid-scale and behind the meter energy storage systems and consumer electronics. Fines flake graphite is the preferred raw material feedstock for natural graphite active anode material.

Benchmark Mineral Intelligence (**BMI**) reported that 2022 saw the battery anode market experience significant growth, with supply of natural graphite struggling to keep pace. Demand for anodes grew by 46% in 2022, compared to a 14% growth in supply for flake graphite. In response, an increased utilisation of synthetic graphite has been observed in the anode market.

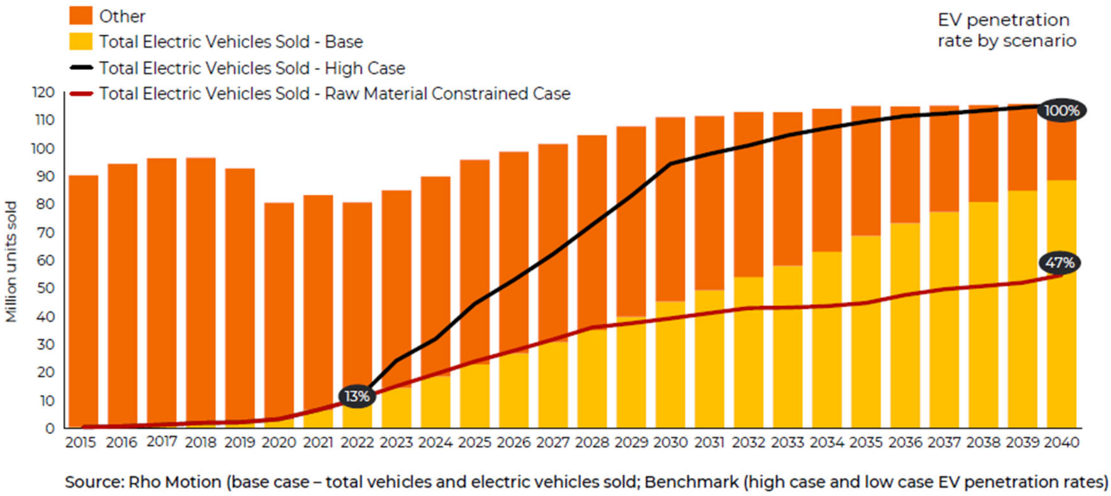
The synthetic graphite anode market share is anticipated by BMI to rise to over 60% in 2023. However, given synthetic graphite production costs and environmental, social and governance (**ESG**) considerations, natural flake graphite's relative market share is anticipated to increase again before the next decade.

Strategy&, in collaboration with PwC, have provided insights into EV sales for the first quarter of 2023. Although global EV sales increased by 24% in Q1 2023 in comparison to the corresponding quarter in the prior year, Q1 2023 growth fell significantly below that recorded for Q4 2022. This was caused by a sharp reduction in EV sales growth in China during the period as a result of the Chinese government terminating EV subsidies as at 31 January 2023.

As a consequence, this led to an unforeseen fall in global EV demand. Combined with destocking AAM inventories in China, this led to declining demand conditions for natural flake graphite through Q1 2023. In response, suppliers reduced production as a strategy to run down existing inventories prior to an expected turnaround in demand. Syrah has advised that global EV demand in March and April 2023 have shown indicators of improvements.

It is still expected that the EV market will continue to grow over the next decade, supported by extensive Government policy actions, point-of-sale incentives, development of charging infrastructure networks, developing consumer preferences, and decreasing costs with manufacturing scale and technological advancements. Global EV penetration is forecast by BMI to increase to 17% in 2023, up from 13% in 2022 as global EV sales continue to accelerate, particularly from Europe and China.

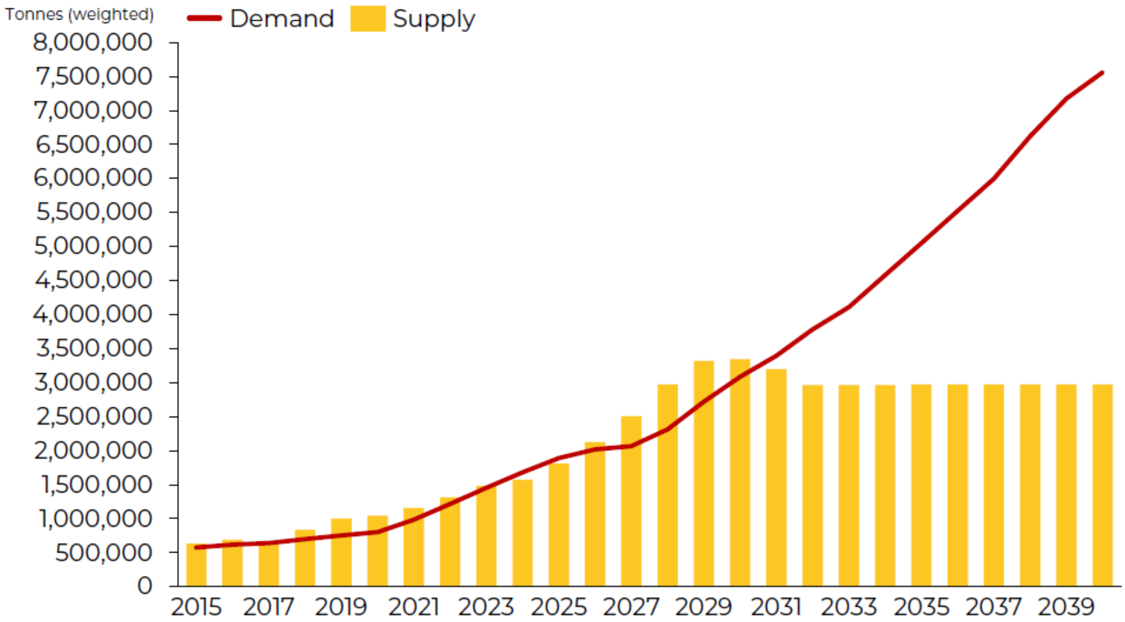
Figure 3-1: EV Sales as shares of total cars



Source: Benchmark Mineral Intelligence Q1 2023 Forecast

BMI forecasts global natural flake graphite demand in 2023 to increase to 1.45mt, of which 600kt will be used in the manufacture of batteries, with the net supply of flake graphite to fall into deficit by 2024, lasting through 2025 before sufficient flake graphite supply reaches the market in the latter half of this decade. By 2040, graphite demand is expected to increase to 7.56mt, well exceeding the output forecast, indicating significant plans for new supply will need to be made to satisfy the appetite of the lithium-ion battery value chain.

Figure 3-2: Demand Forecast of natural flake graphite



Source: Benchmark Mineral Intelligence Q1 2023 Forecast

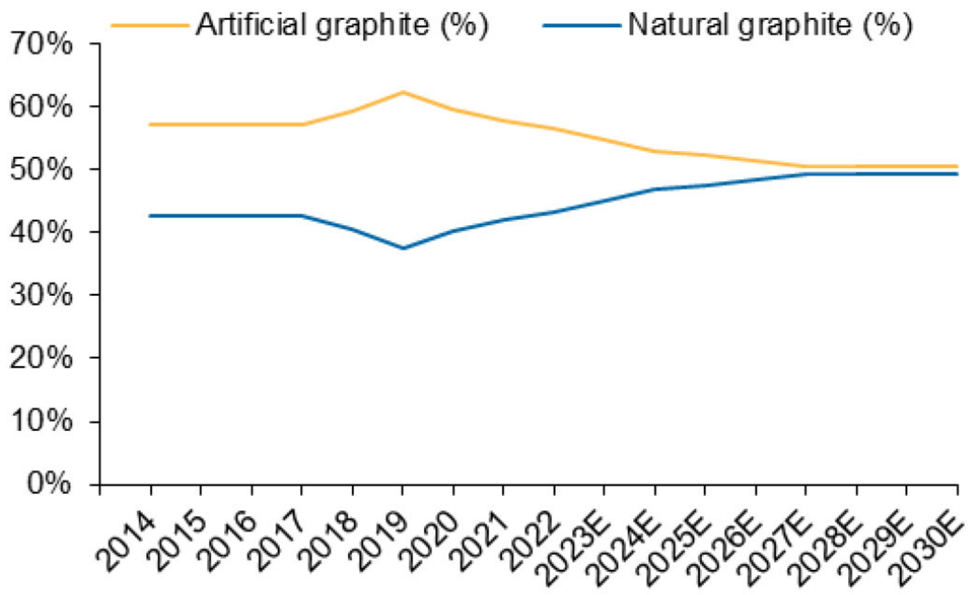
Graphite Supply

According to BMI, China has historically been and is currently the leading global supplier of natural flake graphite, with expected mine production in China forecast to represent approximately 61% of the global mine production in 2023. In recent years, Africa has emerged as a low-cost hub for natural flake graphite production with operations in Mozambique and Madagascar dominating Africa's flake graphite export. Further investment in new mines is anticipated in Tanzania and the rest of the world in the medium to long term to provide greater availability of natural graphite feedstock for the anode supply chain.

In response to the approaching natural flake graphite deficit, the market has seen an enhanced deployment of synthetic graphite anode materials. Although synthetic graphite will continue to hold the lion's share of the market in the lithium-ion battery industry in the short term, robust production from China and an increased capacity of developing African projects has begun to address the global natural flake graphite supply deficit.

Natural flake graphite has the advantages of lower cost, high capacity and lower energy consumption compared with the corresponding synthetic anode. However synthetic graphite performs better in electrolyte compatibility, fast-charge turnaround and battery longevity. Macquarie Research forecasts that, given individual ESG considerations, cost advantages and performance gains, the market is expected to move to an approximately 50/50 supply contribution for natural and synthetic supplied by 2027 as set out below:

Figure 3-3: Natural Flake and Synthetic Graphite growth



Source: Macquarie Research, March 2023

Source: Macquarie Research – Graphite Market Outlook March 2023

Part Two – KPMG FAS Corporate Finance Financial Services Guide

PART TWO – FINANCIAL SERVICES GUIDE

Dated: June 2023

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd (**KPMG FAS**) ABN 43 007 363 215, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) (**KPMG Corporate Finance**).

Jason Hughes is an authorised representative of KPMG FAS, authorised representative number 404183 and Sean Collins an authorised representative of KPMG FAS, authorised representative number 404189 (**Authorised Representatives**).]

This FSG includes information about:

- KPMG FAS and its Authorised Representative/s and how they can be contacted;
- The services KPMG FAS and its Authorised Representative/s are authorised to provide;
- How KPMG FAS and its Authorised Representative/s are paid;
- Any relevant associations or relationships of KPMG FAS and its Authorised Representative/s;
- How complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- The compensation arrangements that KPMG FAS has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG FAS. This FSG forms part of an Independent Expert Report (**Report**) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (**PDS**). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits, and costs of acquiring the particular financial product.

Financial services that KPMG FAS and the Authorised Representative are authorised to provide:

KPMG FAS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- Deposit and non-cash payment products;
- Derivatives;
- Foreign exchange contracts;
- Government debentures, stocks or bonds;
- Interests in managed investments schemes including investor directed portfolio services;
- Securities;
- Superannuation;
- Carbon units;
- Australian carbon credit units; and
- Eligible international emissions units,

to retail and wholesale clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG FAS to provide financial product advice on KPMG FAS's behalf.

KPMG FAS and the Authorised Representative's responsibility to you

KPMG FAS has been engaged by Syrah Resources Limited (**Syrah** or the **Client**) to provide general financial product advice in the form of a Report to be included in the Explanatory Statement (**Document**) prepared by the Client in relation to the issuance of new Syrah shares to AustralianSuper Pty Ltd as trustee for AustralianSuper (ABN 65 714 394 898) or any of its associates (**AustralianSuper**) upon future conversion of convertible notes on issue or to be issed by Syrah (**Transaction**).
You have not engaged KPMG FAS or the Authorised Representatives directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG FAS nor the Authorised Representatives are acting for any person other than the Client.
KPMG FAS and the Authorised Representatives are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG FAS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking your personal objectives, financial situation or needs into account. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.
You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG FAS may receive and remuneration or other benefits received by our representatives

KPMG FAS charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG FAS approximatley $90,000 for preparing the Report. KPMG FAS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG FAS officers and representatives (including the Authorised Representatives) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the **KPMG Partnership**). KPMG FAS's representatives (including the Authorised Representatives) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG FAS nor the Authorised Representatives pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures, KPMG FAS is controlled by and operates as part of the KPMG Partnership. KPMG FAS 's directors and Authorised Representatives may be partners in the KPMG Partnership. The financial product advice in the Report is provided by KPMG FAS and the Authorised Representatives and not by the KPMG Partnership.

From time to time KPMG FAS, the KPMG Partnership and related entities (**KPMG entities**) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years professional fees of $nil have been received from the Client and approximately $13 million from AustralianSuper respectively. The quantum of the fees received from AustralianSuper are not material to either the KPMG Partnership or KPMG Corporate Finance. None of those services have related to the Transaction or alternatives to the Transaction.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG FAS or the Authorised Representatives know. Complaints can be sent in writing to:

The Complaints Officer
KPMG FAS
GPO Box 2291U
Melbourne, VIC 3000
or via email (AU-FM-AFSL-COMPLAINT@kpmg.com.au).

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on (03) 9288 5555 and they will assist you in documenting your complaint.

We will acknowledge receipt of your complaint, in writing, within 1 business day or as soon as practicable.

Following an investigation of your complaint, you will receive a written response within 30 calendar days. If KPMG FAS is unable to resolve your complaint within 30 calendar days, we will let you know the reasons for the delay and advise you of your right to refer the matter to the Australian Financial Complaints Authority (**AFCA**).

External complaints resolution process

If KPMG FAS cannot resolve your complaint to your satisfaction within 30 days, you can refer the matter to AFCA. AFCA is an independent body that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry. KPMG FAS is a member of AFCA (member no 11690).

Further details about AFCA are available at the AFCA website www.afca.org.au or by contacting them directly at:

Address: Australian Financial Complaints Authority Limited, GPO Box 3, Melbourne Victoria 3001

Telephone: 1800 931 678

Email: info@afca.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG FAS has professional indemnity insurance cover in accordance with section 912B of the *Corporations Act 2001* (Cth).

Contact Details

You may contact KPMG FAS using the below contact details:

KPMG Corporate Finance (a division of KPMG Financial Advisory Services (Australia) Pty Ltd)
Level 38, International Towers Three
300 Barangaroo Avenue
Sydney NSW 2000

PO Box H67
Australia Square
NSW 1213
Telephone: (02) 9335 7621
Facsimile: (02) 9335 7001

SYRAH RESOURCES

ABN 77 125 242 284

Need assistance?

Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

Online:
www.investorcentre.com/contact

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Wednesday, 26 July 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative
If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 182697

SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

Proxy Form

Please mark X to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Syrah Resources Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Syrah Resources Limited to be held at Gilbert + Tobin, Level 25, 101 Collins Street, Melbourne, VIC 3000 on Friday, 28 July 2023 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of prior issue of the Series 4 Convertible Note to AustralianSuper			
Resolution 2	Approval to issue the Series 5 and/or Series 6 Convertible Notes to AustralianSuper			
Resolution 3	Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 1 and Series 3 Convertible Notes			
Resolution 4	Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 4 Convertible Note			
Resolution 5	Approval of acquisition of relevant interest in Shares by AustralianSuper on conversion of the Series 5 and Series 6 Convertible Notes			

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s)

This section must be completed.

Individual or Securityholder 1	Securityholder 2	Securityholder 3	
			/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically