

13 March 2024

Syrah Announces Equity Raising

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Highlights

- Syrah to raise approximately A\$98 million (US\$65 million¹) through a fully underwritten institutional placement and 1 for 10.2 pro rata accelerated non-renounceable entitlement offer
- Proceeds of the Equity Raising will be used to preserve Balama operating mode optionality, fund Vidalia operating costs and reserve accounts under its loan with the US Department of Energy, support Vidalia's ramp-up and progress in product qualification, and accelerate AAM development
- AustralianSuper, Syrah's largest shareholder, with a current shareholding of ~17.8% in Syrah, has committed to take up its full pro-rata entitlement in the Institutional Entitlement Offer and subscribe for New Shares under the Placement
- Syrah and AustralianSuper have agreed to the conversion of Series 1 and 3 Notes² into New Shares at a revised conversion price of A\$0.6688 per share, subject to Syrah shareholder approval
- AustralianSuper's shareholding in Syrah is expected to increase from ~17.8% to no more than ~31.9%³ with the completion of the Equity Raising and Series 1 and 3 Notes Conversion

Syrah Resources Limited (ASX: SYR) ("Syrah" or the "Company") announces it is undertaking a fully underwritten institutional placement and pro rata accelerated non-renounceable entitlement offer to raise a total of A\$98 million (US\$65 million⁴) (collectively, the "Offer" or the "Equity Raising"). Furthermore, AustralianSuper Pty Ltd as trustee of AustralianSuper ("AustralianSuper") will convert its Series 1 and 3 convertible notes ("Series 1 and 3 Notes") at a revised conversion price subject to Syrah shareholder approval ("Series 1 and 3 Notes Conversion").

The Equity Raising and Series 1 and 3 Notes Conversion ensures the Company is well capitalised to deliver its 2024 targets and to execute its medium-term strategy. The Equity Raising will increase Syrah's pro-forma cash to US\$148 million, based on cash as at 31 December 2023 and gross proceeds of the Offer (net of transaction costs). The Series 1 and 3 Notes Conversion will reduce Syrah's borrowings and resolve a material potential refinancing task in October 2024.

¹ A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.66 as of 12 March 2024.

² Refer to ASX releases from 19 June 2019 and 10 December 2020.

³ Based on forecast Series 1 and 3 Notes principal and accrued interest as at 30 June 2024, conversion of the Series 1 and 3 Notes on 30 June 2024, the assumption that interest on the Series 1 and 3 Notes is fully capitalised and accrues up to the conversion date and a revised Series 1 and 3 Notes conversion price of A\$0.6688 per share. Assumes AustralianSuper participates pro-rata in the Institutional Entitlement Offer and Placement.

⁴ See footnote 1.

Syrah Managing Director and CEO Shaun Verner commented, “The Equity Raising and Series 1 and 3 Notes Conversion will enable the Company to preserve optionality with respect to Balama’s operating mode and support the continued ramp-up of production at Vidalia, and our path to product qualification and commercial sales. Further, funds from the Equity Raising will contribute to transition activities on the Vidalia Further Expansion project to achieve FID readiness. In conjunction with the Series 1 and 3 Notes Conversion, the Company can focus on delivering its 2024 targets with greater confidence in its financial position.”

Equity Raising

The Equity Raising has the following components:

- a fully underwritten placement of new fully paid ordinary shares (“**New Shares**”) to eligible institutional shareholders and new institutional investors (“**Placement**”) to raise approximately A\$61 million (US\$41 million⁵); and
- a fully underwritten 1 for 10.2 pro rata accelerated non-renounceable entitlement offer of New Shares to eligible shareholders (the “**Entitlement Offer**”) to raise approximately A\$37 million (US\$24 million⁶).

The Equity Raising will be at a fixed price of A\$0.55 per New Share (the “**Offer Price**”), which represents a discount of:

- 21.4% to Syrah’s closing price of A\$0.70 per share on the ASX on 12 March 2024; and
- 17.8% to the theoretical ex-rights price (“**TERP**”) ⁷ of A\$0.67 per New Share.

Approximately 178.2 million New Shares will be issued under the Placement and Entitlement Offer, representing approximately 26.3% of existing Syrah shares on issue.

AustralianSuper has committed to apply for its full entitlement to New Shares under the Institutional Entitlement Offer and New Shares under the Placement to maintain its current institutional shareholding in Syrah upon completion of the Equity Raising.

Syrah Directors, Jim Askew, John Beevers, Sara Watts, and Shaun Verner, intend to participate in the Entitlement Offer in respect of shares they hold⁸.

As a result of the Equity Raising, the conversion price of AustralianSuper’s Series 4, 5 and 6 convertible notes (“**Series 4, 5 and 6 Notes**”) will be adjusted to A\$1.4777 (previously \$1.536)⁹.

Jarden Australia Pty Ltd is acting as sole lead manager, underwriter and bookrunner to the Equity Raising. Ashurst is acting as legal adviser to the Company.

1. Rationale for the Equity Raising and Use of Proceeds

The Equity Raising preserves operating mode optionality for the Balama Graphite Operation (“**Balama**”), supports ramp-up of production at the Vidalia AAM facility (“**Vidalia**”) to product qualification, funds AAM development acceleration and strengthens Syrah’s balance sheet.

Proceeds of the Equity Raising, and Syrah’s existing cash balance, will be used to fund:

- 1) Operating costs and an operating reserve account associated with the 11.25ktpa AAM Vidalia facility and loan with US Department of Energy (“**DOE**”);
- 2) Other reserve accounts account associated with the 11.25ktpa AAM Vidalia facility and loan with DOE;
- 3) Transition activities on the Vidalia Further Expansion project to achieve FID readiness;
- 4) Balama working and sustaining capital;
- 5) Transaction costs of the Offer; and
- 6) General corporate purposes.

⁵ See footnote 1.

⁶ See footnote 1.

⁷ TERP is the theoretical ex-rights price at which New Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which New Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal TERP.

⁸ Directors reserve the right to participate for their full or partial entitlement.

⁹ Refer to ASX release from 27 April 2023. Adjustment is effective upon the issue of New Shares.

Placement

Syrah is undertaking a fully underwritten Placement of New Shares to eligible institutional shareholders and new institutional investors to raise approximately A\$61 million (US\$41 million¹⁰). The Placement will be conducted concurrently with the Institutional Entitlement Offer (as described below).

New Shares offered under the Placement will be offered at the Offer Price of A\$0.55 per share, and will result in the issue of 111.6 million New Shares. The New Shares issued under the Placement represent approximately 16.4% of the Company's current ordinary shares outstanding, and will be issued pursuant to Syrah's available placement capacity under ASX Listing Rule 7.1. Syrah has been granted a waiver from ASX Listing Rule 7.1 to enable it to use expanded placement capacity by reference to the New Shares to be issued under the fully underwritten Entitlement Offer.

2. Entitlement Offer

Syrah will offer eligible shareholders the right to participate in the Entitlement Offer to raise approximately A\$37 million (US\$24 million¹¹). Eligible shareholders will have the opportunity to apply for 1 New Share for every 10.2 existing Syrah shares held at the Record Date (being 7.00pm (AEDT) on Friday, 15 March 2024). New Shares under the Entitlement Offer will be offered at the Offer Price of A\$0.55 per share (the same Offer Price as the Placement).

The Entitlement Offer is non-renounceable, and entitlements will not be tradeable or otherwise transferrable.

Institutional Entitlement Offer

Eligible shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (the "Institutional Entitlement Offer"), which is being conducted today, Wednesday, 13 March 2024 and closes Thursday, 14 March 2024, along with the Placement.

Under the Institutional Entitlement Offer, eligible institutional shareholders can choose to take up all, part or none of their entitlement to New Shares. Entitlements not taken up under the Institutional Entitlement Offer will be offered by the Lead Manager to eligible institutional investors at the Offer Price concurrently with the Institutional Entitlement Offer.

Retail Entitlement Offer

The retail component of the Entitlement Offer (the "Retail Entitlement Offer") will be open from 10.00am (AEDT) on Wednesday, 20 March 2024 to 5.00pm (AEDT) Wednesday, 3 April 2024, to eligible retail shareholders with a registered address in Australia or New Zealand, as at the Record Date.

Eligible retail shareholders who take up their full entitlement under the Retail Entitlement Offer will also be eligible to subscribe for additional New Shares over and above their entitlement, up to a maximum of 100% above their entitlement (subject to the overall level of participation in the Entitlement Offer and at the discretion of Syrah's Board of Directors).

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which Syrah expects to lodge with the ASX and make available to eligible shareholders on Wednesday, 20 March 2024. The retail offer booklet will also enclose a personalised entitlement and acceptance form and other details about how to apply for New Shares in the Retail Entitlement Offer.

3. Indicative timetable

The indicative timetable for the Equity Raising is set out below.

Event	Date
Trading Halt	Wednesday, 13 March 2024
Announcement of Offer	Wednesday, 13 March 2024
Placement and Institutional Entitlement Offer opens	Wednesday, 13 March 2024

¹⁰ See footnote 1.

¹¹ See footnote 1.

Placement and Institutional Entitlement Offer closes	Thursday, 14 March 2024
Trading Halt Lifted	Friday, 15 March 2024
Announcement of the results of Institutional Entitlement Offer	Friday, 15 March 2024
Entitlement Offer record date	7.00pm (AEST), Friday, 15 March 2024
Retail Entitlement Offer opens and Booklet dispatched	Wednesday, 20 March 2024
Settlement of Placement and Institutional Entitlement Offer	Thursday, 21 March 2024
Issue and Quotation of New Shares under the Placement and Institutional Entitlement Offer	Friday, 22 March 2024
Retail Entitlement Closing Date	5pm (AEST) on Wednesday, 3 April 2024
Settlement of Retail Entitlement Offer	Tuesday, 9 April 2024
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 10 April 2024
Normal trading of New Shares under the Retail Entitlement Offer	Thursday, 11 April 2024

AustralianSuper Series 1 and 3 Notes Conversion

Overview

Syrah and AustralianSuper have agreed to a revised conversion price and the conversion of Series 1 and 3 Notes, which mature on 28 October 2024, subject to Syrah shareholder approval.

The conversion price for the Series 1 and 3 Notes is revised to A\$0.6688 per share, representing a premium of 21.6% to the Offer Price. AustralianSuper will convert the Series 1 and 3 Notes into New Shares within five business days of Syrah shareholder approval of resolutions for the Series 1 and 3 Notes Conversion.

Interest will accrue on the principal outstanding, and will be capitalised quarterly in arrears and added to the face value of the Series 1 and 3 Notes up to the conversion date.

With the completion of the Equity Raising and the Series 1 and 3 Notes Conversion, AustralianSuper's shareholding in Syrah is expected to increase to no more than ~31.9% (currently ~17.8%)¹². Terms and conditions of the Series 4, 5 and 6 Notes have not been amended.

The Series 1 and 3 Notes Conversion will simplify Syrah's capital structure and remove a material potential redemption requirement for the Company in October 2024 of up to ~A\$122 million¹³, which would require the Company to obtain significant alternative cash funding for such a redemption.

AustralianSuper, as a long-term and active investor, has been, and continues to be, a significant and supportive investor in Syrah via an ordinary shareholding since 2015 and the Series 4, 5 and 6 Notes.

AustralianSuper Senior Portfolio Manager Australian Equities, Luke Smith said, *"Syrah and its asset base are strategically significant on a global scale within the lithium-ion battery supply chain. As a long-term active investor in critical minerals, AustralianSuper has been directly investing in the sector for almost a decade. AustralianSuper continues to support and provide capital to Syrah, as the transition to electric vehicles continues to grow."*

¹² See footnote 3.

¹³ Based on the forecast Series 1 and 3 Notes principal and accrued interest as at 28 October 2024 (being the maturity date).

Timetable

The Company intends to propose the Series 1 and 3 Notes Conversion resolutions at its 2024 Annual General Meeting to be held in late May 2024. AustralianSuper will be excluded from voting on resolutions associated with the Series 1 and 3 Notes Conversion.

The directors of Syrah intend to recommend to shareholders that they vote in favour of the resolutions relating to the Series 1 and 3 Notes Conversion (in the case of such resolutions relating to conversion this recommendation is subject to their directors' fiduciary duties).

Further details of the Series 1 and 3 Notes Conversion will be included in the Notice of Annual General Meeting expected to be dispatched to Syrah shareholders in late April 2024.

US International DFC Loan and US DOE Loan Update

As part of Syrah's overall funding strategy, Syrah is progressing potential debt financing with DOE for Vidalia and the United States International Development Finance Corporation ("DFC") for Balama.

US International DFC Loan

A US\$150 million conditional loan commitment to the Company's subsidiary, Twigg Exploration and Mining Limitada ("Twigg") was signed by the United States International Development Finance Corporation ("DFC") and Twigg in September 2023¹⁴.

The DFC loan is available in the following tranches, subject to satisfaction of certain conditions precedent:

- US\$100 million in aggregate disbursements to fund working and sustaining capital of Balama operations, current tailings storage facility ("TSF") expansion, and vanadium development capital; and
- US\$50 million in aggregate disbursements to fund a future-dated TSF expansion project later this decade.

Syrah is targeting signing of a binding DFC loan agreement and first disbursement of the DFC loan by the end of the June 2024 quarter, subject to completion of all financing documents and receipt of DFC management approval, Syrah and Twigg Board approvals, and approvals to be issued by all relevant Government of Mozambique entities. The Company expects to seek an initial disbursement, which is currently estimated to be ~US\$60 million, following execution of the loan agreement and satisfaction of all conditions precedent.

The term of the DFC loan is up to 13 years. Interest on the loan is fixed at applicable long-dated US Treasury rates plus a margin.

There is no certainty that DFC loan financing for Balama will be available to Syrah or in Syrah's targeted timeframe. These matters remain subject to ongoing negotiation and/or conditions.

US DOE Loan

Syrah's loan facility of up to US\$102 million (including US\$98 million in loan advances and approximately US\$4 million in maximum capitalised interest) from DOE for Vidalia¹⁵ is fully advanced and invested in eligible capital costs. As at 31 December 2023, US\$28 million in restricted cash was held in Syrah accounts to meet DOE loan reserve requirements.¹⁶

Syrah is working closely with DOE considering delays and cost escalation for the Vidalia 11.25ktpa AAM facility and timing of funding of new loan reserve requirements with commencement of operations at Vidalia.

The first loan interest payment is due on 20 July 2024 (with the maximum capitalised interest amount being reached) and quarterly loan interest and principal payments will commence from 20 October 2024. The weighted average fixed interest rate of loan advances is 3.98% and the maturity date of the loan is 20 April 2032.

¹⁴ Refer ASX release 11 September 2023.

¹⁵ Refer ASX release 28 July 2022.

¹⁶ Additional ~US\$10m in restricted cash as at 31 December 2023 was held in Syrah project and operating accounts – subsequently utilised to fund Vidalia Initial Expansion project costs.

Additional Details

Further details of the Equity Raising are set out in the investor presentation released to the ASX today. The investor presentation contains important information that shareholders and investors should consider, including information about risk factors and the foreign selling restrictions with respect to the Equity Raising.

Syrah's Managing Director and Chief Executive Officer Shaun Verner will host a conference call at 11:30am AEDT on Wednesday, 13 March 2024. The details of the conference call are set out below.

To pre-register for the conference call, please follow the link below. You will be given a unique pin number which is to be quoted when dialling into the call. Participants are advised to register for the conference in advance by using the Diamond Pass link to avoid delays in joining the call directly through the operator.

<https://s1.c-conf.com/diamondpass/10037651-hcnwa8.html>

Alternatively, you may dial in with the following details and provide the Conference ID to an operator.

Conference ID: **10037651**

Participant Dial-in Numbers:

Australia:	1800 809 971
Australia Local:	+61 2 9007 3187
New Zealand:	0800 453 055
China:	4001 200 659
France:	0800 981 498
Germany:	0800 182 7617
Hong Kong:	800 966 806
Japan:	005 3116 1281
Singapore:	800 101 2785
South Africa:	0800 999 976
UK:	0800 051 8245
US/Canada:	1855 881 1339

This release was authorised on behalf of the Syrah Board by

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About Syrah

Syrah (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Forward Looking Statements

This document contains certain forward looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward looking statements. Forward looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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

Important notices

This announcement should be read subject to the important notice and disclaimer in the investor presentation released by the Company to the ASX today (as if references in that important notice and disclaimer to "this presentation" were to "this announcement"). This announcement is not a financial product or investment advice, a recommendation to acquire Shares or financial, accounting, legal or tax advice. The information in this announcement does not contain all the information necessary to fully evaluate an investment. It should be read in conjunction with the other materials lodged with ASX in relation to the Equity Raising (including the investor presentation and the key risks set out therein), and Syrah's other periodic and continuous disclosure announcements. This announcement has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the information in this announcement and in the investor presentation in relation to the Equity Raising having regard to their own objectives, financial and tax situation and needs, and should seek legal, tax and other professional advice. Syrah is not licensed to provide financial product advice in respect of an investment in shares.

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