ANNUAL REPORT 2015

SYRAH RESOURCES

CORPORATE DIRECTORY

Directors
James Askew *Non-Executive Chairman*
Tolga Kumova *Managing Director*
Sam Riggall *Non-Executive Director*
Rhett Brans *Non-Executive Director*
José Manuel Caldeira *Non-Executive Director*

Company secretary
Melanie Leydin

Registered and corporate office
Level 9, 356 Collins Street
Melbourne VIC 3000
Telephone: +61 3 9670 7264
Email: enquiries@syrahresources.com.au
Website: www.syrahresources.com.au

Mozambique office
Pemba, Av. 1º Maio, Rua XII,
Cabo Delgado, Moçambique
Telephone: +285 2722 0713
Email: twigg.admin@syrahresources.com.au

Share registry
Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Telephone: +61 8 9315 2333
Email: registrar@securitytransfer.com.au
Website: www.securitytransfer.com.au

Auditors
Grant Thornton Audit Pty Ltd
The Rialto
Level 30, 525 Collins Street
Melbourne VIC 3000

Solicitors
Gilbert + Tobin
Level 22, 101 Collins Street
Melbourne VIC 3000

Stock exchange listing
Australian Securities Exchange
(ASX Code: SYR)
American Depository Receipts
(Ticker Symbol: SRHYY)

CONTENTS

COMPANY PROFILE

Syrah Resources (ASX Code: SYR) is an Australian resource company committed to the development of the world class Balama Graphite Project in Mozambique.

OVERVIEW

Syrah Resources Limited made significant progress during the year in relation to bringing its world class Balama Project in Mozambique into development. By delivering a feasibility study in May 2015 and successfully completing a fully underwritten capital raising in August 2015 the Company is now committed to developing this world class project.

BALAMA LOCATION MAP

OUR VISION

Syrah's vision is to be the leading supplier of superior quality graphite products, working closely with our customers and supply chain to innovate and bring enhanced value to industrial and emerging technology markets globally.

OUR VALUES

Syrah is committed to:

> WORKING SAFELY at all times

> PARTNERING WITH STAKEHOLDERS for community and environmental sustainability

> INTEGRITY and FAIRNESS in all our business dealings

> Being ACCOUNTABLE for our decisions and actions

> SETTING GOALS and supporting people to achieve them

We will work as a team and act like owners.

HIGHLIGHTS IN 2015

Syrah has completed a Feasibility Study, declared the world's largest graphite reserves, secured key regulatory approvals and raised A$211m in August 2015. We are now strongly positioned to become the world's largest graphite producer in 2017.

FINALISED

FEASIBILITY STUDY:
PRODUCTION SCHEDULED
356K TPA
over the first 10 years

DECLARED

COMPLIANT
PROVEN AND PROBABLE
ORE RESERVE
81.4Mt
at 16.2% TGC

SECURED

KEY GOVERNMENT APPROVALS

Finalised a Feasibility Study for the Balama Project:

> Production scheduled at 356,000 tonnes per annum (tpa) over the first 10 years

> Simple open-pit operation with low strip ratio

> Attractive economic returns and payback of less than two years

Declared of a Joint Ore Reserves Committee (JORC) Code (2012) Compliant Proven and Probable Ore Reserve of 81.4 Mt at an average grade of 16.2% total graphitic carbon (TGC).

Secured key government approvals:

> Water License

> Environmental License

> Land Access (DUAT) License

Progressed offtake agreements:

> Signed a three year Offtake Agreement with China Aluminium International Engineering Corporation (Chalieco) for 80,000 tpa

> Entered into a Memorandum of Understanding (MOU) with Marubeni Corporation (Marubeni)

Appointed new Directors and Executives with extensive experience in the mining sector

Completed pre-construction works at the Balama site

Progressed spherical graphite studies:

> Successful pilot plant production of battery grade uncoated spherical graphite

> Successful coating of spherical graphite by an anode producer

> Completed an Internal Economic Assessment on a proposed Spherical Graphite Facility in the United States

Successfully completed a fully underwritten A$211 million capital raising post 30 June 2015.

SIGNED

THREE YEAR OFFTAKE AGREEMENT

80K TPA

APPOINTED

NEW DIRECTORS AND EXECUTIVES WITH EXTENSIVE EXPERIENCE

in the mining sector

COMPLETED

ECONOMIC ASSESSMENT ON PROPOSED SPHERICAL GRAPHITE FACILITY

COMPLETED

FULLY UNDERWRITTEN

A$211m

CAPITAL RAISING

post 30 June 2015

CHAIRMAN'S LETTER

Syrah has made material progress all aspects of the mining project and product offtake. Just after the FY2015 close, Syrah completed an equity financing which sees us funded through to late 2016, when commissioning of the Balama graphite plant in Mozambique commences.

Dear Shareholders,

Syrah Resources is a new Board experience for myself and Sam Riggall, having both joined in early October 2014. The Company was at that time progressing with a Feasibility Study on the Balama Graphite Project, with both the incumbent Chairman and Managing Director having served their notice of retiring from the Company and Tolga Kumova, a Company Executive, having accepted the role as the new Managing Director.

Over the intervening nine months Syrah has made material progress in all aspects of the mining project and product offtake. Just after the FY2015 close, Syrah completed an equity financing which sees us funded through to late 2016, when commissioning of the Balama graphite plant in Mozambique commences. The headline achievements are amply covered in Syrah filings.

However, it is the myriad of other things which will deliver a commercial operation that go unheralded. To prepare for a major construction cycle:

- both management and system controls needed establishment,
- fiscal terms in Mozambique needed clarification,
- community interaction needed amplification,
- product samples to prospective clients are in ever-increasing demand, and
- the core of a product technical services and marketing teams needed bedding in.

All of these are in various stages of completion and include the establishment of a Perth office to service the Balama operations and logistics of product delivery. Syrah head office will continue to be based in Melbourne, but will be of modest size.

We thus start FY2016 with a clean balance sheet, a Mozambique project in early stages of construction, a rapidly growing management team and staff. Interest in our proposed graphite products continues to grow and the completion of project financing has created a clear roadmap to product delivery. In 2017, the year when production ramps up, Balama is predicted to produce some 270,000 tonnes of +95% graphite for world markets. This is likely to have a disruptive impact on existing supply chains and we thus are focused on building scalability into our own plant design and logistics, plus a conservative allowance for working capital through this period. This aspect was one of the key considerations of your Board when deciding to opt for equity financing the Balama Graphite Project.

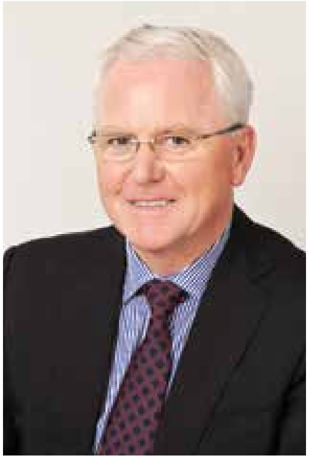
In closing, on behalf of the Board, I thank the outgoing Directors, Tom Eadie and Paul Kehoe, for their service through to October 2014 and we look forward to a landmark, productive year in your service.

Sincerely,

James Askew

Chairman

28 September 2015



James Askew (Chairman)

MANAGING DIRECTOR'S REPORT

FY2015 was a watershed year for Syrah. Several major milestones were accomplished that will position the Company to become the world's largest graphite producer in 2017.

Dear Shareholders,

FY2015 was a watershed year for Syrah. Several major milestones were accomplished during the year that will position the Company to become the world's largest graphite producer in 2017. In the financial year just concluded, the primary focus was to complete the Feasibility Study as well as secure key regulatory approvals and financing for the Balama Project.

BALAMA PROJECT

I am pleased to note that the following have now been accomplished:

> Finalisation of the Feasibility Study for the Balama Graphite Project which highlighted the low technical risk and attractive economic returns of the project

> Declaration of a JORC Code (2012) Compliant Proved and Probable Reserve of 81.4 Mt at an average grade of 16.2% TGC for 13.2 Mt of contained flake graphite, sufficient for current design production of over 40 years

> Key regulatory approvals have now been granted including the Mining Concession, Water License, Environmental License and the Land Access (DUAT) License

> Subsequent to year-end, we successfully completed a A$211 million fully underwritten capital raising to institutional and existing shareholders, which will cover the Balama Graphite Project development costs through to late 2016.

We have now commenced detailed engineering design and early site construction activities are on schedule and on budget. Our community relations programme is fully underway at Balama and site infrastructure and management capacity is being developed to accommodate full construction and training activities.

MARKETING STRATEGY

The global graphite market is characterised by many diverse end users who predominately purchase graphite for "traditional" purposes (refractories, foundries, crucibles, lubricants, recarburisers and other industrial applications). These end users are generally supplied by either major graphite producers (predominately from China) or key regional commodity traders.

Syrah's strategy is to partner with major end users or key regional commodity traders to leverage off their existing relationships and distribution channels. During FY2015, Syrah has entered into various agreements and progressed commercial discussions with the following parties:

> A three year Offtake Agreement Chalieco for 80,000 tonnes of graphite per annum. Syrah believes Chalieco's graphite market knowledge and distribution channels in China will be a strategic asset to the Company

> An MOU with Marubeni, a major Japanese integrated trading and investment conglomerate with extensive networks in Japan and Korea

> Advance discussions with various graphite traders and customers around the world in relation to potential offtakes.

Tolga Kumova (Managing Director)

OTHER OPPORTUNITIES

In addition to "traditional" uses of graphite, Syrah also believes that a major opportunity exists in supplying spherical graphite (a high value, processed graphite product) which is used to manufacture anodes for lithium ion batteries. As a result of increasing demand from electric vehicle and grid storage applications, the lithium ion battery market is expected to see significant growth over the medium term.

Strong progress has been made in relation to the Company's spherical graphite development including:

> Successful production of uncoated battery grade spherical graphite by Syrah's pilot plant, which was subsequently coated by an anode producer

> Positive feedback from potential customers regarding battery performance of Balama spherical graphite

> Completion of an Internal Economic Assessment on a proposed Coated Spherical Graphite Facility in the United States.

Syrah is working aggressively through due diligence processes to establish agreements for the supply of spherical graphite with major current and prospective battery producers.

KEY APPOINTMENTS

Finally, the Board and executive management team has been strengthened with the appointment of James Askew (Non-Executive Chairman), Sam Riggall (Non-Executive Director), José Caldeira (Non-Executive Director), Darrin Strange (Chief Operating Officer) and David Corr (Chief Financial Officer). The addition of these highly experienced individuals will assist Syrah in successfully transitioning from explorer, through project development, to become the world's largest producer of superior quality graphite products.

I join the Chairman in thanking our future customers, employees, the Mozambican government, shareholders and other key stakeholders for their support.

Tolga Kumova

Managing Director

28 September 2015

REVIEW OF OPERATIONS

BALAMA PROJECT

Location

The Balama Project is hosted on a 106 km^2 Mining Concession located within the Cabo Delgado province in the district of Namuno in northern Mozambique.

Feasibility Study

During May 2015, the Feasibility Study for the Balama Project was finalised. The author and key contributor of the Feasibility Study was Snowden Mining Industry Consultants (Snowden), with input from technical specialists including Chalieco, Changsha Engineering and Research Institute Ltd of Nonferrous Metallurgy, Coastal & Environmental Services, Knight Piesold, SRK Consulting, Intech Engineers and Digby Wells.

The Balama Project is a simple, open-pit mining operation with a low strip ratio. Operations will commence as free-dig mining within the high grade pits of Balama West, using conventional truck and shovel mining.

The Feasibility Study highlighted the low technical risk and attractive economic returns of the Balama Project. The key results of the Feasibility Study for the Project are summarised in the following tables:

Table 1 – Key operational metrics of the Feasibility Study

OPERATIONAL METRICS	
Operational period	42 years
Plant feed rate	2,000,000 tpa
Average strip ratio (life of mine)	0.04 ratio[1]
Average head grade (life of mine)	16.2%[2]
Average recovery (life of mine)	92.5%
Average production (life of mine) – 95% TGC	313,000 tpa

(1) Inclusive of economic low grade ore ranging from >2% to <9% which will be stockpiled for processing in the future.

(2) Whilst this is average for the life of mine, head grade will be approximately 19% TGC during the first 10 years of production.

Table 2 – Key financial metrics of the Feasibility Study

FINANCIAL METRICS	
Total initial capital expenditure (including a 10% contingency)	US$138 million [1]
Assumed weighted average basket price (life of mine)	US$1,000/t [2] (FOB) [3]
Average operating cash costs over life of mine [4]	US$286/t product (FOB) [2]
Post-tax NPV (10% discount rate)	US$1,125 million
Internal rate of return	70.7%
Payback period (from commencement of production)	< 2 years

(1) A Front End Engineering Design (FEED) study in July 2015 by CPC Engineering Pty Ltd (CPC Engineering) subsequently provided an updated initial capital expenditure estimate of US$144 million (including a 10% contingency)

(2) FOB from the Port of Nacala

(3) The assumed weighted average basket price (life of mine) of US$1,000/t used in the Feasibility Study is based on the three year historical weighted average basket market price of natural graphite from 2012 to 2014 as sourced from Industrial Minerals and Benchmark Minerals

(4) Excluding royalties and taxes

Following the completion of the Feasibility Study, Syrah appointed CPC Engineering to complete Front End Engineering Design (FEED) basis of estimate on the processing plant. The objective of this work was to further optimise and de-risk parts of the development plan, as well as bringing greater certainty to the timing of procurement for key capital equipment.

Initial capital costs for the Balama Graphite Project based on FEED estimates were within 5% of the Feasibility Study estimates, and processing plant operating costs were consistent with the Feasibility Study estimates.

An updated initial capital cost estimate for the Balama Graphite Project based on the FEED estimate from CPC Engineering is US$144 million (including a 10% contingency) as set out in the following table:

Table 3 – Updated initial capital expenditure estimate by CPC Engineering

INITIAL CAPITAL EXPENDITURE ESTIMATE	US$ M
Process plant	63
Site infrastructure	37
Owner's costs	20
Other [1]	11
Subtotal	**131**
Contingency – 10%	13
Total	**144**

(1) Includes Mining, Site Support Temporary Services and Indirect Costs.

Processing plant

The processing plant was designed by Chalieco and Changsha Engineering and Research Institute Ltd of Nonferrous Metallurgy with a mining feed rate of 2 million tonnes per annum using conventional processes including crushing and screening, grinding, flotation, filtration and drying, classification and screening and bagging.

Figure 1 – Balama Project

Figure 2 – Cleared Site for the Balama Processing Plant

Metallurgy

The process recovery based on pilot plant results is set at 92.5%, with an average final concentrate grade of 95% TGC. Based on a mining feed rate of 2 million tonnes per annum, at an average head grade of approximately 19% TGC over the first 10 years of operations, approximately 356,000 tonnes of graphite concentrate will be produced per annum.

The final graphite concentrate product will be classified into five particle size classes based on extensive consultation with global graphite end users. These nominal size fractions and scalable production are set out in the following table.

Table 4 –Balama Project flake graphite products

PRODUCT	UPPER SIZE (US MESH)	LOWER SIZE (US MESH)	UPPER SIZE (MICRONS)	LOWER SIZE (MICRONS)	AVERAGE SIZE DISTRIBUTION
Product 1	-	50	-	>300	8.5%
Product 2	-50	80	<300	>180	12.0%
Product 3	-80	100	<180	>150	11.5%
Product 4	-100	140	<150	>105	22.5%
Product 5	-140	-	<105	-	45.5%

The process plant has been designed with sufficient flexibility to ensure market demand for different particle sizes can be met as markets with different product specifications require.

Figure 3 – High Grade Balama Ore

Regulatory approvals

Syrah has now received the following key government approvals for the Balama Project.

Table 5 – Overview of key regulatory approvals received

APPROVAL	GRANT DATE	TERM
Mining Concession	6 December 2013	25 years (renewable)
Water License	22 November 2014	5 years (renewable)
Environmental License	23 April 2015	5 years (renewable)
Land Access (DUAT) License	22 June 2015	23 years (renewable)

Infrastructure

The Balama Project is connected by a bitumen road to the Port of Nacala, some 490 km south east of the project. Nacala is a major port in Mozambique and the deepest port in southern Africa. There are twin berths for containers with a total length of 395m as well as four berths for bulk traffic with a total length of 600m.

Balama graphite will be packed into one tonne bags, hauled by road to Nacala and then packed into 20 foot containers for export. The Nacala port will be ample for the volumes proposed by the Balama Project. The port is serviced by major international container carriers.

Water for the Balama Project will be supplied from the Chipembe Dam which has a capacity of approximately 25 million m^3 and is located 12 km from the Balama Project site. Our Water License allows two million m^3 of water to be drawn from the Chipembe Dam annually which is sufficient for our demands.

Installation of power lines and transformers for the Balama camp has been completed. Power supply from the main grid remains intermittent. Accordingly, the Feasibility Study for the Balama Graphite Project assumes diesel power will be used for the first five years of operations, followed by connection to the grid thereafter.

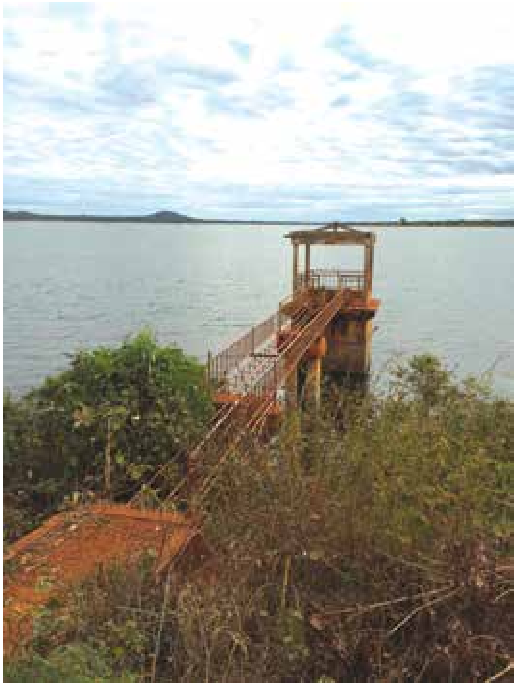


Figure 4 – Chipembe Dam

Figure 5 – Installed power lines and transformers

Figure 6 – Bitumen road to the Balama Project

Mineral Resources and Ore Reserves

Balama comprises a series of hills consisting of graphitic schist which rise up to 250m from the surrounding plains. The outcropping strike extent of the graphite is in excess of 7km.

To date, over 18,000m of resource diamond core drilling has been completed on the Balama Project. As part of the Feasibility Study, a Mineral Resource estimate using a 3% TGC cut-off (constrained within a pit shell) has been determined by Snowden as shown in the following table and was completed in accordance with the guidelines of the JORC Code (2012 edition).

Table 6 – Mineral Resource estimate at 3% TGC cut-off grade (constrained within a pit shell)

CLASSIFICATION	TONNES (MT)	DENSITY (T/M^3)	TGC (%)	CONTAINED GRAPHITE (MT)
Balama West				
Measured	75.0	2.5	11.0	8.4
Indicated	110.0	2.6	8.1	9.1
Inferred	460.0	2.7	11.0	51.0
Balama East				
Indicated	76.0	2.6	14.0	11.0
Inferred	470.0	2.7	10.0	49.0
TOTAL				
Measured	75.0	2.5	11.0	8.4
Indicated	186.0	2.6	11.0	20.1
Inferred	930.0	2.7	11.0	100.0

The Proved and Probable Ore Reserve estimated by Snowden as part of the Feasibility Study is based on, and inclusive of, the above Measured and Indicated Mineral Resources.

Accordingly, the Balama Project contains a combined Proved and Probable Reserve of 81.4 Mt at an average grade of 16.2% TGC (using a 9% TGC cut-off grade). This reserve constitutes 13.2 Mt of contained graphite, making the Balama Project the world's largest Reserve of graphite. Snowden notes that the deposit is open along strike at both Balama East and Balama West, as well as at depth.

Table 7 – Ore Reserve estimate at 9% TGC cut-off grade

CLASSIFICATION	ORE (MT)	TGC (%)	CONTAINED GRAPHITE (MT)
Balama West			
Proved	20.0	19.2	3.8
Probable	2.6	17.5	0.4
SUB TOTAL	**22.6**	**19.0**	**4.2**
Balama East			
Probable	58.8	15.1	8.9
SUB TOTAL	**58.8**	**15.1**	**8.9**
TOTAL			
Proved	20.0	19.2	3.8
Probable	61.4	15.2	9.3
	81.4	**16.2**	**13.1**

Based on the projected average annual production over the life of mine as outlined in the Feasibility Study, there are sufficient Ore Reserves for over 40 years of production (after project ramp up).

A detailed statement of the Mineral Resources and Ore Reserves for the Balama Project can be found in an ASX announcement by the Company dated 29 May 2015.

Competent Person's Statement

The information in this annual report that relates to Mineral Resources and Ore Reserves is extracted from the report titled "Syrah finalises Balama Graphite study and declares maiden ore reserve" released to the ASX on 29 May 2015 and available to view at www.syrahresources.com.au and for which Competent Person's consents were obtained. The Competent Person's consent remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcement released on 29 May 2015, and in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates ion the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

Full details are contained in the ASX release dated 29 May 2015 "Syrah finalises Balama Graphite study and declares maiden ore reserve" available at www.syrahresources.com.au.

OFFTAKE AGREEMENTS

Chalieco - Offtake Agreement

During February 2015, Syrah concluded a three year, 80,000 (+/-10%) tpa, Offtake Agreement with Chalieco, whereby Chalieco will have the exclusive right to distribute Balama flake graphite in the People's Republic of China and Hong Kong, excluding Macau and Taiwan (Territory).

In addition, Chalieco (including its associates, related parties, etc.) have agreed not to distribute graphite outside of the Territory and will source product exclusively from Syrah. Prices will be negotiated quarterly between Syrah and Chalieco based on market prices which have prevailed in the Territory during the preceding three months.

Marubeni Corporation - Memorandum of Understanding

During November 2014, Syrah signed a MOU with Marubeni, whereby Marubeni will pre-market graphite samples from the Balama for industrial and battery applications in Japan and Korea. Subject to demand from potential customers, both parties will then negotiate a Definitive Marketing Agreement and potential offtake financing.

Marubeni has close relationships with all major battery producers in Japan and Korea, and will market Syrah's uncoated spherical graphite to these end users. These two countries are currently the world's largest producers of lithium ion batteries.

Asmet – Memorandum of Understanding

In April 2014, Syrah signed a MOU for an offtake agreement with Asmet, a global supplier of metallurgical consumables and specialist products to the iron, steel and aluminium industries. Asmet was established over 25 years ago and has more than 500 customers in over 30 countries. Asmet sells a range of carbon products, including foundry coke, petroleum coke and graphite.

Under the MOU, Asmet will potentially buy 100,000 to 150,000 tonnes of graphite per annum subject to bulk sample testing of Balama graphite products. Upon successful completion of this test work, Syrah and Asmet will negotiate in good faith a formal offtake agreement.

Pre-Construction Works

During the year, pre-construction works at the Balama Project have also been completed to facilitate the commencement of mine construction:

- Farmland relocation plan and land clearing of the processing plant site
- Increase in the existing camp capacity from 25 to 70 people
- Installation of power lines and transformers for the construction camp
- Construction of a light vehicle workshop and fuel station
- Mobile equipment for early earth works purchased and delivered to site.

Immediate Development Activities

Development activities planned for the Balama Project to facilitate the expected commissioning of production during late 2016 include:

- Detailed engineering design
- Procuring of long lead items of capital equipment
- Progressing farmland relocation plans
- Earthworks and civil works
- Establishing long term service contracts
- Further recruitment of key construction and operational personnel.

Figure 7 – Mobile Equipment

Figure 8 – Expanded Balama Camp

Figure 9 – Local village at Balama

Figure 10 – Local employees at the Balama Camp

Environmental Regulation and Performance

Syrah current holds exploration tenements in Mozambique, Australia, Zambia and Botswana, and is required to comply with the terms and directions of these tenements. The Company has not been notified of any breaches by government agencies and is not aware of any breaches in tenement conditions during the year.

Syrah has been granted an Environmental Licence (5 year period and renewable) for the construction of the Balama Project, and is required to comply with the Mozambican Environmental Law No 20/97 and the Environmental Impact Study that was approved by the government. The Company has employed an Environmental Manager to ensure all required programs and measures are implemented appropriately and that the Company complies with all regulatory requirements under the law.

Figure 11 – Local village meeting

Community and Social Development

Syrah understands that building strong relationships with our local Mozambican stakeholders is key to the success of the Balama Project. As a result, the Company has actively engaged with local communities to identify projects that can provide long-term social, health and economic benefits that will last beyond the life of the mine.

During FY2015, Syrah was awarded the 2014 Best Social Corporate Responsibility for its community development activities by the Provincial Government of Cabo Delgado. Initiatives that have been carried out to date include:

- Fencing of the Balama District Hospital and Doctors residential area
- Opening of water boreholes in several villages
- Establishment of solar panels in schools in several villages
- Establishment of a solar panel water pump at a maternity hospital
- Provision of employment opportunities for local people
- Assisted a Women's Farming Association.

Future initiatives include:

- Opening more water boreholes
- Establishing more solar panels to power water pumps
- Establishing English language classes for the local community
- Construction of a local community soccer pitch.

Figure 12 – Community water facility installed at a local village

SPHERICAL GRAPHITE PROJECT

Further downstream processing of graphite concentrate presents a major potential opportunity to accrue additional value for shareholders. Spherical graphite is a high value, processed graphite product which is used to manufacture anodes for lithium ion batteries. As a result of increasing demand from electric vehicle and grid storage applications, the lithium ion battery market is expected to see significant growth over the medium term.

Development test work

Syrah has made significant progress in its spherical graphite development during FY2015.

During November 2014, Syrah's spherical graphite plant successfully produced battery grade uncoated spherical graphite using -100 US mesh graphite. This was followed by the successful coating of Balama spherical graphite by an anode producer in January 2015. This anode producer then manufactured Balama natural graphite anodes and a lithium ion battery using this coated Balama spherical graphite. Initial test results showed a first discharge capacity of 369.96 milliamphere-hour per gram (mAh/g) and a first discharge efficiency of 94.5%. These initial results exceed the performance of typical Chinese natural graphite anodes and a leading synthetic graphite anode as set out in the following table.

Table 8 – First discharge capacity and efficiency results of Balama graphite anode versus typical Chinese graphite anodes and a leading synthetic graphite anode

	BALAMA NATURAL GRAPHITE ANODE	TYPICAL CHINESE NATURAL GRAPHITE ANODES	LEADING SYNTHETIC ANODE
First discharge capacity	369.95 mAh/g	≥ 360 mAh/g	360 to 362 mAh/g
First discharge efficiency	94.5%	≥ 89%	94.3% to 95.0%

Figure 13 – Purified, coated Balama spherical graphite (lithium ion battery grade)

Internal Economic Assessment – Spherical Graphite Facility

As a result of these successful spherical graphite trials, Syrah completed an Internal Economic Assessment (IEA) in June 2015 on a proposed Spherical Graphite Facility in the United States. This IEA was prepared with the assistance of Chalieco and a leading producer of coated spherical graphite.

The Spherical Graphite IEA incorporates a 25,000 tpa Coated Spherical Graphite Facility, requiring 50,000 tpa of -100 US mesh graphite as feed. The capacity of such a facility would make it larger than any currently in existence. In addition, some 25,000 tpa of 95% TGC recarburiser by-product (residual from the plant feed) will also be produced as part of the spheroidisation process.

The key indicative results of the IEA are set out in the following table:

Table 9– Key indicative operational metrics of the Spherical Graphite IEA

INDICATIVE OPERATIONAL METRICS	
Raw material (-100 US mesh graphite)	
23 micron spherical graphite	25,000 tpa
16 & 10 micron spherical graphite	25,000 tpa
Recovery	
23 micron spherical graphite (99.95% C)	50.0%
16 micron spherical graphite (99.95% C)	37.5%
10 micron spherical graphite (99.95% C)	12.5%
Coated spherical graphite product	
23 micron spherical graphite (99.95% C)	12,500 tpa
16 micron spherical graphite (99.95% C)	9,375 tpa
10 micron spherical graphite (99.95% C)	3,125 tpa
95% TGC recarburiser by-product	25,000 tpa

Table 10 – Key indicative financial metrics of the Spherical Graphite IEA

INDICATIVE FINANCIAL METRICS	
Initial capital expenditure (including 10% contingency)	
23, 16 & 10 micron coated spherical graphite	US$73 million
95% TGC recarburiser by-product	US$7 million
Total	US$80 million
Operating cash costs	
23, 16 & 10 micron coated spherical graphite	US$3,200/t product (FOB)
By-product recarburiser credits – 95% TGC recarburiser (1)	US$(465)/t product (FOB)
Total	US$2,735/t product (FOB)

(1) A selling price of US$1,000/t FOB has been assumed for 95% TGC recarburiser based on comparable selling prices of high quality recarburisers from a leading Brazilian producer.

Syrah plans to commence detailed work on the technical aspects of the Spherical Graphite Facility as well as due diligence on the necessary regulatory approvals in the United States.

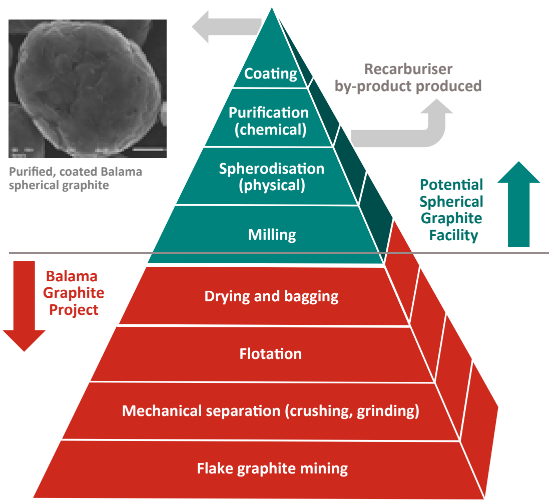


Figure 14 – Coated spherical graphite processes

BALAMA VANADIUM PROJECT

The Balama Project also hosts a significant vanadium resource of 1.15 Bt at an average grade of 0.24% V_2O_5 for 2.7 Mt of contained V_2O_5. This positions Syrah as a potential supplier of V_2O_5 to global markets.

Scoping study – Balama Vanadium Project

In 2014, Syrah engaged Chalieco to complete a Scoping Study on the Balama Vanadium Project. Metallurgical test work has successfully produced both a 98.5% V_2O_5 and 99.9% V_2O_5 powder. The key indicative results of the Vanadium Scoping Study are set out in the following table:

Table 11 – Key indicative outcomes of the Vanadium Scoping Study

KEY INDICATIVE OUTCOMES	
Mine life	20 years
Recovery	
Min. 98% V_2O_5	58.5%
99.95% V_2O_5	19.5%
Product	
Min. 98% V_2O_5	3,804 tpa
99.95% V_2O_5	1,245 tpa
Initial capital expenditure (including 10% contingency)	US$80 million
Total operating costs	US$8,250/t product (FOB)

Pilot plant work is currently ongoing in preparation for future feasibility studies which is scheduled to commence after successful commissioning of the Balama Project.

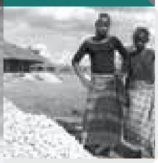
Vanadium Mineral Resources estimate

A Mineral Resource estimate using a 5% TGC cut-off has been estimated by The MSA Group Pty Ltd as shown in the following table and was completed in accordance with the guidelines of JORC Code (2004 edition).

Table 12 – Mineral Resource estimate at 5% TGC cut-off grade

CLASSIFICATION	TONNES (MT)	V_2O_5 (%)	CONTAINED V_2O_5 (MT)
Balama West			
Inferred	568	0.21	1.17
Balama East			
Inferred	579	0.26	1.49
TOTAL			
Inferred	1,150	0.24	2.70
	1,150	0.24	2.70

A detailed statement of the Vanadium Mineral Resources for the Balama Project can be found in ASX announcements dated 23 January 2013 and 27 May 2013.



Competent Person's Statement

The information in this annual report as it relates to geological, geochemical and geophysical exploration results was compiled by Mr Grant McLatchie MAIG, who is a Competent Person pursuant to the requirements of ASX Listing Rules and the JORC Code (2012) and a Member of the Australian Institute of Geoscientists. Mr McLatchie has more than 20 years of experience in the activities being reported on and has sufficient expertise which is relevant to the style of mineralisation and type of deposit under consideration. He consents to the inclusion of this information and context in which it appears in this presentation.

The information in this annual report as it relates to mineral processing and metallurgical testing was compiled by Mr Michael T.N. Chan, MAusIMM, who is a Competent Person and General Manager of Project Development at Syrah Resources Ltd and a Member of the Australian Institute of Mining and Metallurgy. Mr Chan has more than 20 years of experience in the activities being reported on and has sufficient expertise which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Chan consents to the inclusion of this information in the form and context in which it appears in this presentation.

(Include in small font – less prominent as this is a compliance statement)

DEMERGER OF TANZANIAN ASSETS

On 15 October 2014, Jacana Minerals Limited, which held Syrah's exploration assets in Tanzania, was demerged. This includes the mineral sand assets (North Tanga, South Tanga, Bagamoyo and Fungoni), the Mbinga nickel project, the Chiliogali (formerly Nachingwea) graphite prospect and the coal prospect at Shikula.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

These financial statements are consolidated financial statements of the consolidated entity consisting of Syrah Resources Limited and its subsidiaries. A list of major subsidiaries is included in Note 28.

The financial statements are presented in Australian currency.

Syrah Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 9, 356 Collins Street
Melbourne VIC 3000

All press releases, financial reports and other information are available on our website: *www.syrahresources.com.au*

DIRECTORS' REPORT

The Directors present their report on Syrah Resources Limited ("Syrah", "the Group" or "the Company"), consisting of Syrah and the entities it controlled at the end of, or during, the year ended 30 June 2015.

During the current year the Board of Directors resolved to change the financial year end of the Company's financial year end from 30 June to 31 December effective from 1 July 2015. This change has been made to align the Company's financial year end with its wholly owned subsidiary, Twigg Exploration and Mining Limitada, which holds the Balama Graphite and Vanadium Project in Mozambique. This change means that the Company will have a six month transitional financial year beginning on 1 July 2015 and ending on 31 December 2015 and thereafter reverting to a twelve month financial year, commencing on 1 January and ending on 31 December.

DIRECTORS

The following persons were directors of Syrah Resources Limited during the financial year and up to the date of this report, unless otherwise stated:

James Askew	Non-Executive Chairman (1)
Tolga Kumova	Managing Director (2)
Sam Riggall	Non-Executive Director (3)
Rhett Brans	Non-Executive Director
Jose Caldeira	Non-Executive Director (4)
Tom Eadie	Non-Executive Chairman (5)
Paul Kehoe	Managing Director (6)

(1) J Askew was appointed Non-Executive Chairman of the Company from 2 October 2014

(2) T Kumova was appointed Managing Director of the Company from 2 October 2014 and was previously an Executive Director of the Company.

(3) S Riggall was appointed Non-Executive Director of the Company from 2 October 2014

(4) J Caldeira was appointed Non-Executive Director of the Company from 22 July 2014

(5) T Eadie resigned as a Non-Executive Chairman of the Company on 2 October 2014

(6) P Kehoe resigned as Managing Director of the Company on 2 October 2014

INFORMATION ON DIRECTORS

The information on Directors in office as at the date of this report is as follows:

James Askew, *Non-Executive Chairman*

Experience and expertise

Mr Askew is a mining engineer with over 40 years broad international experience as a Director and Chief Executive Officer for a wide range of Australian and international publicly listed mining, mining finance and other mining related companies. He has had a continuous involvement with the African mining industry since 1985.

Other current directorships

Chairman of OceanaGold Limited

Chairman of Asia Minerals Resources Limited

Non-Executive Director of Evolution Mining Limited

Non-Executive Director of Nevada Copper Corporation

Former directorships in last 3 years

Non-Executive Director of Inova Resources Limited (formerly Ivanhoe Australia Limited)

Non-Executive Director of Golden Star Resources Limited

Non-Executive Chairman of PMI Gold Limited

Special responsibilities

Member of the Audit, Risk and Compliance Committee

Member of the Remuneration and Nomination Committee

Interest in shares and options

Ordinary Shares – SYR	–
Options over Ordinary Shares – SYR	–
Length of service	11 months

Tolga Kumova, *Managing Director*

Experience and expertise

Mr Kumova is one of the founding shareholders of Jacana Resources Pty Ltd, which held the Balama Graphite and other projects subsequently vended into Syrah in late 2011. He has 15 years of experience in financial markets, corporate advisory and stockbroking.

Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	Managing Director
Interest in shares, rights and options	
Ordinary Shares – SYR	14,522,215
Options over Ordinary Shares – SYR	2,000,000
Length of service	2 years and 4 months

Sam Riggall, *Non-Executive Director*

Experience and expertise

Mr Riggall was previously Executive Vice-President of Business Development and Strategic Planning at Ivanhoe Mines Limited. Prior to that he worked in a variety of roles in Rio Tinto Limited for over a decade covering industrial minerals, project generation and evaluation, business development and capital market transactions.

Other current directorships

Chairman and Chief Executive Officer of CleanTeQ Holdings Limited

Former directorships in last 3 years	None

Special responsibilities

Chairman of the Audit, Risk and Compliance Committee

Member of the Remuneration and Nomination Committee

Interest in shares, rights and options	
Ordinary shares – SYR	–
Options over ordinary shares – SYR	–
Length of service	11 months

Rhett Brans, *Non-Executive Director*

Experience and expertise

Mr Brans has over 40 years of experience in the design and construction of mineral treatment facilities. His experience extends across the full spectrum of development activities, ranging from mining feasibility studies through to commissioning operations. He has also managed the development of several gold and base metal projects.

Other current directorships

Non-Executive Director of Carnavale Resources Limited

Non-Executive Director of RMG Limited

Former directorships in last 3 years

Executive Director of Persus Mining Limited

Non-Executive Director of Tiger Resources Limited

Special responsibilities

Chairman of the Remuneration and Nomination Committee

Member of the Audit, Risk and Compliance Committee

Interest in shares, rights and options	
Ordinary shares – SYR	–
Options over ordinary shares – SYR	650,000
Length of service	2 years and 3 months

José Caldeira, *Non-Executive Director*

Experience and expertise

Mr Caldeira is a highly experienced legal and regulatory professional with over 20 years' experience in the legal industry. He is one of the pre-eminent lawyers in Mozambique. He is currently a senior partner at Sal & Caldeira Advogados, Lda in Mozambique, one of the leading law firms in Mozambique.

Other current directorships	None
Former directorships in last 3 years	None
Special responsibilities	None
Interest in shares, rights and options	
Ordinary shares – SYR	–
Options over Ordinary Shares – SYR	400,000
Length of service	1 year and 1 month

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships in the last 3 years' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

COMPANY SECRETARY

Melanie Leydin has over 25 years' experience in the accounting profession and is a Director and Company Secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Securities Exchange. She is a Chartered Accountant and a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer specialising in outsourced company secretarial and financial duties for resources and biotechnology sectors.

PRINCIPAL ACTIVITIES

The principal continuing activities of the consolidated group consisted of:

> the commencement of construction and development of the Balama Graphite Project in Mozambique;

> continued assessment of the use of high quality graphite from the Balama Graphite Project as an input into the production of spherical graphite and recarburiser products; and

> ongoing exploration and evaluation studies, including further technical investigations into the potential to extract and produce vanadium from the Balama Graphite Project ore body.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

Information on the operations of the group are set out on pages 8 to 20 of this annual report

Group performance

Statement of profit or loss and other comprehensive income

The loss for the consolidated entity after providing for income tax amounted to $11.6 million during the year ended 30 June 2015 (2014 loss: $6.8 million). The loss for the year comprised mainly of corporate office, compliance costs and employee benefits expense.

The increased loss for the year can be attributed to an increase in general business activities associated with preparing the business transition from explorer to project developer. It also included a $4.7 million increase in non-cash share-based payment expenditures to $5.7 million (2014: $1.0 million) associated with issuance of options to directors, executives and selected senior employees during the year.

Exploration and evaluation costs totalling $0.2 million in relation to tenements in Zambia were written off during the year (2014: $0.9 million write-off associated with exploration tenements in Australia).

The successful demerger of the group's Tanzanian assets to Jacana Minerals Limited resulted in a non-cash gain of $0.4 million principally as a result of releasing accumulated foreign exchange gains of $0.8 million to the profit or loss. The Company's retained shareholding in Jacana Minerals Limited was impaired by $0.1 million as at 30 June 2015 to reflect the proposed outcome of a pending transaction with Strandline Resources Limited.

Statement of financial position

The net assets of the consolidated entity decreased during the year ended 30 June 2015 to $56.4 million (30 June 2014: $64.5 million) principally as a result of the successful demerger of the group's Tanzanian assets to Jacana Minerals Limited which reduced net assets by $6.1 million.

The Company continued to invest in the Balama Project by:

> Completing its feasibility studies and incurring exploration and evaluation expenditures of $15.1 million (2014: $8.7 million);

> Completing pre-construction works and purchasing property, plant and equipment totalling $3.7 million to facilitate the commencement of construction and development in 2015 (2014: $1.0 million); and

> Commencing and subsequently completing post 30 June 2015 a front end engineering design (FEED) basis of estimate for the processing plant to further optimise and de-risk parts of the development plan as well as bring greater certainty in relation to the procurement of key items of capital equipment.

Based on the results of the Company's work in relation to the Balama Project during the year the Directors have concluded that the technical feasibility and commercial viability of this project is now demonstrable and accordingly carried forward exploration and evaluation expenditures totalling $41.9 million have been reclassified to mine properties and development as at 30 June 2015. The remaining balance of exploration and evaluation totalling $0.8 million relates to the vanadium project at Balama and further feasibility studies will commence after the successful commissioning of the Balama Graphite Project.

The consolidated entity's cash and cash equivalents were $8.9 million as at 30 June 2015 (30 June 2014: $28.6 million) and working capital, being current assets less current liabilities, were $8.6 million (30 June 2014: $29.5 million). Subsequent to 30 June 2015, the Company announced and successfully completed a fully underwritten capital raising of A$211 million. The proceeds of this capital raising will predominately be used to fund the development of the Balama Project as well as general and administrative costs and studies relating to future potential projects including spherical graphite and recarburiser products.

Statement of cash flows

Cash flow from operating activities

Net cash flows used in operating activities were $6.1 million during the year ended 30 June 2015 (2014: $4.8 million) and principally consisted of corporate office, compliance costs and employee benefits expense. Interest received was lower during the year due to the lower average cash balances following a successful share placement in December 2013.

Cash flow from investing activities

Net cash flows used in investing activities were $18.0 million during the year ended 30 June 2015 (2014: $10.4 million) and principally consisted of feasibility study costs and pre-construction works for the Balama Graphite Project.

Cash flow from financing activities

Net cash flows from financing activities were $4.3 million during the year ended 30 June 2015 (2014: $34.9 million) and principally consisted of proceeds received from the exercise of options. The major movement from the prior year relates to a net cash inflow from a successful share placement in December 2013.

Future Outlook

The likely developments and outlook in the operations of the Group in future financial years includes:

- Commence with the development of the Balama Graphite Project as a result of the recent completion of a fully underwritten capital raising of A$211 million by:
  - Commencing detailed engineering design
  - Procuring long lead items of capital equipment
  - Progressing farmland relocation plans
  - Commencing earthworks and civil works
  - Establishing long term service contracts
  - Further recruitment of key construction and operational personnel
- Progress off-take discussions and arrangements with targeted customers and end-users
- Conduct further technical work and regulatory approvals due diligence for a coated spherical graphite facility in the United States
- Conduct further exploration and evaluation activities on other tenements as required

Material Business Risks

The Group continues to assess and manage various business risks that could impact the Group's operating and financial performance and its ability to successfully deliver strategic priorities. The material business risks that may have an impact on the Group include:

Commodity price risk and movements in foreign exchange rates

The Group's operational and financial performance, as well as the economic viability of its projects, are heavily reliant on the prevailing global price of graphite products and a variety of foreign exchange rates. Volatility in commodity and financial markets may therefore materially affect profitability and financial performance and requires careful management to ensure the ability of the group to successfully deliver its strategic priorities.

In addition, any sustained low global price for graphite products can also impact operations by requiring a reassessment of an exploration or development project and possibly limiting the Company's ability to fund its planned capital expenditure commitments and exploration and evaluation activities.

Mineral Resources and Ore Reserves

The JORC Code (2012 Edition) compliant statements relating to Ore Reserves and Mineral Resources are estimates only. An estimate is an expression of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available.

In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. This may result in alterations to development and mining plans or changes to the quality or quantity of Ore Reserves and Mineral Resources which may, in turn, adversely affect operations.

No assurance can be given that the anticipated tonnages or grade of minerals will be achieved during exploration or production or that the indicated level of recovery rates will be realised. Additionally, material price fluctuations, as well as increased anticipated production costs or reduced anticipated recovery rates, may render any potential mineral resources or reserves containing relatively lower grades uneconomic and may ultimately result in a restatement of such resource or reserve.

Funding risk

The Company is expected to require additional financing, in addition to money raised under the capital raising during August 2015, to meet its project development and working capital requirements, general and administrative expenditure and studies relating to future potential projects.

While the directors believe the Company has a number of alternatives to raise the necessary funding (which may include both debt and equity sources of funding), there can be no guarantee that Syrah will be able to raise sufficient funding on acceptable terms or at all. An inability to obtain finance on acceptable terms or at all may cause substantial delays in, or prevent, the construction and development of the Balama Project and/or the pursuit of future potential projects.

Counterparty risk

The Company has entered into an offtake agreement with Chalieco under which Chalieco's payment obligations are subject to the satisfaction of certain conditions precedent requiring Syrah to give a notice of intended commercial production and requiring the parties to execute a written agreement in respect of any matters arising after the date of the agreement which the parties consider necessary to give effect to the terms and principles set out in the agreement.

The Company is also in discussions with a number of parties in relation to additional offtake agreements for the Balama Project. While some of these discussions are well progressed and taking place under non-binding memoranda of understanding, there is no guarantee that they will result in the execution of formal offtake agreements on acceptable terms or at all, and there is also no guarantee that the conditions precedent under the offtake agreement with Chalieco will be satisfied. Failure to achieve any of these outcomes would adversely impact the group's revenue and profitability.

Development of Balama Project and Construction Risk

The Group has commenced the development of the Balama Project. The development of any resources project comes with inherent risks, such as the risks associated with construction of a mine processing plant and associated infrastructure, the processing and separation of mineral concentrate and other construction and production related activities. There is no guarantee that anticipated or forecast timeframes or the anticipated production profile of the Balama Project will be met.

The construction of the Balama Project may be impacted by risks associated with the performance of a large-scale construction project, including but not limited to weather, availability of materials, availability of skilled and experienced workers and contractors, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment.

Health and safety

Health and safety regulations affect the Company's activities. Exploration and mining are potentially hazardous activities. If any injuries or accidents occur in a mine for example, this could have financial implications for the Company including potential delays or stoppages in construction or mining activities.

Remote operating environment

Due to the remoteness of the Balama Project, the Company is subject to an increased number of risks, which include a lack of access to key infrastructure, unexpected transportation and fuel costs, unexpected delays and accidents that could, singly or collectively, materially negatively impact upon the Company's financial performance and position. Any prolonged interruption to access to key infrastructure could have significant adverse effects on the Company's ability to sell product and therefore generate revenue.

Environmental and other regulatory approvals

Environmental regulation in the jurisdictions in which the Company has operations impose significant obligations on companies that conduct the exploration for and mining of commodities. The Company must comply with all known standards, existing laws, and regulations in each case which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how vigorously and consistently the regulations are administered by the local authorities. In addition, changes in environmental laws and regulations or their interpretation or enforcement may adversely affect the Company's operations, including the potential profitability of its operations.

The maintaining of tenements, obtaining renewals, or getting tenements or permits granted (including for both construction and mining operations) depends on the Company being successful in obtaining statutory approvals for its proposed activities. While the Company anticipates that all regulatory approvals will be given as and when sought, there can be no assurance that such renewals or approvals will be given as a matter of course and there is no assurance that new conditions or unexpected conditions will not be imposed.

Regulatory risk

The Company operations could be adversely affected by government actions in Mozambique or other countries or jurisdictions in which it has operational exposures or investment or exploration interests. The Company's businesses are subject, in each of the countries in which it operates, to various national and local laws and regulations relating to, among other things, construction and mining exploration activities. A change in the laws which apply to Company's businesses or the way in which they are regulated could have a material adverse effect on the carrying value of material assets or otherwise have a material adverse effect on the Company's businesses and financial condition.

Risk Management

The Company manages the risks listed above and other day-to-day risks using risk reporting and control mechanisms which are designed to ensure strategic, operational, legal, financial, reputational and other risks are identified, assessed and appropriately managed on an ongoing basis.

The Executive Management team, the Audit, Risk and Compliance Committee and the Board of Directors regularly review the group's risks and the effectiveness of the Company's management of those risks.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Comment on the overall state of affairs is set out on pages 8 to 20 of this annual report and in the Review of Operations on pages 24 to 27.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Capital Raising

On 3 August 2015, the Company announced a fully underwritten capital raising of approximately $211 million by way of the following:

(a) Institutional Placement at $3.25 per share to raise approximately $98 million; and

(b) Pro-rata accelerated renounceable Entitlement Offer to eligible shareholders to subscribe for 4 new Syrah shares for every 19 existing Syrah shares at an offer price of $3.25 per share to raise approximately $113 million.

The proceeds of the capital raising will predominately be used to fund the development of the Company's Balama Graphite Project in Mozambique. The proceeds will also be used to fund general and administrative costs and to progress studies relating to the Company's future potential projects including a potential spherical graphite facility in the United States.

On 6 August 2015, the Company announced the successful completion of the Institutional Placement and the institutional component of the Entitlement Offer which raised approximately $166 million and resulted in the issuance of 50,726,039 new shares on 13 August 2015.

On 27 August 2015, the Company announced the successful completion of the retail component of the Entitlement Offer which raised approximately $45 million and resulted in the issuance of 14,137,746 new shares on 2 September 2015.

Foreign Currency

On 12 August 2015, the Company converted $155 million of the capital raising proceeds into United States Dollars (US$113 million) which is the primary currency in which the development expenditure for the Balama Graphite Project in Mozambique will be incurred.

The financial effects of these subsequent events have not been bought to account as at 30 June 2015.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Commentary on likely developments and expected results of operations is set out in the Review of Operations.

ENVIRONMENTAL REGULATION

Syrah's holdings are subject to environmental regulations in the jurisdictions in which it operates; these include Mozambique, Australia, Zambia and Botswana. Within each jurisdiction the granting of mining and/or exploration tenements require the holder to comply with the terms of the grant of the tenement and all directions given to it under those terms. There have been no known breaches of tenement conditions in any jurisdiction in which the Company operates and no such breaches have been notified by any Government agency during the year ended 30 June 2015.

During April 2015, Twigg Exploration and Mining Limitada was granted an Environmental Licence (5 year period and renewable) for the Balama Graphite Project. The regulations under which the Company must comply are set out in the Mozambican Environmental Law No 20/97 and the Environmental Impact Study submitted by the Company and signed off by the Mozambican Government. These requirements include mitigation measures and monitoring programs outlined by the study to comply with regulations. The Company has employed an Environmental Manager to ensure all programs and measures are implemented appropriately and that the Company complies with all regulatory requirements under the law.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meeting attended by each Director were:

	BOARD MEETINGS		COMMITTEE MEETINGS			
			AUDIT, RISK AND COMPLIANCE COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	A	B	A	B	A	B
J Askew (1)	5	5	1	1	1	1
T Kumova (2)	8	8	-	-	-	-
S Riggall (3)	5	5	1	1	1	1
R Brans	8	8	2	2	1	1
J Caldeira (4)	4	8	-	-	-	-
T Eadie (5)	3	3	1	1	-	-
P Kehoe (6)	3	3	-	-	-	-

(A) Number of meetings held while in office.

(B) Number of meetings held during the time the Director held office or was a member of the committee during the year ended 30 June 2015

(1) J Askew was appointed Non-Executive Chairman of the Company from 2 October 2014

(2) T Kumova was appointed Managing Director of the Company from 2 October 2014 and was previously an Executive Director of the Company.

(3) S Riggall was appointed Non-Executive Director of the Company from 2 October 2014

(4) J Caldeira was appointed Non-Executive Director of the Company from 22 July 2014

(5) T Eadie resigned as a Non-Executive Chairman of the Company on 2 October 2014

(6) P Kehoe resigned as Managing Director of the Company on 2 October 2014

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

The relevant interest of each Director in the share capital and options of the Company as at the date of this report is:

	FULLY PAID ORDINARY SHARES	SHARE OPTIONS
J Askew	-	-
T Kumova	14,522,215	2,000,000 [(1)]
S Riggall	-	-
R Brans	-	650,000 [(2)]
J Caldeira	-	400,000 [(3)]

(1) 2,000,000 unlisted options exercisable at $6.26 and expiring 2 October 2019

(2) 250,000 unlisted options exercisable at $2.81 and expiring 12 June 2016 and 400,000 unlisted options exercisable at $6.26 and expiring on 2 October 2019

(3) 400,000 unlisted options exercisable at $6.26 and expiring 2 October 2019

REMUNERATION REPORT

The Remuneration Report contains details of remuneration paid to the Non-Executive Directors, Executive Directors and Key Management Personnel of Syrah and/or its subsidiaries ("Syrah Group") as well as the remuneration strategy and policies that were applicable in the financial year ended 30 June 2015.

(a) Remuneration Governance

Remuneration and Nomination Committee

The Board has established a Remuneration and Nomination Committee consisting solely of Non-Executive Directors to assist in overseeing the development of policies and practices which enable the Company to attract, motivate and retain high performance and high quality capable Directors and employees, reward employees fairly and responsibly and meet the Board's oversight responsibilities in relation to corporate governance practices.

The Remuneration and Nomination Committee is comprised of Rhett Brans (Committee Chairperson), James Askew and Sam Riggall.

(b) Director and Key Management Personnel Details

Directors

The following persons were directors of Syrah during the financial year and up to the date of this report, unless otherwise stated:

James Askew	Non-Executive Chairman [(1)]
Tolga Kumova	Managing Director [(2)]
Sam Riggall	Non-Executive Director [(3)]
Rhett Brans	Non-Executive Director
Jose Caldeira	Non-Executive Director [(4)]
Tom Eadie	Non-Executive Chairman [(5)]
Paul Kehoe	Managing Director [(6)]

(1) J Askew was appointed Non-Executive Chairman of the Company from 2 October 2014

(2) S Riggall was appointed Non-Executive Director of the Company from 2 October 2014

(3) T Kumova was appointed Managing Director of the Company from 2 October 2014 and was previously an Executive Director of the Company

(4) J Caldeira was appointed Non-Executive Director of the Company from 22 July 2014

(5) T Eadie resigned as a Non-Executive Chairman of the Company on 2 October 2014

(6) P Kehoe resigned as Managing Director of the Company on 2 October 2014

Key Management Personnel

The following persons were Key Management Personnel of Syrah during the financial year and up to the date of this report, unless otherwise stated:

Darrin Strange	Chief Operating Officer [1]
David Corr	Chief Financial Officer [2]
Melanie Leydin	Company Secretary [3]

(1) D Strange commenced employment with the Company on 15 December 2014

(2) D Corr commenced employment with the Company on 5 January 2015

(3) M Leydin ceased to be classified as Key Management Personnel from 5 January 2015 following the appointment of the Chief Financial Officer. M Leydin continues in the capacity of Company Secretary as at the date of this report.

(c) Remuneration Strategy and Philosophy

Non-Executive Director Remuneration

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and annually reviews their remuneration taking into account comparable roles, comparative market data and if required the advice of independent remuneration consultants.

Executive Remuneration

The Board, in consultation with the Remuneration and Nomination Committee, reviewed the Company's Executive Remuneration Strategy during the financial year ended 30 June 2015 to ensure that the executive remuneration framework remained appropriate and aligned to business needs.

The Board aims to ensure the Company's Remuneration Practices are performance based and designed to:

> motivate executives to pursue the Syrah Group's long term growth and success; and

> demonstrate a clear relationship between the Syrah Group's overall performance and the performance of executives.

Remuneration Consultants

The Company engages the services of independent and specialist remuneration consultants from time to time to provide recommendations on the remuneration of Directors and Key Management Personnel. During the year the Company did not engage the services of independent and specialist remuneration consultants for Directors and Key Management personnel (2014: NIL).

(d) Remuneration Components

Non-Executive Director Fees

Non-Executive Directors receive a Board fee and do not receive additional fees for chairing and participating on Board Committees. Except for participation in the share option plan, Non-Executive Directors do not receive performance-based pay or retirement allowances.

The Non-Executive Director remuneration packages (inclusive of superannuation contribution amounts where applicable) for the year ended 30 June 2015 were as follows:

NAME	TOTAL FEES
NON-EXECUTIVE DIRECTORS	
J Askew (1)	$142,350
S Riggall (2)	$93,075
R Brans (3)	$93,075
J Caldeira (4)	$93,075
T Eadie (5)	$75,000

(1) J Askew was appointed Non-Executive Chairman of the Company from 2 October 2014. Directors fees for J Askew are paid to International Mining and Finance Corp, a company of which he is a Director.

(2) S Riggall was appointed Non-Executive Director of the Company from 2 October 2014.

(3) R Brans fees as a Non-Executive Director increased from $70,000 per annum (inclusive of superannuation contributions at a rate of 10% per annum) to $93,075 per annum (inclusive of statutory superannuation contributions) from 2 October 2014.

(4) J Caldeira was appointed Non-Executive Director of the Company from 22 July 2014. J Caldeira fees as a Non-Executive Director were revised from US$70,000 per annum to A$93,075 per annum from 2 October 2014.

(5) T Eadie resigned as Non-Executive Chairman of the Company on 2 October 2014. Prior to his resignation T Eadie was entitled to superannuation contributions at a rate of 10% of base pay per annum.

Non-executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically reviewed for adequacy. Any increase to the aggregate Directors' fee pool is submitted to shareholders for approval. The maximum currently stands at $550,000 per annum and was approved by shareholders at the Annual General Meeting on 24 November 2014.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter of appointment summarises the Board policies and terms, including remuneration, relevant to the office of director of the Company.

To align the Non-Executive Directors' interests with shareholder interests, the Non-Executive Directors are able to participate in the Share Option Plan.

Executive Remuneration

The Company's remuneration policy for Executives incorporates a Total Fixed Remuneration ("TFR") component, an 'at risk' performance based short term incentive ("STI") component and a proposed long term incentive ("LTI") based component.

The following table sets out the relative mix of remuneration components for Executive Directors and Key Management Personnel for the year ended 30 June 2015:

	FIXED REMUNERATION		AT RISK REMUNERATION			
			STI		LTI (2)	
NAME	2015	2014	2015	2014	2015	2014
Executive Directors						
T Kumova	100%	100%	-	-	-	-
P Kehoe (1)	100%	100%	-	-	-	-
Key Management Personnel						
D Strange	61%	-	11%	-	28%	-
D Corr	61%	-	11%	-	28%	-

(1) P Kehoe resigned as Managing Director of the Company on 2 October 2014

(2) Subject to the approval of a proposed LTI Plan at the 2015 Annual General Meeting

Total Fixed Remuneration

The Remuneration and Nomination Committee annually reviews and determines the fixed remuneration, inclusive of superannuation contribution amounts and salary sacrifice arrangements, for Executive Directors and Key Management Personnel with oversight from the Board of Directors. The process consists of a review of group and individual performance, relevant comparative remuneration and, where appropriate, external advice from remuneration consultants.

Total fixed remuneration for Key Management Personnel as at 30 June 2015 is set out in section (e) below.

Performance Based Remuneration

Short Term Incentive

The Board introduced an STI Plan for Executives from 1 January 2015. The objective of the STI Plan is to align reward of Executives with the attainment of Key Performance Indicators ("KPI's") which drive short to medium term outcomes for the business, incorporating a mixture of business development, operational and investor relations performance indicators.

The STI Plan is paid in cash and based on the following percentage of TFR (exclusive of the required superannuation contribution) and the relative weightings between Company KPI's and Individual KPI's. KPI's are set and agreed annually by the Remuneration and Nomination Committee with oversight from the Board of Directors.

NAME	MAXIMUM AMOUNT		ATTAINMENT WEIGHTINGS	
	% OF TFR	$ AMOUNT	COMPANY KPI'S	INDIVIDUAL KPI'S
Key Management Personnel				
D Strange	20%	$64,000	40%	60%
D Corr	20%	$50,000	40%	60%

Long Term Incentive

The Board is proposing to establish a new LTI Plan, under which the Company may issue performance rights, options and shares to directors and employees of the Company (or a subsidiary). The grant of performance rights, options and shares may be subject to such conditions (if any) as determined by a committee established by the Board to administer the LTI Plan (or, if no such committee has been established, as determined by the Board) ("Plan Committee"). Any performance rights, options and shares granted under the LTI Plan may be subject to such vesting conditions (if any) as determined by the Plan Committee.

The LTI Plan is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist the Company to attract, motivate and retain Executives. In particular, the LTI Plan is designed to provide relevant directors and key employees with an incentive to remain with the Syrah Group and contribute to the future performance of the Syrah Group over the long term.

Performance Rights

Subject to shareholder approval of the LTI Plan at the Annual General Meeting, the Board intends to grant a total of 100,707 performance rights for the year ended 31 December 2015 to certain senior executives of the Company shortly following the annual general meeting. A summary of the intended operation of the LTI Plan with respect to performance rights is outlined below.

It is intended that Executives will be granted performance rights on an annual basis and vesting will be contingent on the achievement of specific performance hurdles over a three year period. The 'at risk' value of the annual grant over a three year period represents between 20% and 60% of an eligible employees' total fixed remuneration (exclusive of the required superannuation contribution). The performance hurdles involve an assessment of the Company's Total Shareholder Return ("TSR") relative to a comparator group of companies.

The actual number of performance rights granted each year is calculated by dividing between 20% and 60% of each eligible employee's total fixed remuneration (exclusive of the required superannuation contribution) by the closing volume-weighted average price ("VWAP") of the Company's shares on ASX in the one month preceding the grant date.

Vesting Conditions

Vesting of performance rights will be subject to the performance hurdles referred to above, which will be tested over a three year vesting period. If the performance hurdles are not satisfied (or become incapable of being satisfied), the performance rights will lapse (unless the Plan Committee determines otherwise).

The number of performance rights that vest will be determined by assessing the performance of the Company, measured by TSR as at the date that is three years after the grant date ("Performance Date"), relative to a comparator group of companies (the "TSR Hurdle"). The closing VWAP of the Company's shares on ASX in the month preceding the Performance Date, compared against the closing VWAP of the Company's shares on ASX in the month preceding the grant date of the performance rights, will be used to calculate TSR over the three year vesting period. The TSR will incorporate capital returns as well as dividends notionally reinvested and, at present, is considered the most appropriate means of measuring Company performance.

The following table provides a summary of the TSR Hurdle and the relationship between Company performance and the vesting of performance rights:

PERFORMANCE AGAINST TSR TARGET	PERCENTAGE OF PERFORMANCE RIGHTS ELIGIBLE TO VEST
TSR performance is at or below the median performance of the comparator group	0%
TSR performance of between the median and 75th percentile performance of the comparator group	Straight line pro-rata between 0% and 100%
TSR performance is at or above the 75th percentile performance of the comparator group	100%

In the event that a participant in the LTI Plan ceases to be a director or employee of the Syrah Group, the treatment of any performance rights held by the participant will depend on the circumstances surrounding the cessation of his/her directorship/employment. In general terms, and subject to the discretion of the Plan Committee, if the participant is a "bad leaver", any unvested performance rights will immediately lapse; whereas if the participant is not a "bad leaver", he/she will be entitled to retain a pro-rata amount of unvested performance rights (based on the proportion of the vesting period that the participant was a director/employee). The Plan Committee also has power to deem that performance rights will lapse in a number of scenarios, including if a participant commits an act of fraud, defalcation or gross misconduct, or materially breaches his or her duties or brings the Syrah Group (or any member thereof) into disrepute.

In the event of a change of control, all unvested performance rights will vest.

In the event that vesting conditions attached to performance rights were (or were deemed to have been) satisfied due to a material misstatement in the Company's financial statements in respect of an applicable vesting period (or another event during such vesting period), the holder of those performance rights will cease to be entitled to them and the Plan Committee may, among other things, cancel those performance rights for no consideration.

TSR Comparator Group

Performance rights will be tested against Syrah's TSR performance relative to the comparator group on the Performance Date.

The current comparator group as selected by the Board is as follows:

> Triton Minerals Limited (ASX:TON)
> Metals of Africa Limited (ASX: MTA)
> Valence Industries Limited (ASX:VXL)
> Mason Graphite Inc. (TSX.V: LLG)
> Flinders Resources Limited (TSX.V: FDR)
> AMG Advanced Metallurgical Group N.V. (XAMSG: AMG)
> Minerals Deposits Limited (ASX: MDL)
> Kenmare Resources Plc (LON: KMR)
> Wolf Minerals Limited (ASX: WLF)
> CleanTeQ Holdings Limited (ASX: CLQ)
> SGL Carbon SE (FWB: SGL)
> Alkane Resources Limited (ASX: ALK)
> Bacanora Minerals Limited (TSX.V: BCN)
> Orocobre Limited (ASX: ORE)
> Western Lithium USA Corporation (TSX.V: WLC)
> Iluka Resources Limited (ASX: ILU)
> Imerys SA (NK: FP)

The Board reserves the right to adjust the composition and number of the companies in the comparator group from time to time.

Options

An existing Employee Share Option Plan for Non-Executive Directors, Executives and selected Senior Employees is governed by a Share Option Plan that was approved by shareholders at an Annual General Meeting on 19 November 2013. Subject to shareholder approval at the 2015 Annual General Meeting, the Board intends to issue options under the new LTI Plan shortly following that meeting.

Under the existing Share Option Plan, the Board of Directors has the discretion to grant options to Non-Executive Directors, Executives and selected Senior Employees.

There are no voting or dividend rights attached to the options. Voting rights will attach to the ordinary shares when the options have been exercised.

Details of proposed issue of Director Options

James Askew and Sam Riggall were offered 600,000 Options and 400,000 Options respectively (each a “Director Option”), as part of their remuneration package when they were first appointed as Directors in October 2014. These Director Options have not yet been issued and accordingly are proposed for issue subject to approval by Shareholders at the 2015 Annual General Meeting.

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

The Director Options will vest one year following the issue date and may not be exercised before that time. Each Director Option will then be exercisable for a period of up to two years following the vesting date, following which the Director Options will lapse.

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

(e) Details of Remuneration Expenses

The following tables show details of the remuneration expense recognised for the Syrah Group’s Non-Executive Directors, Executive Directors and other Key Management Personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards:

Amounts of remuneration

Table 1: Remuneration for the year ended 30 June 2015

	SHORT-TERM EMPLOYEE BENEFITS				POST EMPLOY-MENT BENEFITS	OTHER BENEFITS		SHARE BASED PAYMENTS	
	SALARY & FEES	NON-MONETARY BENEFITS	SHORT TERM INCENTIVE (STI)	OTHER	SUPER-ANNUATION	LEAVE [10]	TERMIN-ATION BENEFITS	OPTIONS [11]	TOTAL
Non-Executive Directors	$	$	$	$	$	$	$	$	$
J Askew [1]	109,106	-	-	-	-	-	-	-	109,106
S Riggall [2]	60,046	-	-	-	5,704	-	-	-	65,750
R Brans	79,659	-	-	62,500 [12]	7,966	-	-	588,037	738,162
J Caldeira [3]	82,065	-	-	-	-	-	-	588,037	670,102
T Eadie [4]	17,787	-	-	99,000 [13]	1,779	-	-	-	118,566
Sub-total Non-Executive Directors	348,663	-	-	161,500	15,449	-	-	1,176,074	1,701,686
Executive Directors									
T Kumova [5]	181,818	-	-	-	18,182	618	-	2,790,186	2,990,804
P Kehoe [6]	82,068	-	-	-	6,640	(24,120)	-	-	64,588
Sub-total Executive Directors	263,886	-	-	-	24,822	(23,502)	-	2,790,186	3,055,392
Key Management Personnel									
D Strange [7]	174,933	-	-	-	16,619	15,678		324,192	531,422
D Corr [8]	125,000	-	-	-	11,875	10,911	-	324,192	471,978
M Leydin [9]	123,950	-	-	-	-	-	-	-	123,950
Sub-total Key Management Personnel	423,883	-	-	-	28,494	26,589	-	648,384	1,127,350
TOTAL	**1,036,432**	**-**	**-**	**161,500**	**68,765**	**3,087**	**-**	**4,614,644**	**5,884,428**

(1) J Askew was appointed Non-Executive Chairman of the Company from 2 October 2014. Directors fees paid to J Askew are paid to International Mining and Finance Corp, a company of which he is a Director.

(2) S Riggall was appointed Non-Executive Director of the Company from 2 October 2014.

(3) J Caldeira was appointed Non-Executive Director of the Company from 22 July 2014.

(4) T Eadie resigned as a Non-Executive Chairman of the Company on 2 October 2014.

(5) T Kumova was appointed Managing Director of the Company from 2 October 2014 and was previously an Executive Director of the Company.

(6) P Kehoe resigned as Managing Director of the Company on 2 October 2014.

(7) D Strange commenced employment with the Company on 15 December 2014.

(8) D Corr commenced employment with the Company on 5 January 2015.

(9) M Leydin ceased to be classified as Key Management Personnel from 5 January 2015 following the appointment of the Chief Financial Officer. M Leydin continues in the capacity of Company Secretary as at the date of this report. Fees for Company Secretarial Services and Accounting Services provided by M Leydin are charged to Syrah by Leydin Freyer Corp Pty Ltd, a company in which M Leydin has a beneficial interest.

(10) Represents annual leave and long service leave entitlements, measured on an accrual basis and reflects the movement in the entitlements over the 12 month period.

(11) Represents amounts expensed through the Company's profit and loss for options issued under the Company's Share Option Plan. These amounts are recognised in the Company's profit and loss over the vesting period in accordance with AASB 2, Share-based Payments.

(12) Represents consultancy fees paid to Proman Consulting Engineers Pty Ltd, a company in which R Brans has a beneficial interest. These consulting fees relate to services provided by R Brans which are in addition to his Non-Executive Director fees.

(13) Represents consultancy fees paid to T Eadie for additional services provided to the Company as part of the demerger of Jacana Minerals Limited. These consulting fees were in addition to his Non-Executive Chairman fees.

Table 2: Remuneration for the year ended 30 June 2014

	SHORT-TERM EMPLOYEE BENEFITS				POST EMPLOY-MENT BENEFITS	OTHER BENEFITS		SHARE BASED PAYMENTS	
	SALARY & FEES	NON-MONETARY BENEFITS	SHORT TERM INCENTIVE (STI)	OTHER	SUPER-ANNUATION	LEAVE [4]	TERMIN-ATION BENEFITS	OPTIONS [5]	TOTAL
Non-Executive Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
T Eadie	68,182	-	-	-	6,818	-	-	-	75,000
R Brans	56,818	-	-	-	5,682	-	-	251,932	314,432
M Chester [1]	9,091	-	-	-	909	-	-	-	10,000
Sub-total Non-Executive Directors	134,091	-	-	-	13,409	-	-	251,932	399,432
Executive Directors									
T Kumova	255,000	-	-	-	25,000	16,597	-	-	296,597
P Kehoe	201,173	-	-	-	25,000	19,344	-	-	245,517
Sub-total Executive Directors	456,173	-	-	-	50,000	35,941	-	-	542,114
Key Management Personnel									
O Cavanough [2]	333,158	-	-	-	31,667	(3,442)	200,000	-	561,383
M Leydin [3]	117,000	-	-	-	-	-	-	-	117,000
Sub-total Key Management Personnel	450,158	-	-	-	31,667	(3,442)	200,000	-	678,383
TOTAL	**1,040,422**	**-**	**-**	**-**	**95,076**	**32,499**	**200,000**	**251,932**	**1,619,929**

(1) M Chester resigned as a Non-Executive Director of the Company on 2 September 2013.

(2) O Cavanough's employment agreement was terminated on 4 April 2014. Under the terms of his employment agreement he was entitled to a termination payment of 6 months' salary.

(3) Fees for Company Secretarial Services and Accounting Services provided by M Leydin are charged to Syrah by Leydin Freyer Corp Pty Ltd, a company in which M Leydin has a beneficial interest.

(4) Represents annual leave and long service leave entitlements, measured on an accrual basis and reflects the movement in the entitlements over the 12 month period.

(5) Represents amounts expensed through the Company's profit and for options issued under the Company's Share Option Plan. These amounts are recognised in the Company's profit and loss statement over the vesting period in accordance with AASB 2, Share-based Payments.

(f) Executive Service Agreements

Remuneration and other key terms of employment for Executive Directors and Key Management Personnel are formalised in Employment Agreements and summarised in the following table:

NAME	POSITION	TERM OF AGREEMENT	TOTAL FIXED REMUNERATION	NOTICE PERIOD BY EXECUTIVE	NOTICE PERIOD BY COMPANY	TERMINATION PAYMENT
T Kumova	Managing Director	Ongoing	$200,000 (1)	3 months	3 months	NIL
D Strange	Chief Operating Officer	Ongoing	$350,400 (2)	3 months (3)	3 months (or payment in lieu of notice)	6 months Total Fixed Remuneration (4)
D Corr	Chief Financial Officer	Ongoing	$273,750 (2)	3 months (3)	3 months (or payment in lieu of notice)	6 months Total Fixed Remuneration (4)

(1) T Kumova is entitled to superannuation contributions at a rate of 10% of base pay per annum.

(2) D Strange and D Corr are entitled to superannuation contributions at the specified statutory rate which is presently 9.5% of base pay per annum

(3) Options will be forfeited upon cessation of employment prior to the conclusion of the vesting period. Any options which the holder is entitled to exercise upon cessation of employment are exercisable within 30 days otherwise the options will lapse. In the event of cessation of employment by reason of death, any options which the holder is entitled to exercise are exercisable within 12 months by a legal representative otherwise the options will lapse.

(4) In the event of termination of employment by the Company (except for serious misconduct or wilful neglect), any options which the holder is entitled to exercise are exercisable within 6 months and any options not exercised during this period will lapse. Termination of employment by the Company for serious misconduct or wilful neglect will result in the forfeiture of options.

Total fixed remuneration as set out above are as at the date of this report and are inclusive of superannuation contribution amounts.

(g) Terms and Conditions of Share-Based Payment Arrangements

Options

The terms and conditions of each grant of options affecting the remuneration of Directors and Key Management Personnel in the current or a future reporting period are as follows:

GRANT DATE	VESTING AND EXERCISABLE DATE	EXPIRY DATE	EXERCISE PRICE (2)	NUMBER UNDER OPTION	VALUE PER OPTION AT GRANT DATE
12 June 2013	12 June 2014	12 June 2016	$2.81 (1)	250,000 (3)	$1.06
2 October 2014	2 October 2015	2 October 2019	$6.26 (1)	2,800,000 (4)	$1.88
28 January 2015	28 January 2016	28 January 2018	$4.08	1,200,000 (5)	$1.29

(1) On 15 October 2014, the exercise price of these options were reduced by $0.04 (4 cents) per option in accordance with the term of the options, ASX Listing Rule 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the demerger of Jacana Minerals Limited and the 3 for 10 Jacana Minerals Limited share distribution.

(2) Effective from 9 September 2015, the exercise price of these options were reduced by $0.05 (5 cents) per option in accordance with the term of the options, ASX Listing Rule 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the issuance of shares from a 4 for 19 accelerated renounceable entitlement offer. The exercise price included in the above table incorporates this change.

(3) Represents 250,000 unlisted options issued to R Brans, Non-Executive Director.

(4) Consists of 2,000,000 unlisted options issued to T Kumova, Managing Director, 400,000 unlisted options issued to R Brans, Non-Executive Director and 400,000 unlisted options issued to J Caldeira, Non-Executive Director

(5) Consists of 600,000 unlisted options issued to D Strange, Chief Operating Officer, and 600,000 unlisted options issued to D Corr, Chief Financial Officer.

(6) Options issued to Non-Executive Directors will be forfeited upon cessation as a Director of the Company prior to the conclusion of the vesting period. Any options which the Non-Executive Director is entitled to exercise upon cessation are exercisable within 30 days otherwise the options will lapse. In the event of cessation by reason of death, any options which the holder is entitled to exercise are exercisable within 12 months by a legal representative otherwise the options will lapse. Termination for serious misconduct or wilful negligence will results on the forfeiture of options.

A reconciliation of the number of options held by Directors and Key Management Personnel, including their personally related parties, over unissued ordinary shares in the Company is set out below:

30 June 2015

	BALANCE 1 JULY 2014	GRANTED AS COMPENSATION	OPTIONS EXERCISED	NET CHANGE OTHER	BALANCE 30 JUNE 2015	VESTED	UNVESTED
Directors							
T Kumova	-	2,000,000	-	-	2,000,000	-	2,000,000
R Brans	250,000	400,000	-	-	650,000	250,000	400,000
J Caldeira	-	400,000	-	-	400,000	-	400,000
Key Management Personnel							
D Strange	-	600,000	-	-	600,000	-	600,000
D Corr	-	600,000	-	-	600,000	-	600,000

Shareholdings

A reconciliation of the number of shares held by Directors and Key Management Personnel, including their personally related parties, in the Company is set out below:

30 June 2015

	BALANCE 1 JULY 2014	OPTIONS EXERCISED	ON MARKET PURCHASES	ON MARKET DISPOSALS	OTHER	BALANCE 30 JUNE 2015
Directors						
T Kumova	14,522,215	-	-	-	-	14,522,215
T Eadie [1] [2]	12,500,005	-	-	-	(12,500,005)	-
P Kehoe [3]	20,145,000	-	-	-	(20,145,000)	-

[1] T Eadie resigned as a Non-Executive Chairman of the Company on 2 October 2014.

[2] T Eadie is Non-Executive Chairman of Copper Strike Limited a shareholder of Syrah Resources Limited. Included in the shareholding for T Eadie is 11,000,005 shares held by Copper Strike Limited in Syrah Resources Limited.

[3] P Kehoe resigned as Managing Director of the Company on 2 October 2014.

(h) Additional information

The Company aims to align executive remuneration to drive short, medium and long term outcomes for the business which create shareholder value. The table below shows the group's performance over the past 5 years. These performance measures may not necessarily be consistent with the measures used in determining performance based remuneration and accordingly there may not always be a direct correlation between these measures and the variable remuneration awarded.

	30 JUNE 2015	30 JUNE 2014	30 JUNE 2013	30 JUNE 2012	30 JUNE 2011
Market capitalisation ($'000)	606,089	672,753	301,446	291,727	4,761
Closing share price ($)	3.66	4.14	2.04	2.33	0.12
Loss after income tax for the year ($'000)	(11,633)	(6,751)	(4,759)	(2,062)	(986)
Basic earnings per share (cents)	(7.08)	(4.34)	(3.51)	(2.51)	(2.76)

Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of Syrah Resources Limited under option as at the date of this report are as follows:

GRANT DATE	VESTING AND EXERCISABLE DATE	EXPIRY DATE	EXERCISE PRICE [3]	NUMBER UNDER OPTION	VALUE PER OPTION AT GRANT DATE
15 December 2011	15 December 2012	15 December 2015	$0.17 [1]	425,005	$0.16
16 July 2012	16 July 2013	16 July 2016	$2.12 [1]	22,000	$1.81
12 June 2013	12 June 2014	12 June 2016	$2.81 [1]	250,000	$1.06
19 May 2014	19 May 2015	19 May 2019	$5.41 [1]	500,000	$2.24
2 October 2014	2 October 2015	2 October 2019	$6.26 [1]	2,800,000	$1.88
28 January 2015	28 January 2016	28 January 2018	$4.08	1,200,000	$1.29
27 April 2015	- [2]	27 April 2017	- [2]	250,000	$3.80
7 May 2015	7 May 2016	7 May 2018	$5.40	500,000	$1.24
9 June 2015	9 June 2016	9 June 2018	$4.99	300,000	$1.22
TOTAL				**6,247,005**	

(1) On 15 October 2014, the exercise price of the above options were reduced by $0.04 (4 cents) per option in accordance with the terms of the options, ASX Listing Rules 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the demerger of Jacana Minerals Limited and the 3 for 10 Jacana Minerals Limited share distribution.

(2) Represents options that were granted to a selected senior employee for nil consideration with exercise conditional on the achievement of certain performance hurdles that are aligned with the creation of shareholder value

(3) Effective from 9 September 2015, the exercise price of options were reduced by approximately $0.05 (5 cents) per option in accordance with the term of the options, ASX Listing Rule 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the issuance of shares from a 4 for 19 accelerated renounceable entitlement offer. The exercise price included in the above table incorporates this change.

No option holder has any right under the options to participate in any share issue of the Company

(b) Shares issued on exercise of options

Ordinary shares of Syrah Resources Limited were issued during the financial year and up to the date of this report on the exercise of options under the Share Option Plan were as follows:

GRANT DATE	SHARE ISSUANCE DATE	EXERCISE PRICE	NUMBER OF SHARES ISSUED
15 December 2011	15 July 2014	$0.26	75,000
16 July 2012	15 July 2014	$2.21	5,000
15 December 2011	18 July 2014	$0.26	425,000
15 December 2011	29 July 2014	$0.26	10,000
15 December 2011	8 August 2014	$0.26	454,462
16 July 2012	1 September 2014	$2.21	15,000
15 December 2011	3 October 2014	$0.26	650,000
15 December 2011	27 January 2015	$0.22	75,000
16 July 2012	19 March 2015	$2.17	13,000
21 March 2013	23 March 2015	$3.83	1,000,000

INSURANCE OF OFFICERS

During the financial year, the Company has paid premiums in respect of Directors' and Officers' Liability Insurance and Company Reimbursement policies, which cover all Directors and Officers of the Group to the extent permitted under the *Corporations Act 2001*. The policy conditions preclude the Group from any detailed disclosures.

INDEMNITY OF AUDITORS

The Company has entered into an agreement to indemnify its auditor, Grant Thornton Audit Pty Ltd, against any claims or liabilities (including legal costs) asserted by third parties arising out of their services as auditor of the Company, where the liabilities arise as a direct result of the Company's breach of its obligations to the Auditors, unless prohibited by the *Corporations Act 2001*.

AUDIT AND NON-AUDIT SERVICES

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2015 $'000	2014 $'000
(a) Grant Thornton Audit Pty Ltd		
Audit and review of financial reports	72	58
Total remuneration of Grant Thornton	**72**	**58**

During the year the auditor provided no non-audit services to the Company (2014: NIL).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

The report is made in accordance with a resolution of Directors.

James Askew
Chairman

Melbourne, Australia

28 September 2015

Tolga Kumova
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

Grant Thornton

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration
To the Directors of Syrah Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Syrah Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. L. Taylor
Partner - Audit & Assurance

Melbourne, 28 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

CORPORATE GOVERNANCE

Syrah has implemented and is committed to adopting relevant practices which are consistent with the ASX Corporate Governance Council's (Council) 3rd Edition of the Corporate Governance Principles and Recommendations (ASX Guidelines) and to maintaining a high standard of corporate governance.

Where the Company's corporate governance practices do not meet with the practices recommended by the Council, or the Board does not consider it practicable or necessary to implement some principles due to the size and stage of development of its operations, the Board's reasoning for any departure is explained.

A summary of the ASX Guidelines and the extent to which Syrah has complied is set out below:

ASX RECOMMENDATION	ADOPTED	IF NOT, WHY NOT
Principle 1: Lay solid foundations for management and oversight		
1.1 A listed entity should disclose:	✓	
(a) the respective roles and responsibilities of its Board and management; and		
(b) those matters expressly reserved to the Board and those delegated to management.		
1.2 A listed entity should:	✓	
(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and		
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	✓	
1.4 The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	✓	
1.5 A listed entity should:		
(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and entity's progress in achieving them;	✓	
(b) disclose that policy or a summary or it; and	✓	
(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:		✓
– the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or	✓	
– if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	✓	
1.6 A listed entity should:	✓	
(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and		
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		
1.7 A listed entity should:	✓	
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and		
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		

ASX RECOMMENDATION	ADOPTED	IF NOT, WHY NOT
Principle 2: Structure the Board to add value		
2.1 The Board of a listed entity should: (a) have a nomination committee which: – has at least three members, a majority of whom are independent directors; and – is chaired by an independent director and disclose: – the charter of the committee; – the members of the committee; and – as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	✓	
2.2 A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that Board currently has or is looking to achieve in its membership.	✓	
2.3 A listed entity should disclose: (a) the names of the directors considered by the Board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each director.	✓	
2.4 A majority of the Board of a listed entity should be independent directors.	✓	
2.5 The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	✓	
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	✓	
Principle 3: Act ethically and responsibly		
3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code a summary of it.	✓	

ASX RECOMMENDATION	ADOPTED	IF NOT, WHY NOT
Principle 4: Safeguard integrity in corporate reporting		
4.1 The Board of a listed entity should: (a) have an audit committee which: – has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and – is chaired by an independent director, who is not the chair of the Board, and disclose: – the charter of the committee; – the relevant qualifications and experience of the members of the committee; and – in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	✓	
4.2 The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	✓	
4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	✓	
Principle 5: Make timely and balanced disclosure		
5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy a summary of it.	✓	
Principle 6: Respect the rights of security holders		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	✓	
6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	✓	
6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	✓	
6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	✓	

ASX RECOMMENDATION	ADOPTED	IF NOT, WHY NOT
Principle 7: Recognise and manage risk		
7.1 The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: – has at least three members, a majority of whom are independent directors; and – is chaired by an independent director, and disclose: – the charter of the committee; – the members of the committee; and – as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	✓	
7.2 The Board or committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	✓	
7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	✓	
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	✓	
Principle 8: Remunerate fairly and responsibly		
8.1 The Board of a listed entity should: (a) have a remuneration committee which: – has at least three members, a majority of whom are independent directors; and – is chaired by an independent director, and disclose: – the charter of the committee; – the members of the committee; and – as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	✓	
8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	✓	
8.3 A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary or it.	✓	

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: A listed entity should disclose:

(a) the respective roles and responsibilities of its Board and management; and

(b) those matters expressly reserved to the Board and those delegated to management.

The Board is responsible for the governance of the Company and its authority is derived from the Constitution which also establishes the functions reserved to the Board. The Board's functions and the functions delegated to management are set out in the Board Charter which is available on the Company's corporate governance page at www.syrahresources.com.au.

Key responsibilities of the Board

The key functions of the Board include:

> developing and approving the corporate strategy and monitoring implementation of the strategy;

> establishing a sound risk management framework and periodically reviewing the effectiveness of that framework;

> evaluating, approving and monitoring major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company;

> approving all accounting policies, financial reports and material reporting and external communications by the Company;

> appointing, monitoring and managing the performance of executive and non-executive directors and other senior executives of the Company;

> with the advice and assistance of the Remuneration and Nomination Committee, reviewing and approving the performance and remuneration of the individual Board members and senior executives, and policies with respect to remuneration of other employees;

> upon the recommendation of the Audit, Risk and Compliance Committee, appointing the external auditor and determining its remuneration and terms of appointment, including reviewing the performance of the external auditor and considering the re-appointment of the external auditor;

> ensuring that effective audit, risk management and regulatory compliance programmes are in place to protect the Company's assets and shareholder value and manage its material business risks;

> at least once per year the Board will review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary.

> at least once per year the Board will review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives.

> ensuring that the Company maintains a commitment to promoting diversity in the workplace and that the Company complies with its Diversity Policy.

Key responsibilities of management

The management function is conducted by, or under the supervision of, the Managing Director as directed by the Board and by other officers to whom the management function is properly delegated by the Board or the Managing Director.

The Board approves corporate objectives for the Managing Director to satisfy and, jointly with the Managing Director, develops the duties and responsibilities of the Managing Director, which includes those set out in any employment contract of the Managing Director.

The Managing Director is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

Directors may delegate their powers as they consider it appropriate including to management of the Company. However, ultimate responsibility for strategy and control rests with the Directors and management are ultimately accountable to the Board.

Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

Recommendation 1.2: A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Remuneration and Nomination Committee Charter requires the Committee to observe specific procedures in relation to the nomination and appointment of new directors.

Amongst other due diligence requirements, the Committee is responsible for assisting the Board in undertaking appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director, including checks as to the person's character, experience, education, criminal record and bankruptcy history.

When an existing or potential new director is put forward for election or re-election, all material information in the Company's possession in relation to the candidate(s) are disclosed in the relevant documents to shareholders for their consideration.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

All Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter of appointment summarises the policies and terms that are relevant to the director of the Company including remuneration, expectation of preparation for and attendance at all Board meetings, minimum hourly commitments, appointments to other Boards, procedures for dealing with conflicts of interest and the availability of independent legal advice.

A summary of service agreements for Senior Executives of the Company is disclosed in the Remuneration Report section of this Annual Report.

Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.

The Company Secretary of Syrah Resources Limited is Melanie Leydin and details about her experience and background are disclosed in the Director's Report section of this Annual Report. The Company Secretary is responsible for ensuring that Board procedures are complied with and that corporate governance matters are addressed. The Company confirms that Ms Leydin is accountable directly to the Board, through Non-Executive Chairman James Askew.

Recommendation 1.5: A listed entity should:

(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and entity's progress in achieving them;

(b) disclose that policy or a summary or it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

- **the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or**
- **if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**

The Company's Diversity Policy supports the commitment of Syrah to create an inclusive workplace that embraces and values diversity whilst upholding the principle of meritocracy. The key objectives of the Diversity Policy are:

> ensuring equal employment opportunity for all its employees and senior management based on merit, ability, performance and potential, in a way that contributes to the achievement of corporate objectives, including diversity;

> monitoring and promoting the diversity of staff and the associated corporate culture, including by ensuring that recruitment and selection processes at all levels are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates;

> supporting and complying with legislative requirements in relation to employment equality;

> establishing appropriate and measurable objectives for achieving gender diversity; and

> annually reviewing, assessing and reporting against the measurable objectives for achieving gender diversity and the Company's progress in achieving them.

A full copy of the Diversity Policy is available on the Company's corporate governance page at www.syrahresources.com.au.

The Company has not yet set measurable objectives for achieving gender diversity. The Company is currently not of a size that justifies the establishment of measurable diversity objectives. As the Company develops and grows, the Board will seek to develop objectives and strategies for achieving a diverse workplace.

As at 30 June 2015, women made up 50% of the Group's total workforce. There are currently no women in Executive positons or on the Board.

The Company is not considered a "relevant employer" under the Workplace Gender Equality Act 2012, as it is not a non-public sector employer with 100 or more employees in Australia for any six months or more of a reporting period.

Recommendation 1.6: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board reviews its own performance and that of its Committees and individual directors on an annual basis. Performance evaluations are overseen by the Chairman and Company Secretary and are undertaken by way of round-table discussions, Board evaluation questionnaires and where appropriate, one-on-one interviews.

No performance evaluation was undertaken during the reporting period as the majority of Non-Executive Directors were only appointed the Board during 2014. Performance evaluations will be performed during Q4 2015.

Recommendation 1.7: A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The performance of the Managing Director and Senior Executives are reviewed and evaluated on an annual basis.

The Board, in consultation with the Remuneration and Nomination Committee, is responsible for evaluating the performance of the Managing Director. Other Senior Executives are evaluated by the Managing Director which involves consultation and feedback from the Remuneration and Nomination Committee and the Board.

No performance evaluation was undertaken during the reporting period as the Managing Director and Senior Executives were only appointed during Q4 2014. Performance evaluations will be undertaken during Q4 2015.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1: The Board of a listed entity should:

(a) have a nomination committee which:

- **has at least three members, a majority of whom are independent directors; and**
- **is chaired by an independent director**

and disclose:

- **the charter of the committee;**
- **the members of the committee; and**
- **as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Remuneration and Nomination Committee is responsible for advising the Board on the composition of the Board and its Committees, reviewing the performance of the Board, its Committees and the individual directors and overseeing the remuneration and human resources policies and practices of the Company.

The Charter for the Remuneration and Nomination Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

> Chairperson – Rhett Brans (Non-Executive Director)

> Member – James Askew (Non-Executive Chairman)

> Member – Sam Riggall (Non-Executive Director)

A summary of the number of Committee meetings and attendances by individual members during the financial year ended 30 June 2015 are disclosed in the Directors' Report section of this Annual Report.

Recommendation 2.2: A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that Board currently has or is looking to achieve in its membership.

The Remuneration and Nomination Committee is responsible for developing and implementing processes to identify and assess necessary and desirable competencies and characteristics for Board members.

The Board considers that collectively the directors have the necessary skills, knowledge and experience to direct the Company as outlined in the following Skills Matrix.

EXPERIENCE AND COMPETENCIES	PROFESSIONAL QUALIFICATIONS
Strategy, leadership and risk management	Finance
Corporate governance	Legal
Stakeholder communication and engagement	Technical including mining and engineering
Financial analysis and capital markets expertise	
Legal and regulatory approval	
Safety, environment and social responsibility	
Project development and construction	
Mining and mineral processing	
Industrial minerals marketing	

Recommendation 2.3: A listed entity should disclose:

(a) the names of the directors considered by the Board to be independent directors;

(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and

(c) the length of service of each director.

The Independence Assessment Matrix for the Board is set out in the following table.

NAME OF DIRECTOR	TERM IN OFFICE	LENGTH OF SERVICE	INDEPENDENCE STATUS
J Askew	Chairman since October 2014	11 months	Independent
T Kumova	Director since April 2013 and Managing Director since October 2014	2 years and 4 months	Not Independent. Executive Director and substantial shareholder (>5%).
S Riggall	Non-Executive Director since October 2014	11 months	Independent
R Brans	Non-Executive Director since May 2013	2 years and 3 months	Independent
J Caldeira	Non-Executive Director since May 2014	1 year and 1 month	Not independent Partner of Sal & Caldeira Advogados Lda, the Company's principal legal representative in Mozambique.

Recommendation 2.4: A majority of the Board of a listed entity should be independent directors.

The Independence Assessment Matrix concluded that three out of the current five Board members are considered to be independent directors.

Recommendation 2.5: The chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The Independence Assessment Matrix concluded that James Askew, the current Chairman of the Company, is an independent director. The current Managing Director of the Company is Tolga Kumova.

Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Remuneration and Nomination Committee is responsible for establishing induction programmes for new directors to gain an understanding of:

> the Group's financial position, strategies, operations and risk management policies; and

> the respective rights, duties and responsibilities and roles of the Directors and the Board.

The Company also provides directors with the opportunity to undertake training courses with the Australian Institute of Company Directors or other professional bodies as required, subject to the approval of the Chairman.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

Recommendation 3.1: A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

The Board has adopted a Code of Conduct that applies to the Directors, Officers, Employees, Contractors and Consultants of the Group ("Employees"). The key objectives are to ensure Directors and Employees:

> observe the highest standards of honesty, integrity, fairness and ethical, responsible and law-abiding behaviour when performing their duties;

> are aware of and avoid potential conflicts of interest or duty (either directly or indirectly) and to disclose any potential conflicts of interest or duty fully and frankly to the Board for consideration and resolution;

> do not improperly use their positon, property or information acquired through their position for personal gain or gain of an associate or to compete with or harm the Group;

> maintain the confidentiality of information regarding the Group and other stakeholders that is acquired while performing their duties, even after they leave the Group;

> deal fairly with other Employees of the Group as well as external stakeholders;

> use all reasonable endeavours to protect any Group asset and to ensure its efficient use;

> respect the privacy of Employees within the Group and eternal stakeholders

> uphold the Company's commitment to be a responsible corporate citizen by actively supporting the communities in which the Directors and Employees live and work and doing business in an environmentally responsible manner;

- comply with any applicable law, rule or regulation as well as the protocols, policies and procedures of the Group; and
- report promptly and in good faith any actual or suspected violation by any Director or Employee of the standards, requirements or expectations set out in the Code of Conduct.

A full copy of the Code of Conduct is available on the Company's corporate governance page at www.syrahresources.com.au.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Recommendation 4.1: The Board of a listed entity should:

(a) have an audit committee which:

- **has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and**
- **is chaired by an independent director, who is not the chair of the Board,**

and disclose:

- **the charter of the committee;**
- **the relevant qualifications and experience of the members of the committee; and**
- **in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Audit, Risk and Compliance Committee, is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures.

The Charter for the Audit, Risk and Compliance Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

- Chairperson – Sam Riggall (Non-Executive Director)
- Member – James Askew (Non-Executive Chairman)
- Member – Rhett Brans (Non-Executive Director)

A summary of relevant qualifications of the Committee members, the number of Committee meetings and attendances by individual members during the financial year ended 30 June 2015 are disclosed in the Directors' Report section of this Annual Report.

Recommendation 4.2: The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Board has received a declaration from Managing Director, Tolga Kumova and Chief Financial Officer, David Corr that the Company's financial statements for the financial year ended 30 June 2015 has adhered to these standards.

Recommendation 4.3: A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The Company requests that a representative from the Company's external auditors, Grant Thornton Audit Pty Ltd, be in attendance at the AGM and be available to answer questions from shareholders in relation to the conduct of the audit and the preparation of and content of the auditor's report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

The Board has established a Continuous Disclosure Policy to provide up-to-date information to its shareholders and to ensure compliance with ASX listing rule disclosure requirements and the *Corporations Act 2001*. The key objectives are to ensure:

- the Company immediately discloses all price-sensitive information to the ASX;
- the Company's officers and employees are aware of the Company's continuous disclosure obligations;
- procedures are established for the collection of all potentially price-sensitive information;
- procedures are established for assessing whether information should be disclosed and the extent of any required disclosure; and
- procedures are established for releasing information to and responding to any queries from the ASX.

The guiding principle is that the Company must immediately disclose to the ASX any information concerning the Group that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Board will be consulted in relation to the disclosure or non-disclosure of major matters and the form and content of any announcement in relation to such a major matter requires consideration and approval by the Board.

A full copy of the Continuous Disclosure Policy is available on the Company's corporate governance page at www.syrahresources.com.au.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its website.

The Company has established a corporate website at www.syrahresources.com.au which provides an overview of the Company's activities including details about the Board, management team, corporate governance, social responsibility as well as current and historical ASX announcements.

Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

The investor relations activities currently undertaken by the Company include:

> regular roadshows by the Managing Director and other relevant employees to meet with existing and potential investors in Australia and internationally; and

> attendance by Senior Executives at industry events and functions to enable investors to communicate directly with the Company.

Recommendation 6.3: A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

The Board encourages full participation of shareholders at the Annual General Meeting (AGM) to ensure a high level of accountability and alignment with the Company's strategy and goals. In preparing for the AGM, the Company will prepare a Notice of Meeting and related explanatory information so that they provide all the information that is relevant to shareholders in making decisions on the matters to be voted on at the meeting.

Details regarding the timing and location of a Company's AGM is disclosed to the ASX in advance to encourage attendance by shareholders. Time is also set aside at the AGM for the Board, Executives and the External Auditor, Grant Thornton Audit Pty Ltd, to respond to any shareholder queries.

Recommendation 6.4: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company provides the option for shareholders to receive communications from the Company or its security registry electronically.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: The Board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- **has at least three members, a majority of whom are independent directors; and**
- **is chaired by an independent director,**

and disclose:

- **the charter of the committee;**
- **the members of the committee; and**
- **as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or**

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Audit, Risk and Compliance Committee, is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures.

The Charter for the Audit, Risk and Compliance Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

> Chairperson – Sam Riggall (Non-Executive Director)

> Member – James Askew (Non-Executive Chairman)

> Member – Rhett Brans (Non-Executive Director)

A summary of relevant qualifications of the Committee members, the number of Committee meetings and attendances by individual members during the financial year ended 30 June 2015 are disclosed in the Directors' Report section of this Annual Report.

Recommendation 7.2: The Board of a listed entity should:

> **review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and**

> **disclose, in relation to each reporting period, whether such a review has taken place.**

The Company's risk management framework is reviewed by the Board on a periodic basis and a review has been performed during this reporting period. Based on this review, the Board considers that the Company's existing risk management framework is sound.

Recommendation 7.3: A listed entity should disclose:

- **if it has an internal audit function, how the function is structured and what role it performs; or**
- **if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.**

The Company does not presently have an internal audit function.

The Audit, Risk and Compliance Committee is currently responsible for the Company's risk management and internal control processes. These responsibilities include:

> overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring there is a mechanism for assessing the efficiency and effectiveness of those systems;

> approving and recommending to the Board for adoption policies and procedures on risk oversight and management to establish an effective and efficient system;

> regularly reviewing, discussing and updating the risk profile;

> assessing the adequacy of the internal risk control system with management and external auditors;

> monitoring the effectiveness of the internal risk control system;

> ensuring the risk management system takes into account all material risks including strategic, operational, legal, reputation, credit, market and liquidity risk;

> assessing if management has controls in place for unusual transactions and any potential transactions that may carry more than an acceptable degree of risk;

> evaluating the Company's exposure to fraud and review the effectiveness of management's processes for managing financial reporting fraud risk;

> reviewing proposed disclosures and strategies for managing material economic, environmental and social sustainability risks; and

> considering the Group's insurance arrangements and renewals.

As the Company's operations grow and evolve, the Board will consider the appropriateness of adopting an internal audit function.

Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The Company's exposure to potential material risks are disclosed in the Review of Operations section of this Annual Report. The management of these potential material risks is the responsibility of the Audit, Risk and Compliance Committee and will be carried out in accordance with the guidelines set out in Recommendation 7.3.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The Board of a listed entity should:

(a) have a remuneration committee which:

- **has at least three members, a majority of whom are independent directors; and**
- **is chaired by an independent director,**

and disclose:

- **the charter of the committee;**
- **the members of the committee; and**
- **as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings;**

or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Remuneration and Nomination Committee is responsible for advising the Board on the composition of the Board and its Committees, reviewing the performance of the Board, its Committees and the individual directors and overseeing the remuneration and human resources policies and practices of the Company.

The Charter for the Remuneration and Nomination Committee is available on the Company's corporate governance page at www.syrahresources.com.au.

The Committee currently consists of:

> Chairperson – Rhett Brans (Non-Executive Director)

> Member – James Askew (Non-Executive Chairman)

> Member – Sam Riggall (Non-Executive Director)

A summary of the number of Committee meetings and attendances by individual members during the financial year ended 30 June 2015 are disclosed in the Directors' Report section of this Annual Report.

Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Non-Executive Directors

Non-Executive Directors are remunerated at market rates for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and annually reviews their remuneration taking into account comparable roles, comparative market data and if required, the advice of independent remuneration consultants.

Additional details around Non-Executive Director remuneration are disclosed in the Remuneration Report section of this Annual Report.

Executives

The Board, in consultation with the Remuneration and Nomination Committee, reviewed the Company's Executive Remuneration Strategy during the financial year ended 30 June 2015 to ensure that the executive remuneration framework remain appropriate and aligned to the business needs. The Board aims to ensure that the Company's Remuneration Practices are performance based and designed to:

- motivate executives to pursue the Group's long term growth and success; and
- demonstrate a clear relationship between the Group's overall performance and the performance of its Executives

Additional details around Executive remuneration are disclosed in the Remuneration Report section of this Annual Report.

Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary or it.

The Board, in consultation with the Remuneration and Nomination Committee, has determined that any employee of the Company that is a participant of an equity-based remuneration scheme must seek Board approval before they are permitted to enter into a transaction that will limit the economic risk of participation in the scheme.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 $'000	2014 $'000
Revenue from continuing operations	6	296	410
Other income	7	868	-
		1,164	410
Expenses			
Legal and consulting expenses		(1,456)	(330)
Administration expenses		(2,254)	(2,448)
Employee benefits expense		(8,594)	(3,103)
Depreciation and amortisation expense		(653)	(339)
Exploration and evaluation costs written off		(151)	(933)
Impairment of available-for-sale financial assets		(132)	-
Loss before income tax expense from continuing operations		(12,076)	(6,743)
Income tax expense	9	-	-
Loss after income tax expense from continuing operations		(12,076)	(6,743)
Profit/(loss) after income tax (expense)/benefit from discontinued operations	10	443	(8)
Loss after income tax expense for the year attributable to the owners of Syrah Resources Limited		(11,633)	(6,751)
Other comprehensive income			
Items that may be reclassified subsequently to the profit or loss			
Exchange differences on translation of foreign subsidiaries	22	323	(1,787)
Reserves released to profit on demerger of Jacana Minerals Limited	22	(790)	-
Other comprehensive income for the year, net of tax		(467)	(1,787)
Total comprehensive income for the year attributable to the owners of Syrah Resources Limited		(12,100)	(8,538)
Total comprehensive income for the year is attributable to:			
Continuing operations		(11,753)	(8,530)
Discontinued operations		(347)	(8)
		(12,100)	(8,538)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 CENTS	2014 CENTS
Earnings per share for loss from continuing operations attributable to the owners of Syrah Resources Limited			
Basic earnings per share	31	(7.35)	(4.33)
Diluted earnings per share	31	(7.35)	(4.33)
Earnings per share for loss from discontinued operations attributable to the owners of Syrah Resources Limited			
Basic earnings per share	31	0.27	(0.01)
Diluted earnings per share	31	0.27	(0.01)
Earnings per share for loss attributable to the owners of Syrah Resources Limited			
Basic earnings per share	31	(7.08)	(4.34)
Diluted earnings per share	31	(7.08)	(4.34)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	NOTES	30 JUNE 2015 $'000	30 JUNE 2014 $'000
Assets			
Current assets			
Cash and cash equivalents	11	8,931	28,571
Trade and other receivables	12	2,323	1,552
Available-for-sale financial assets	13	33	-
Total current assets		**11,287**	**30,123**
Non-current assets			
Property, plant and equipment	14	4,901	1,918
Intangibles	15	185	19
Mine properties and development	16	41,918	-
Exploration and evaluation	17	811	33,149
Total non-current assets		**47,815**	**35,086**
Total assets		**59,102**	**65,209**
Liabilities			
Current liabilities			
Trade and other payables	18	2,547	568
Provisions	19	141	71
Total current liabilities		**2,688**	**639**
Non-current liabilities			
Provisions	20	9	28
Total non-current liabilities		**9**	**28**
Total liabilities		**2,697**	**667**
Net assets		**56,405**	**64,542**
Equity			
Issued capital	21	80,910	81,444
Reserves	22	5,330	1,768
Accumulated losses	23	(29,835)	(18,670)
Total equity		**56,405**	**64,542**

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	CONTRIBUTED EQUITY $'000	ACCUMULATED LOSSES $'000	RESERVES $'000	TOTAL EQUITY $'000
Balance at 1 July 2014	**81,444**	**(18,670)**	**1,768**	**64,542**
Loss after income tax expense for the year	-	(11,633)	-	(11,633)
Other comprehensive income for the year, net of tax	-	-	(467)	(467)
Total comprehensive income for the year	-	(11,633)	(467)	(12,100)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	4,313	-	-	4,313
Demerger distribution (note 10)	(6,559)	468	-	(6,091)
Share-based payments (note 32)	-	-	5,741	5,741
Exercise of options	1,712	-	(1,712)	-
	(534)	468	4,029	3,963
Balance at 30 June 2015	**80,910**	**(29,835)**	**5,330**	**56,405**
Balance at 1 July 2013	**45,698**	**(12,009)**	**3,417**	**37,106**
Loss after income tax expense for the year	-	(6,751)	-	(6,751)
Other comprehensive income for the year, net of tax	-	-	(1,787)	(1,787)
Total comprehensive income for the year	-	(6,751)	(1,787)	(8,538)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	34,932			34,932
Share-based payments (note 32)	-	-	1,042	1,042
Lapse of options	-	90	(90)	-
Exercise of options	814	-	(814)	-
	35,746	90	138	35,974
Balance at 30 June 2014	**81,444**	**(18,670)**	**1,768**	**64,542**

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 $'000	2014 $'000
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of goods and services tax)		(6,436)	(5,199)
Interest received		331	389
Net cash inflow / (outflow) from operating activities	30	**(6,105)**	**(4,810)**
Cash flows from investing activities			
Payments for property, plant and equipment		(3,747)	(1,551)
Payments for intangibles		(235)	(10)
Payments for exploration and evaluation		(13,472)	(8,835)
Loan provided to other parties		(500)	-
Net cash inflow / (outflow) from investing activities		**(17,954)**	**(10,396)**
Cash flows from financing activities			
Proceeds from issue of shares		4,339	36,032
Share issue transaction costs		(24)	(1,101)
Net cash inflow / (outflow) from financing activities		**4,315**	**34,931**
Net increase / (decrease) in cash and cash equivalents		**(19,744)**	**19,725**
Cash and cash equivalents at beginning of the year		28,571	10,818
Effects of exchange rate changes on cash and cash equivalents		104	(1,972)
Cash and cash equivalents at end of the year	11	**8,931**	**28,571**

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied for all the periods presented, unless otherwise stated.

The financial statements are for the consolidated entity consisting of Syrah Resources Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Syrah Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of the Syrah Resources Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical costs convention, except for certain assets which, as noted, are at fair value.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 33.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Syrah Resources Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Syrah Resources Limited and its subsidiaries together are referred to in these financial statements as the Group or the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. Details of subsidiaries are set out in Note 28.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit and loss.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Syrah Resources Limited.

(c) Segment Reporting

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Refer to Note 5 for further information on segment descriptions.

(d) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Syrah Resources Limited's functional and presentation currency.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions and balances

All foreign currency transactions during the financial period are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates on monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses that relate to borrowings are presented in the profit and loss within finance costs. All other foreign exchange gains and losses are presented in the profit and loss on a net basis within other income or other expenses.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

> assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,

> income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

> all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the profit and loss, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised for the major business transactions as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(f) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences, including unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not revers in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax Consolidation Legislation

Syrah Resources Limited (the “head entity”) and its wholly-owned Australian subsidiaries formed an income tax consolidated group on 1 July 2014. 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, the head entity 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.

Assets or liabilities arising under tax funding agreements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in current liabilities and non-current liabilities. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life or over the shorter of the assets useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group, as lessee, are classified as operating leases. Payment made under operating leases (net of incentives received from the lessor) are charged to the profit and loss on a straight-line basis over the period of the lease.

(h) Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit and loss and other comprehensive income.

(i) Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are always classified as non-current.

(j) Cash and cash equivalents

For the purposes of presentation in the statement of cash flows, cash and cash equivalents comprises cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(k) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(l) Property, plant and equipment

Plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation, amortisation or impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Land is not depreciated. Assets under construction are measured at cost and are not depreciated until they are ready and available for use. Depreciation on assets is calculated using either a straight-line or diminishing value method to allocate the cost, net of their residual values, over the estimated useful lives or the life of the mine, whichever is shorter. Leasehold improvements and certain leased plant and equipment are depreciated over the shorter lease term.

Other non-mine plant and equipment typically has the following estimated useful lives:

Buildings	20 years
Plant and Equipment	2 to 10 years
Computer Equipment	4 to 5 years

The assets residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, at each financial period end.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss in the period the asset is derecognised.

(m) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment in value. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment in value. The gains or losses recognised in profit and loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on either a straight-line or diminishing value method over the estimated useful life, being a finite life not exceeding 5 years.

(n) Mine properties and development

Mine properties and development

Mine properties and development represents the accumulation of all exploration, evaluation and development expenditure incurred by, or on behalf of, the entity in relation to areas of interest in which construction or development has commenced and/or mining of a mineral resource has commenced. Where further development expenditure is incurred in respect of a production property after the commencement of production, such expenditure is carried as part of the cost of that production property only when substantial future economic benefits arise, otherwise such expenditure is classified as part of the cost of production.

Mine development costs for production properties in which the Group has an interest are amortised over the life of the area of interest to which the costs relates on a units of production basis over the estimated proved and probable ore reserves and a proportion of other measured and

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

indicated mineral resources where there is a high degree of confidence that they can be extracted economically. Changes in the life of the area of interest and/or or ore reserves and other mineral resources are accounted for prospectively.

Mines under construction

Expenditure incurred in constructing a mine is accumulated separately for each area of interest. This expenditure includes all direct costs of construction, borrowing costs capitalised during construction and an appropriate allocation of attributable overheads up to the time of commissioning the project. Upon successful commissioning of the project the aggregated costs of construction are transferred to non-current assets as either mine development or property, plant and equipment as appropriate.

The carrying value of mines properties and development for each area of interest is assessed annually for impairment in accordance with Note 1(p).

(o) Exploration and evaluation

Exploration and evaluation expenditure comprises costs which are directly attributable to:

- research and analysing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling scoping and feasibility studies.

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the balance sheet where it is expected that expenditure will be recovered through the successful development and exploitation of an area or interest, or by its sale; or exploration and evaluation activities are continuing in an area of interest and those activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off to the profit and loss in the year in which the decision is made.

Exploration and evaluation expenditure is reclassified to Mine Properties and Development in the year when the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. The carrying value of the exploration and evaluation expenditure is assessed for impairment prior to reclassification.

(p) Impairment of assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

At each reporting date, the Group assesses whether there is any indication that other non-financial assets may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in profit and loss.

Recoverable amount is the greater of fair value less costs of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

Where there is no binding sale agreement or active market, fair value less costs of disposal is based on the best information available to reflect the amount the Group could receive for the cash generating unit in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the pre-impairment value, adjusted for any depreciation that would have been recognised on the asset had the initial impairment loss not occurred. Such reversal is recognised in profit or loss.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Ore Reserves

The Company estimates its mineral resources and ore reserves based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC 2012 code). Reserves, and for certain mineral resources, determined in this way are used in the calculation of depreciation, amortisation and impairment charges.

In assessing the life of a mine for accounting purposes, mineral resources are only taken into account where there is a high degree of confidence of economic extraction.

(r) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition, and in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading purposes are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Held-to-maturity investments

Bills of exchange and debentures are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Available-for-sale financial assets

Financial assets that are available-for-sale are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in profit and loss for the period.

(s) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(t) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit and loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit and loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit and loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(u) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(v) Contributed equity

Ordinary shares are classified as equity and is recognised at the fair value of the consideration received by the Company

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, of the share proceeds received.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Goods and services tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

(y) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current period.

(z) Rounding of amounts

The Company is a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards

AASB 9 *Financial Instruments* addresses the classification, measurement and de-recognition of financial assets and financial liabilities as well as impairment and hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption. The Company intends to apply the standard from 1 January 2018. The Company is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the Company's preliminary assessment, the standard is not expected to have a material impact on the transactions and balances recognised in the financial statement when it is first adopted for the year ended 31 December 2018.

(ii) AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts (and related interpretations). The International Accounting Standards Board (IASB) in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to AASB 15, which will means that the application date of this standard will move from 1 January 2017 to 1 January 2018. The Company is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the Company's preliminary assessment, the standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first applied.

NOTE 2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange risk and aging analysis for credit risk.

Financial risk management is carried out by Audit, Risk and Compliance Committee under guidelines established by the Board. The policies employed by the Company identify and analyse financial risks and establish appropriate procedures and controls to mitigate identified financial risks which includes foreign exchange risk, credit risk, use of derivate financial instruments and non-derivative financial instruments and investment of surplus cash reserves.

The Group holds the following financial instruments:

	2015 $'000	2014 $'000
Financial Assets		
Cash and cash equivalents	8,931	28,571
Trade and other receivables	2,323	1,552
Available-for-sale financial assets	33	-
	11,287	30,123
Financial Liabilities		
Trade and other payables	2,547	568
	2,547	568

(a) Market Risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and the Mozambique New Metical (MZN).

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

At this time the Group does not manage its prospective foreign exchange risk with currency hedges.

The Group's exposure to foreign currency risk at the reporting date, expressed in Australian dollars, was as follows:

	2015 $'000	2014 $'000
Assets		
- Mozambique New Metical	1,471	72
- US Dollars	1,115	5,637
- Saudi Riyals	3	3
- Tanzanian Shilling	-	33
	2,589	5,745
Liabilities		
- Mozambique New Metical	479	67
	479	67
Net Surplus	2,110	5,678

NOTE 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

Group sensitivity

Based on the financial instruments held at 30 June 2015, had the Australian dollar weakened/strengthened by 15% against the above currencies with all other variables held constant, the Group's post tax loss for the financial period would have been $186,740 higher / $186,740 lower (2014: $137,663 higher / $137,663 lower), mainly as a result of foreign exchange gains/losses on translation of foreign operations.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents.

At 30 June 2015, if interest rates had increased by 50 basis points (bps) or decreased by 50 bps from the period end rates with all other variables held constant, post tax profit for the period would have been $44,656 higher / $44,656 lower (June 2014 changes of 50 bps / 50 bps: $142,854 higher / $142,854 lower).

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

The Group has no receivables past due as at 30 June 2015 (30 June 2014: Nil).

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

The table below analyses the Groups financial liabilities into relevant maturity groupings based on the remaining period as at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 JUNE 2015

	LESS THAN 6 MONTHS	6 - 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTRACT-UAL CASH FLOWS	CARRYING AMOUNT LIABILITIES
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives							
Non-interest bearing							
Trade and other payables	2,547	-	-	-	-	2,547	2,547
Total non-derivatives	2,547	-	-	-	-	2,547	2,547

30 JUNE 2014

	LESS THAN 6 MONTHS	6 - 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTRACT-UAL CASH FLOWS	CARRYING AMOUNT LIABILITIES
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Non-derivatives							
Non-interest bearing							
Trade and other payables	568	-	-	-	-	568	568
Total non-derivatives	568	-	-	-	-	568	568

NOTE 2. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital Risk Management

When managing capital, the Group's objective is to safeguard the ability to continue as a going concern so that the Group continues to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Management is constantly reviewing and adjusting, where necessary, the capital structure. This involves the use of corporate forecasting models which enable analysis of the Group's financial position including cash flow forecasts to determine future capital management requirements. To ensure sufficient funding, a range of assumptions are modeled.

NOTE 3. FAIR VALUE MEASUREMENT

In accordance with AASB 13, *Fair Value Measurement*, the Company has classified, according to the fair value hierarchy, the Group's available-for-sale financial assets as a Level 2 asset. This asset is measured at fair value as at 30 June 2015 based on inputs other than quoted prices included within Level 1 that are observable for the asset either directly (as prices) or indirectly (derived from prices). There are no Level 1 or 3 assets or liabilities as at 30 June 2015.

The Group did not transfer any fair value amounts between the fair value hierarchy during the year ended 30 June 2015.

Due to their short-term nature, the carrying amounts of current receivables and current payables are assumed to approximate their fair value.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make estimates and judgement that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a higher degree of risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

(i) Impairment of exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to successfully develop and exploit an area of interest or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes and changes to commodity prices and foreign exchange rates.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

(ii) Impairment of property, plant and equipment and mine properties and development

The Group performs an impairment assessment where there is an indication of possible impairment. Impairment assessments are performed using information from the Feasibility Study as well as external sources, including industry analysts and analysis performed by external parties.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Impairment of property, plant and equipment and mine properties and development (continued)

In determining whether the recoverable amount of each cash generating unit is the higher of fair value less costs to sell or value-in-use against which impairment is to be considered the group undertakes cash flow calculations which are based on a number of critical estimates, assumptions and forward estimates including commodity price expectations, foreign exchange rates, discount rates, reserves and resources and expectations regarding future development costs as well as production, sales and operating costs which is subject to risk and uncertainty.

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial result.

(iii) Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(iv) Determination of mineral resources and ore reserves

Mineral resources and ore reserves are based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the JORC 2012 code). There are numerous uncertainties inherent in estimating ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of ore reserves and may, ultimately, result in the reserves being restated. Such changes in reserves could impact on depreciation and amortisation rates, asset carrying values and provisions for rehabilitation.

(v) Taxation

The Group's accounting policy for taxation requires management judgment in relation to the application of income tax legislation. There are many transactions and calculations undertaken during the ordinary course of business where the ultimate tax determination is uncertain. The Group recognises liabilities for tax, and if appropriate taxation investigation or audit issues, based on whether tax will be due and payable. Where the taxation outcome of such matters is different from the amount initially recorded, such difference will impact the current and deferred tax positions in the period in which the assessment is made.

In addition, judgement is required in assessing whether deferred tax assets and liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from temporary differences, are recognised only when it is considered more likely than not that they will be recovered, which is dependent upon the generation of future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised. In addition, the utilisation of taxation losses also depends on the ability of the tax consolidated entities to satisfy certain tests at the time the losses are recouped.

(vi) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options granted is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted and based upon the assumptions detailed in Note 32. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

NOTE 5. SEGMENT INFORMATION

(a) Description of segments

Management has determined and presented operating segments based on the reports reviewed by the Executive Management Team, who are the Group's chief operating decision makers in terms of assessing performance and allocating resources. The Board of Directors reviews the performance of the group on a similar basis.

The Group has one operating segment in Mozambique but primarily monitors performance according to the following two geographical locations:

Australia	Investing activities and corporate management
Mozambique	Mining, mineral exploration, evaluation and development activities

The Saudi Arabian and Australian exploration segments were discontinued as at 30 June 2014. The results of discontinued operations for the current and previous financial years have been allocated to the Australian geographical category.

(b) Geographical information provided to the Executive Management Team

	2015		
	MOZAMBIQUE $'000	**AUSTRALIA $'000**	**CONSOLIDATED $'000**
Revenues			
Interest received / receivable	6	290	296
Other income	-	868	868
Total revenues	6	1,158	1,164
Results			
Loss after income tax expense	(1,236)	(10,397)	(11,633)
Included within geographical results:			
Legal and consulting expenses	(200)	(1,256)	(1,456)
Other administration expenses	(264)	(1,990)	(2,254)
Share-based payments expense	-	(5,741)	(5,741)
Other employee benefits expense	(539)	(2,314)	(2,853)
Depreciation and amortisation expense	(239)	(414)	(653)
Exploration and evaluation costs written off	-	(151)	(151)
Impairment of available-for-sale financial assets	-	(132)	(132)
Discontinued operations	-	443	443
Assets			
Geographical assets	15,861	43,241	59,102
Total assets	15,861	43,241	59,102
Liabilities			
Geographical liabilities	479	2,218	2,697
Total liabilities	479	2,218	2,697

NOTE 5. SEGMENT INFORMATION (CONTINUED)

(b) Geographical information provided to the Executive Management Team (continued)

	2014		
	MOZAMBIQUE $'000	AUSTRALIA $'000	CONSOLIDATED $'000
Revenues			
Interest received / receivable	-	410	410
Total revenues	-	410	410
Results			
Loss after income tax expense	(910)	(5,841)	(6,751)
Included within geographical results:			
Legal and consulting expenses	(5)	(325)	(330)
Other administration expenses	(619)	(1,828)	(2,447)
Share-based payments expense	-	(1,042)	(1,042)
Other employee benefits expense	-	(2,062)	(2,062)
Depreciation and amortisation expense	(282)	(57)	(339)
Exploration and evaluation costs written off	(4)	(929)	(933)
Discontinued operations	-	(8)	(8)
Assets			
Geographical assets	36,794	28,415	65,209
Total assets	36,794	28,415	65,209
Liabilities			
Geographical liabilities	67	600	667
Total liabilities	67	600	667

NOTE 6. REVENUE

	2015 $'000	2014 $'000
From continuing operations		
Interest received / receivable	296	410
	296	410

NOTE 7. OTHER INCOME

	2015 $'000	2014 $'000
Net foreign exchange gain	868	-
	868	-

NOTE 8. EXPENSES

Loss before income tax from continuing operations includes the following specific expenses

	2015 $'000	2014 $'000
Depreciation		
Land and buildings	22	30
Plant and equipment	561	285
Total depreciation	583	315
Amortisation		
Software	70	24
Total depreciation and amortisation	653	339
Employee benefits expense		
Share-based payments	5,741	1,042
Employee entitlements	59	15
Defined contribution superannuation expense	155	154
Other expenses		
Legal expenses	573	80
Consulting expenses	883	197
Net foreign exchange loss	-	438

NOTE 9. INCOME TAX EXPENSE

	2015 $'000	2014 $'000
(a) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense from continuing operations	(12,076)	(6,743)
Profit/(loss) before income tax (expense) / benefit from discontinued operations	443	(8)
	(11,633)	(6,751)
Tax at the Australian tax rate of 30%	(3,490)	(2,025)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- Share-based payments	1,722	312
- Reserves released to profit on demerger of Jacana Minerals Limited	(237)	-
- Other non-deductible expenses	9	14
- Losses incurred by foreign controlled entities	302	275
- Movement in unrecognised temporary differences	(130)	377
- Current year taxation losses not recognised as deferred tax assets	1,824	1,047
Income tax expense	-	-
(b) Taxation losses and temporary differences not recognised		
Unused taxation losses for which no deferred tax asset has been recognised	16,914	10,834
Potential taxation benefit at 30%	5,074	3,250
Net temporary differences not bought to account	372	242

The taxation benefits of taxation losses and temporary differences not brought to account will only be obtained if:

> the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

> the consolidated entity continues to comply with the conditions for deductibility imposed by law; and

> no change in tax legislation adversely affects the consolidated entity in realising the benefits from deducting the losses.

NOTE 10. DISCONTINUED OPERATIONS

(a) Demerger of Jacana Minerals Limited

On 15 October 2014, Syrah Resources Limited demerged Jacana Minerals Limited and its wholly owned subsidiary Jacana Resources (Tanzania) Limited. That business is now owned and operated by Jacana Minerals Limited as a separate and independent holding Company, which is unlisted.

The demerger of Jacana Minerals Limited and steps to implement the demerger were approved by Syrah shareholders at a general meeting held on 1 October 2014. Following the successful outcome of this shareholder vote, the final separation of Jacana Minerals Limited occurred on 15 October 2014. As a consequence of the demerger, Jacana Minerals is presented in discontinued operations.

The demerger was done by way of an in-specie distribution of shares in Jacana Minerals Limited to the shareholders of Syrah Resources Limited.

(b) Other discontinued operations

On 18 May 2012 a sale agreement was signed with Arabian Nubian Resources ('ANR') to sell 95% of Syrah's Saudi Arabian subsidiary. As part of this deal a $50,000 option fee was received with a further $800,000 to be received upon completion. The agreement was subject to a number of conditions which must be met before completion occurs. The option fee received is non-refundable and was recognised in profit or loss upon receipt. No further amounts have been received or are receivable.

During 2014 it was agreed between both parties that the sale agreement with ANR would be terminated. Syrah is not currently pursuing further operations in Saudi Arabia so continues to classify these operations as discontinued. During the reporting period Syrah's Saudi Arabian subsidiary incurred a loss of $8,788 in 2015 (2014: $4,118 loss).

(c) Financial information

Financial information for the group's discontinued operations for the reporting period is summarised in the tables below.

	2015 $'000	2014 $'000
Financial performance information		
Administration costs	(50)	-
Employee benefits expense	(108)	-
Legal and consulting expense	(185)	-
Depreciation and amortisation expense	(4)	(8)
Total expenses	(347)	(8)
Loss before income tax expense	(347)	(8)
Income tax expense	-	-
Loss after income tax expense	(347)	(8)
Profit on demerger	790	-
Income tax expense	-	-
Profit on demerger after income tax expense	790	-
Profit/(loss) after income tax expense from discontinued operations	443	(8)
Cash flow information		
Net cash used in operating activities	(343)	-

NOTE 10. DISCONTINUED OPERATIONS (CONTINUED)

(d) Financial information (continued)

	2015 $'000
Carrying amounts of assets and liabilities demerged	
Cash and cash equivalents	61
Trade and other receivables	13
Property, plant and equipment	86
Exploration and evaluation	6,096
Total assets	6,256
Net assets	6,256
Details of the demerger	
Total amount attributed to demerger distribution	6,091
Add: Investment retained in Jacana Minerals Limited	165
Sub-total	6,256
Less: Carrying amount of net assets demerged	(6,256)
Add: foreign exchange gains released to profit on demerger	790
Profit on demerger before tax income	790
Income tax expense	-
Profit on demerger after income tax	790

NOTE 11. CASH AND CASH EQUIVALENTS

	2015 $'000	2014 $'000
Cash at bank and in hand	8,891	28,508
Deposit at call	40	63
	8,931	28,571

Total cash is held in trading accounts or term deposits with major financial institutions under normal terms and conditions appropriate to the operation of the accounts. These deposits earn interest at rates set by these institutions. As at 30 June 2015 the weighted average interest rate on the Australian dollar accounts was 1.28% (30 June 2014: 2.5%).

(a) Risk exposure

The Group's exposure to foreign exchange and interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 12. TRADE AND OTHER RECEIVABLES

	2015 $'000	2014 $'000
Other receivables	2,091	960
Security deposits[1]	107	-
Prepayments	125	592
	2,323	1,552

(1) Security deposits comprises of restricted deposits that are used for monetary backing for performance guarantees.

(a) Impaired trade receivables

The Group has no trade receivables past due as at 30 June 2015, nor does it consider there to be any potential impairment loss on these receivables (30 June 2014: Nil).

(b) Foreign exchange and interest rate risk

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 2.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 2 for more information on the credit quality of the Group's trade and other receivables.

NOTE 13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 $'000	2014 $'000
Listed securities		
- Australian listed securities	33	-
	33	-
Movements in available-for-sale financial assets are set out below:		
Balance at the beginning of year	-	-
Additions	165	-
Impairment expense	(132)	-
Balance at the end of year	33	-

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

	LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	COMPUTER EQUIPMENT $'000	TOTAL $'000
At 1 July 2014				
Cost	336	2,040	-	2,376
Accumulated depreciation	(73)	(385)	-	(458)
Net book amount	263	1,655	-	1,918
Year ended 30 June 2015				
Opening net book amount	263	1,655	-	1,918
Additions	1,518	2,229	-	3,747
Disposals (at net book value)	-	(86)	-	(86)
Depreciation charge	(22)	(565)	-	(587)
Transfers (at net book value)	-	(57)	57	-
Exchange differences	(90)	(1)	-	(91)
Closing net book amount	1,669	3,175	57	4,901
At 30 June 2015				
Cost	1,690	4,037	108	5,835
Accumulated depreciation	(21)	(862)	(51)	(934)
Net book amount	1,669	3,175	57	4,901

	LAND AND BUILDINGS $'000	PLANT AND EQUIPMENT $'000	COMPUTER EQUIPMENT $'000	TOTAL $'000
At 1 July 2013				
Cost	367	926	-	1,293
Accumulated depreciation	(43)	(122)	-	(165)
Net book amount	324	804	-	1,128
Year ended 30 June 2014				
Opening net book amount	324	804	-	1,128
Additions	-	1,048	-	1,048
Depreciation charge	(30)	(285)	-	(315)
Exchange differences	(31)	88	-	57
Closing net book amount	263	1,655	-	1,918
At 30 June 2014				
Cost	336	2,040	-	2,376
Accumulated depreciation	(73)	(385)	-	(458)
Net book amount	263	1,655	-	1,918

(a) Assets under construction

The carrying amounts of the assets disclosed above includes expenditure of $208,856 recognised in relation to plant and equipment which is in the course of construction (30 June 2014: $390,318).

NOTE 15. INTANGIBLES

	2015 $'000	2014 $'000
Software (at cost)	310	75
Accumulated amortisation	(125)	(56)
Net book amount	185	19
Movements in intangibles are set out below:		
Opening net book amount	19	33
Additions	235	10
Amortisation expense	(69)	(24)
Closing net book amount	185	19

NOTE 16. MINE PROPERTIES AND DEVELOPMENT

	2015 $'000	2014 $'000
Mine properties and development (at cost)	41,918	-
Accumulated amortisation	-	-
Total mine properties and development	41,918	-
Movements in mine properties and development are set out below:		
Opening net book amount	-	-
Transfer from exploration and evaluation	41,918	-
Closing net book amount	41,918	-

NOTE 17. EXPLORATION AND EVALUATION

	2015 $'000	2014 $'000
Exploration & evaluation properties (at cost)	811	33,149
	811	33,149

Movements in exploration and evaluation expenditure are set out below:		
Balance at beginning of year	33,149	25,205
Current year expenditure	15,104	8,727
Transfer to mine properties and development	(41,918)	-
Demerger of Jacana Minerals Limited	(6,096)	-
Exchange differences	723	150
Expenditure written-off	(151)	(933)
Balance at end of year	811	33,149

The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation or alternatively the sale of the respective areas of interest at an amount at least equal to book value.

The Directors have reviewed the carrying values of each area of interest as at 30 June 2015 and have concluded that the technical feasibility and commercial viability of the Balama Graphite Project is demonstrable and accordingly the carried forward capitalised exploration and evaluation expenditures have been reclassified to mine properties and development.

The remaining balance of exploration and evaluation relates to the vanadium project at Balama and continues to be carried forward in accordance with the exploration and evaluation accounting policy.

NOTE 18. TRADE AND OTHER PAYABLES

	2015 $'000	2014 $'000
Trade payables and accruals	2,089	409
Other payables	458	159
	2,547	568

(a) Risk exposure

Trade payables are non-interest bearing and are normally settled on repayment terms between 7 and 30 days. Information about the Group's exposure to foreign exchange risk is provided in Note 2.

NOTE 19. PROVISIONS (CURRENT)

	2015 $'000	2014 $'000
Employee benefits	141	71
	141	71

NOTE 20. PROVISIONS (NON-CURRENT)

	2015 $'000	2014 $'000
Employee benefits	9	28
	9	28

NOTE 21. ISSUED CAPITAL

	2015 SHARES	2014 SHARES	2015 $'000	2014 $'000
Issued and fully paid ordinary shares	165,223,076	162,500,614	80,910	81,444
	165,223,076	162,500,614	80,910	81,444

(a) Movements in ordinary share capital

DETAILS	DATE	NUMBER OF SHARES	ISSUE PRICE	$'000
Balance at 1 July 2013		**147,767,623**		**45,699**
Exercise of options	1 July 2013	100,000	$0.26	26
Exercise of options	19 September 2013	375,000	$0.26	98
Exercise of options	1 October 2013	87,500	$0.26	23
Exercise of options	18 October 2013	50,000	$0.26	13
Exercise of options	23 October 2013	30,000	$2.21	66
Exercise of options	16 December 2013	200,000	$2.21	442
Issue of shares	19 December 2013	13,725,491	$2.55	35,000
Exercise of options	24 January 2014	50,000	$2.21	110
Exercise of options	1 April 2014	90,000	$2.21	199
Exercise of options	16 May 2014	10,000	$2.21	22
Exercise of options	2 June 2014	15,000	$2.21	33
Transfer from share-based payments reserve on conversion of options				814
Capital raising costs				(1,101)
Balance at 30 June 2014		**162,500,614**		**81,444**

NOTE 21. ISSUED CAPITAL (CONTINUED)

(a) Movements in ordinary share capital (continued)

DETAILS	DATE	NUMBER OF SHARES	ISSUE PRICE	$'000
Balance at 1 July 2014		**162,500,614**		**81,444**
Exercise of options	15 July 2014	75,000	$0.26	19
Exercise of options	15 July 2014	5,000	$2.21	11
Exercise of options	18 July 2014	425,000	$0.26	110
Exercise of options	29 July 2014	10,000	$0.26	3
Exercise of options	8 August 2014	454,462	$0.26	118
Exercise of options	1 September 2014	15,000	$2.21	33
Exercise of options	3 October 2014	650,000	$0.26	169
Demerger distribution	15 October 2014			(6,559)
Exercise of options	27 January 2015	75,000	$0.22	16
Exercise of options	19 March 2015	13,000	$2.17	28
Exercise of options	23 March 2015	1,000,000	$3.83	3,830
Transfer from share-based payments reserve on conversion of options				1,712
Capital raising costs				(24)
Balance at 30 June 2015		**165,223,076**		**80,910**

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

Ordinary shares entitle their holder to one vote per share, either in person or by proxy, at a meeting of the Company.

Ordinary shares have no par value and the Company does not have a limited amount of authorised share capital.

(c) Share options

The Company has a share-based payment scheme under which options to subscribe for the Company's shares have been granted to Non-Executive Directors, Executives and selected Senior Employees. Information in relation to the Share Option Plan including details of options issued and exercised during the financial year and options outstanding at the end of the financial year are set out in Note 32.

There are no voting or dividend rights attached to share options. Voting and dividend rights will attach to the ordinary shares when the options have been exercised.

(d) Share buy-back

There is no current on-market share buy-back.

(e) Capital raising

On 3 August 2015, the Company announced a fully underwritten capital raising of approximately $211 million. Information relating to this capital raising is set out in Note 34.

(f) Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may, return capital to shareholders, or issue new shares.

NOTE 22. RESERVES

	2015 $'000	2014 $'000
Foreign currency reserve	(975)	(508)
Share-based payments reserve	6,305	2,276
	5,330	1,768

(a) Movements in reserves

Movements in each class of reserve are set out below:

	FOREIGN CURRENCY RESERVE $'000	SHARE-BASED PAYMENTS RESERVE $'000	TOTAL $'000
Balance at 1 July 2013	1,279	2,138	3,417
Foreign currency translation	(1,787)	-	(1,787)
Share-based payments	-	1,042	1,042
Exercise of options	-	(90)	(90)
Recognition of options issued on the Jacana acquisition	-	(814)	(814)
Balance at 30 June 2014	(508)	2,276	1,768
Foreign currency translation	323	-	323
Share-based payments	-	5,741	5,741
Exercise of options	-	(1,712)	(1,712)
Foreign exchange gains released to profit on demerger of Jacana Minerals Limited	(790)	-	(790)
Balance at 30 June 2015	(975)	6,305	5,330

(b) Nature and purpose of reserves

Foreign currency reserve

Exchange differences arising on translation of a foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the profit and loss when the net investment is disposed.

Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of equity benefits issued by the Company.

NOTE 23. ACCUMULATED LOSSES

	2015 $'000	2014 $'000
Accumulated losses		
Movements in accumulated losses are set out below:		
Balance at the beginning of year	(18,670)	(12,009)
Loss for the year	(11,633)	(6,751)
Demerger of Jacana Minerals Limited	468	-
Expired share options	-	90
Balance at the end of year	(29,835)	(18,670)

NOTE 24. DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 25. COMMITMENTS AND CONTINGENCIES

(a) Lease expenditure commitments

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2015 $'000	2014 $'000
Within one year	115	-
After one year but not more than five years	2	-
Minimum lease payments	117	-

(b) Tenement expenditure commitments

In order to maintain the mining and exploration tenements in which the Group is involved, the Group is committed to meet conditions under which the tenements were granted. If the Group continues to hold those tenements, the minimum expenditure requirements (including interests in joint venture arrangements) will be approximately:

Within one year	209	247
After one year but not more than five years	691	267
	900	514

(c) Contingent assets

The Group did not have any contingent assets at the end of the current and previous financial year.

NOTE 26. RELATED PARTY TRANSACTIONS

(a) Ultimate parent

Syrah Resources Limited is the ultimate Australian holding company of the Group.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 28.

(c) Key management personnel compensation

	2015 $	2014 $
Short-term employee benefits	1,197,932	1,040,422
Post-employment benefits	68,765	95,076
Long term benefits	3,087	232,499
Share-based payments	4,614,644	251,932
	5,884,428	1,619,929

Detailed remuneration disclosures are provided in the remuneration report on pages 29 to 38.

(d) Transactions with related parties

Transactions with related parties are set out below:

	2015 $	2014 $
Purchases of goods and services		
Legal services provided by Sal & Caldeira Advogados, Lda (1)	310,142	-
Accounting and company secretarial services provided by Leydin Freyer (2)	123,950	117,000
Consultancy services provided by Proman Consulting Engineers Pty Ltd (3)	62,500	-
Consultancy services provided by T Eadie (4)	99,000	-
Office lease charges paid to Copper Strike Limited (5)	100,184	45,868
	695,776	162,868

(1) Represents legal services provided to the Company by Sal & Caldeira Advogados, Ltd in Mozambique. J Caldeira was appointed Non-Executive Director of the Company from 22 July 2014 and is a senior partner of Sal & Caldeira Advogados, Lda

(2) Represents accounting and company secretarial services provided to the Company by Leydin Freyer Corp Pty Ltd. M Leydin, Company Secretary, is a principal and has a beneficial interest in Leydin Freyer Corp Pty Ltd

(3) Represents consultancy services provided to the Company by R Brans who is a Non-Executive Director of the Company.

(4) Represents consultancy services provided to the Company by T Eadie as part of the demerger of Jacana Minerals Limited. T Eadie was Non-Executive Chairman of the Company until his resignation on 2 October 2014.

(5) Represents office lease charges paid to Copper Strike Limited a shareholder of Syrah Resources Limited. T Eadie who was Non-Executive Chairman of the Company until his resignation on 2 October 2014 is also Non-Executive Chairman of Copper Strike Limited.

(e) Outstanding balances arising from purchases of goods and services

	2015 $	2014 $
Trade and other payables		
Related parties	73,201	12,172
	73,201	12,172

NOTE 27. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

(a) Grant Thornton Audit Pty Ltd

	2015 $'000	2014 $'000
Audit and review of financial reports	72	58
Total remuneration of Grant Thornton	**72**	**58**

During the year the auditor provided no non-audit services to the Company (2014:Nil).

NOTE 28. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

		PERCENTAGE OF EQUITY INTEREST HELD BY THE GROUP	
NAME	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	2015 %	2014 %
Jacana Resources Limited	Australia	100	100
Syrah Resources (KSA) Pty Ltd	Australia	100	100
Twigg Exploration and Mining Limitada	Mozambique	100	100
Jacana Resources (Zambia) Ltd	Zambia	100	100
Syrah Resources Saudi Arabia LLC	Saudi Arabia	100	100
Jacana Minerals Limited [1], [2]	Australia	-	-
Jacana Resources (Tanzania) Ltd [2]	Tanzania	-	100

(1) Jacana Minerals Limited was incorporated on 2 July 2014.

(2) Jacana Minerals Limited, and its wholly owned subsidiary Jacana Resources (Tanzania) Pty Ltd, were demerged from the Syrah Group on 15 October 2014 following shareholder approval at a General Meeting of the Company held on 1 October 2014.

NOTE 29. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Syrah Resources Limited

Jacana Resources Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Syrah Resources Limited, they also represent the 'Extended Closed Group'.

(a) Consolidated statement of comprehensive income and summary of movements in consolidated accumulated losses

Set out below is a consolidated statement of comprehensive income and a summary of movements in consolidated accumulated losses for the current or previous financial year for the 'Closed Group'.

	2015 $'000	2014 $'000
Consolidated statement of comprehensive income		
Revenue from continuing operations	290	410
Other income	868	-
Expenses		
Legal and consulting expense	(1,256)	(271)
Administration expenses	(2,826)	(1,945)
Employee benefits expense	(8,054)	(3,040)
Depreciation and amortisation expense	(405)	(55)
Exploration and evaluation costs written off	(2)	(933)
Impairment of available-for-sale financial assets	(132)	-
Loss for the year before income tax expense	**(11,517)**	**(5,834)**
Income tax expense	-	-
Loss after income tax expense for the year	**(11,517)**	**(5,834)**
Total comprehensive income for the year	**(11,517)**	**(5,834)**
Summary of movements in consolidated accumulated losses		
Accumulated losses at the beginning of year	(15,623)	(9,789)
Loss after income tax expense for the year	(11,517)	(5,834)
Accumulated losses at the end year	(27,140)	(15,623)

NOTE 29. DEED OF CROSS GUARANTEE (CONTINUED)

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at the end of the current and previous financial year for the 'Closed Group'.

	30 JUNE 2015 $'000	30 JUNE 2014 $'000
Current assets		
Cash and cash equivalents	8,891	28,135
Trade and other receivables	889	182
Available-for-sale financial assets	33	-
Total current assets	**9,813**	**28,317**
Non-current assets		
Property, plant and equipment	899	38
Intangibles	182	43
Mine properties and development	19,798	-
Exploration and evaluation	811	10,699
Investments	30,793	29,603
Total non-current assets	**52,483**	**40,383**
Total assets	**62,296**	**68,700**
Current liabilities		
Trade and other payables	2,069	502
Provisions	141	71
Total current liabilities	**2,210**	**573**
Non-current liabilities		
Provisions	9	29
Total non-current liabilities	**9**	**29**
Total liabilities	**2,219**	**602**
Net assets	**60,077**	**68,098**
Equity		
Issued capital	80,911	81,445
Reserves	6,306	2,275
Accumulated losses	(27,140)	(15,622)
Total equity	**60,077**	**68,098**

NOTE 30. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 $'000	2014 $'000
Loss after income tax expense for the year	(11,633)	(6,751)
Adjustments for:		
Depreciation and amortisation	656	339
Share-based payments	5,741	1,042
Exploration and evaluation costs written off	151	933
Impairment of available-for-sale financial assets	132	-
Reserves released to profit on demerger of Jacana Minerals Limited	(790)	-
Changes in operating assets and liabilities:		
(Increase) / decrease in trade and other receivables	(271)	(40)
Increase / (decrease) in trade and other payables	(133)	(406)
Increase / (decrease) in provisions	42	73
Net cash inflow / (outflow) from operating activities	(6,105)	(4,810)

NOTE 31. EARNINGS PER SHARE

	2015 CENTS	2014 CENTS
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	(7.35)	(4.33)
From discontinued operations attributable to the ordinary equity holders of the Company	0.27	(0.01)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(7.08)	(4.34)
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	(7.35)	(4.33)
From discontinued operations attributable to the ordinary equity holders of the Company	0.27	(0.01)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(7.08)	(4.34)

NOTE 31. EARNINGS PER SHARE (CONTINUED)

(a) Reconciliations of earnings used in calculating earnings per share

	2015 $'000	2014 $'000
Basic earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share from continuing operations	(12,076)	(6,743)
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share from discontinued operations	443	(8)
Total profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share	(11,633)	(6,751)
Diluted earnings per share		
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share from continuing operations	(12,076)	(6,743)
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share from discontinued operations	443	(8)
Total profit/(loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	(11,633)	(6,751)

(b) Weighted average number of shares used as the denominator

	2015 NUMBER	2014 NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	164,200,912	155,664,661
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	164,200,912	155,664,661

Options

The rights to options held by options holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the group is loss making.

NOTE 32. SHARE-BASED PAYMENTS

(a) Share option plan

The establishment of a Share Option Plan was approved by shareholders at an Annual General Meeting held on 19 November 2013. The Share Option Plan is designed to drive long-term outcomes for the business which create shareholder value.

Under the Share Option Plan, the Board of Directors has the discretion to grant options to Non-executives directors, Executives and selected Senior Employees. These options are issued at a premium to the market price of a share in the Company at the date of grant. Options vest after 12 months and expire three years from the date of grant.

During the year options were granted to a selected senior employee for nil consideration with their exercise conditional on the achievement of certain performance hurdles.

There are no voting or dividend rights attached to the options. Voting and dividend rights will attach to the ordinary shares when the options have been exercised.

The table below summarises the balance of options granted under the plan:

	2015		2014	
	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE OPTION (1)	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE OPTION	NUMBER OF OPTIONS
As at 1 July	$1.85	4,294,467	$1.34	4,851,967
Granted during the year	$5.32	5,050,000	$5.50	500,000
Exercised during the year (2)	$1.57	(2,722,462)	$1.02	(1,007,500)
Forfeited during the year	-	-	$2.21	(50,000)
Expired during the year	-	-	-	-
As at 30 June	$4.61 (3)	6,622,005	$1.89	4,294,467
Vested and exercisable at 30 June	$2.33	1,572,005	$1.41	3,794,467

(1) On 15 October 2014, the exercise price of options were reduced on $0.04 (4 cents) per option in accordance with the term of the options, ASX Listing Rules 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the demerger of Jacana Minerals Limited and the 3 for 10 Jacana Minerals share distribution. The weighted average exercise prices per share option for the year ended 30 June 2015 incorporate this change.

(2) The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2015 was $4.48 (30 June 2014: $2.80)

(3) Effective from 9 September 2015, the exercise price of options were reduced by $0.05 (5 cents) per option in accordance with the terms of the options, ASX Listing Rule 3.11.2 and the formula contained in ASX Listing Rile 7.22.3 as a result of the issuance of shares from the 4 for 19 accelerated renounceable entitlement offer. The weighted average exercise price per share option for the year ended 30 June 2015 does not incorporate this change.

Each option is convertible into one ordinary share.

No options expired during the period covered by the above tables.

NOTE 32. SHARE-BASED PAYMENTS (CONTINUED)

(a) Share option plan (continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices

GRANT DATE	EXPIRY DATE	EXERCISE PRICE [3]	SHARE OPTIONS 30 JUNE 2015	SHARE OPTIONS 30 JUNE 2014
15 December 2011	15 December 2015	$0.17 [1]	800,005	2,489,467
16 July 2012	16 July 2016	$2.12 [1]	22,000	55,000
21 March 2013	21 March 2015	$3.83 [1]	-	1,000,000
19 May 2014	19 May 2019	$5.41 [1]	500,000	500,000
12 June 2013	12 June 2016	$2.86 [1]	250,000	250,000
2 October 2014	2 October 2019	$6.26 [1]	2,800,000	-
28 January 2015	28 January 2018	$4.08	1,200,000	-
27 April 2015	27 April 2017	- [2]	250,000	-
7 May 2015	7 May 2018	$5.40	500,000	-
9 June 2015	9 June 2018	$4.99	300,000	-
TOTAL			**6,622,005**	**4,294,467**
Weighted average remaining contractual life of options outstanding at the end of the year			1.72 years	2.71 years

(1) On 15 October 2014, the exercise price of these options were reduced by $0.04 (4 cents) per option in accordance with the term of the options, ASX Listing Rules 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the demerger of Jacana Minerals Limited and the 3 for 10 Jacana Minerals Limited share distribution.

(2) Represents options that were granted to a selected senior employee for NIL consideration with exercise conditional on the achievement of certain performance hurdles that are aligned with the creation of shareholder value.

(3) Effective from 9 September 2015, the exercise price of options were reduced by $0.05 (5 cents) per option in accordance with the term of the options, ASX Listing Rule 3.11.2 and the formula contained in ASX Listing Rule 7.22.3 as a result of the issuance of shares from a 4 for 19 accelerated renounceable entitlement offer. The exercise price included in the above table incorporates this change.

Fair value of options granted

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

GRANT DATE	EXPIRY DATE	SHARE PRICE AT GRANT DATE	EXERCISE PRICE	EXPECTED VOLATILITY	DIVIDEND YIELD	RISK-FREE INTEREST RATE	FAIR VALUE AT GRANT DATE
2 October 2014	2 October 2019	$4.33	$6.35	58.56%	-	3.502%	$1.879
28 January 2015	28 January 2018	$3.45	$4.13	61.75%	-	2.168%	$1.289
27 April 2015	27 April 2017	$3.80	- [1]	55.82%	-	1.910%	$3.800
7 May 2015	7 May 2018	$4.04	$5.45	57.00%	-	2.199%	$1.241
9 June 2015	9 June 2018	$3.73	$5.04	59.97%	-	2.080%	$1.215

(1) Represents options that were granted to a selected senior employee for NIL consideration with exercise conditional on the achievement of certain performance hurdles that are aligned with the creation of shareholder value.

NOTE 32. SHARE-BASED PAYMENTS (CONTINUED)

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the financial year as part of employee benefit expense were as follows:

	2015 $	2014 $
Options issued under Share Option Plan	5,741,371	1,041,467
	5,741,371	1,041,467

NOTE 33. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2015 $'000	2014 $'000
Balance sheet		
Current assets	9,812	57,077
Total assets	**62,376**	**68,727**
Current liabilities	2,209	572
Total liabilities	**2,219**	**601**
Shareholders' equity		
Issued capital	80,910	81,445
Share-based payments reserve	6,305	2,275
Accumulated losses	(27,058)	(15,594)
Total equity	**60,157**	**68,126**
Loss after income tax for the year	**(11,465)**	**(5,831)**
Total comprehensive income for the year	**(11,465)**	**(5,831)**

(b) Contingent liabilities of the parent entity

Bank deposits / guarantees

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Other contingent liabilities

The parent entity has no other contingent liabilities as at 30 June 2015 and 30 June 2014.

NOTE 34. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Capital Raising

On 3 August 2015, the Company announced a fully underwritten capital raising of approximately A$211 million by way of the following:

(a) Institutional Placement at $3.25 per share to raise approximately $98 million; and

(b) Pro-rata accelerated renounceable Entitlement Offer to eligible shareholders to subscribe for 4 new Syrah shares for every 19 existing Syrah shares at an offer price of $3.25 per share to raise approximately $113 million.

The proceeds of the capital raising will predominately be used to fund the development of the Company's Balama Graphite Project in Mozambique. The proceeds will also be used to fund general and administrative costs and to progress studies relating to the Company's future potential projects including a potential spherical graphite facility in the United States.

On 6 August 2015, the Company announced the successful completion of the Institutional Placement and the institutional component of the Entitlement Offer which raised approximately $166 million and resulted in the issuance of 50,726,039 new shares on 13 August 2015.

On 27 August 2015, the Company announced the successful completion of the retail component of the Entitlement Offer which raised approximately $45 million and resulted in the issuance of 14,137,746 new shares on 2 September 2015.

Foreign Currency

On 12 August 2015, the Company converted $155 million of the capital raising proceeds into United States Dollars (US$113 million) which is the primary currency in which the development expenditure for the Balama Graphite Project in Mozambique will be incurred.

The financial effects of these subsequent events have not been bought to account as at 30 June 2015.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 54 to 94 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 29 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 29.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

James Askew
Chairman

Tolga Kumova
Managing Director

Melbourne, Australia

28 September 2015

INDEPENDENT AUDITOR'S REPORT

Grant Thornton

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report
To the Members of Syrah Resources Limited

Report on the financial report

We have audited the accompanying financial report of Syrah Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

Grant Thornton

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Syrah Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001.

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Syrah Resources Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. L. Taylor
Partner - Audit & Assurance

Melbourne, 28 September 2015

SHAREHOLDER INFORMATION

ADDITIONAL ASX INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 28 September 2015 except where otherwise indicated.

EQUITY SECURITY HOLDERS

Top 20 largest quoted security holders as at 28 September 2015

The names of the twenty largest security holders of quoted equity securities are listed below:

NAME	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
J P MORGAN NOM AUST LTD	32,180,243	13.96
HSBC CUSTODY NOM AUST LTD	28,730,298	12.47
CITICORP NOM PL	20,100,512	8.72
NATIONAL NOM LTD	15,508,044	6.73
MERRILL LYNCH AUST NOM PL	11,795,672	5.12
COPPER STRIKE LTD	11,000,005	4.77
KITARA INV PL	10,213,015	4.43
MERRILL LYNCH AUST NOM PL	8,170,675	3.55
GASMERE PL	5,825,982	2.53
BNP PARIBAS NOMS PL	4,823,294	2.09
BRISPOT NOM PL	4,254,001	1.85
UBS NOM PL	3,807,996	1.65
HATZIKYRIAZIS HARALAMBOS	3,000,888	1.30
POLTOL INV PL	2,777,778	1.21
CS FOURTH NOM PL	2,592,855	1.13
HSBC CUSTODY NOM AUST LIM	2,483,222	1.08
BUPRESTID PL	2,025,000	0.88
CITICORP NOM PL	1,782,092	0.77
FINANCE ASSOC PL	1,669,951	0.72
KUMOVA TOLGA	1,530,542	0.66
	174,272,065	75.62

Unquoted equity securities as at 28 September 2015

	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options over ordinary shares issue	6,247,005	14

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	NUMBER OF HOLDERS OF ORDINARY SHARES
1 to 1,000	1,214
1,001 to 5,000	1,368
5,001 to 10,000	498
10,001 to 100,000	677
100,001 and over	110
	3,867

The number of shareholders holding less than a marketable parcel of Ordinary Shares at 28 September 2015 was 283.

VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

SUBSTANTIAL SHAREHOLDERS

An extract of the Company's Register of Substantial Shareholders as at 28 September 2015 is set out below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
J P MORGAN NOM AUST LTD	32,180,243	13.96
HSBC CUSTODY NOM AUST LTD	28,730,298	12.47
CITICORP NOM PL	20,100,512	8.72
NATIONAL NOM LTD	15,508,044	6.73
MERRILL LYNCH AUST NOM PL	11,795,672	5.12

TENEMENT SCHEDULE

as at 28 September 2015

DESCRIPTION	TENEMENT NUMBER	INTEREST OWNED
Balama	6432C	100%
Balama [(1)]	5684L	100%
Botswana	347/2014	100%
Botswana	348/2014	100%
Botswana	349/2014	100%
Botswana	350/2014	100%
Mount Lyndhurst [(2)]	EL 4790	50%
Mount Lyndhurst South [(2)]	EL 4791	50%
Sasare North	17904-HQ-LPL	100%

(1) Syrah has entered into a tenement sale agreement (TSA) for the acquisition of a tenement (Tenement) in Balama from a third party (Seller). Under the TSA, Syrah may be required to issue to the Seller, as part of the contingent consideration for the acquisition of the Tenement, up to US$2.0 million of fully paid ordinary shares (Sale Shares) in various tranches, with the number of Sale Shares under each tranche to be calculated based on the 30 day volume weighted average price of Syrah shares prior to the issue date. The Sale Shares (if issued) will rank equally with Syrah's existing shares, and will not be issued to an existing class of security holders in Syrah. It is not expected that security holder approval will be required for the issue of Sale Shares.

(2) The Mount Lyndhurst licences are 50% owned by Syrah Resources Limited and 50% owned by the Joint Venture Partner (Zurich Resources Pty Ltd). All other licences are owned by wholly owned subsidiaries of Syrah.

SYRAH
RESOURCES

SYRAH RESOURCES LIMITED
ABN 77 125 242 284

Level 9, 356 Collins Street
Melbourne Victoria 3000

t: +61 3 9670 7264
e: enquiries@syrahresources.com.au
w: www.syrahresources.com.au