



SYRAH RESOURCES

The future of graphite

Annual General Meeting Presentation

Shaun Verner, Managing Director and CEO

19 May 2017



Tailings storage facility

Truck parking area

Administration Building

Fixed plant workshop

Raw water dam

Power station

Product storage building

Fuel storage facility

Process plant

ROM pad

50m

Safety, our people, our community and our environment

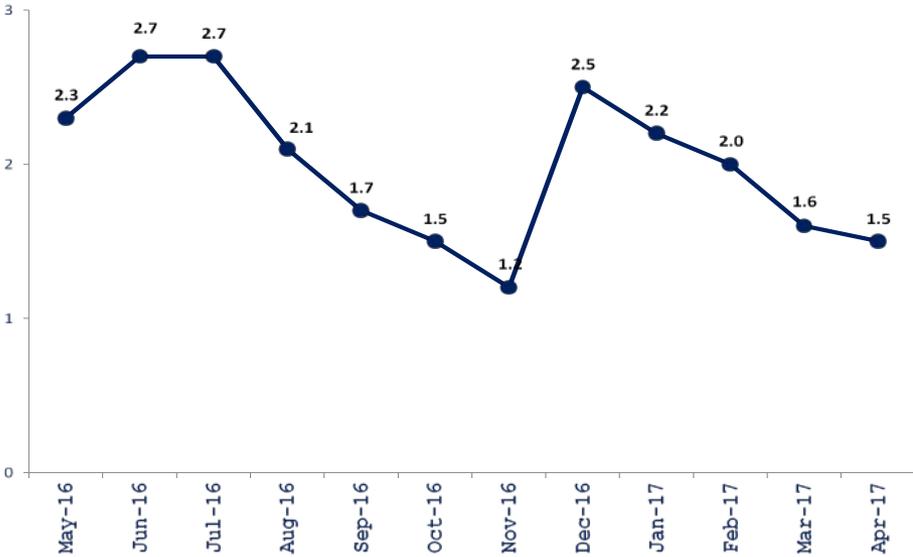


National Women's Day celebrations at (left) and critical risk management training at Balama (right)

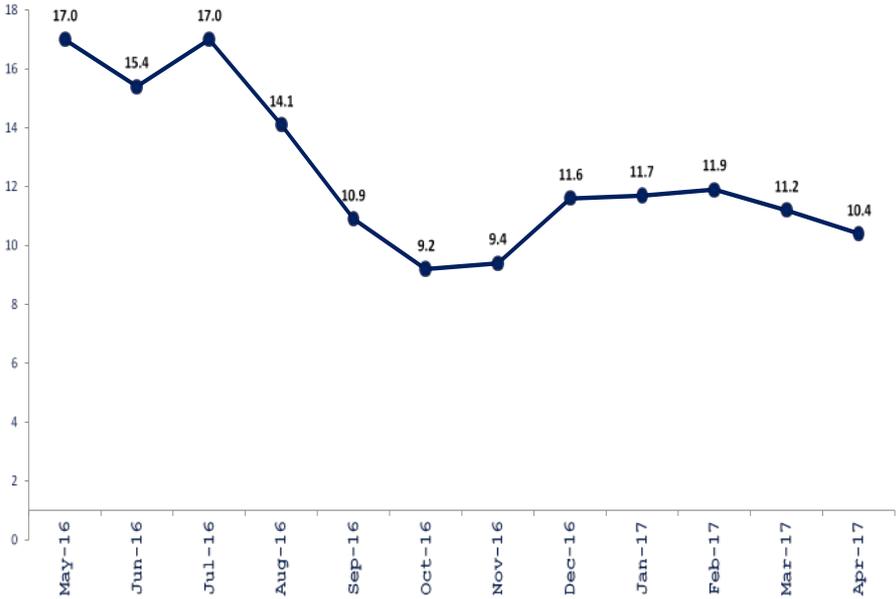
Safety – Our highest priority

- TRIFR = 1.5 (target = 2) Zero recordable injuries in 2017.

Total Recordable Injury Frequency Rate (TRIFR) – 12mma



All Injury Frequency Rate (AIFR) – 12mma



- 2 million hours Lost Time Injury Free.
- Minor first aid injuries associated with light abrasions to hands and legs are most commonly reported injury (non-recordable).

Our People

- ❑ Strengthened our Executive ranks
- ❑ Darrin Strange (Chief Operating Officer) and his team are laser focused on delivery of the Balama Project
- ❑ In Mozambique:
 - Currently at over 90% local Mozambican employees
 - Approximately 70% from the eight local host communities
 - 23% female employees



Our Communities – 8 Host Communities around Balama

- ❑ Integrally engaged in our development
- ❑ Treated with respect
- ❑ Given the strongest opportunities to share in personal, social and economic development from our work
- ❑ Examples:
 - Local Development Agreement delivering social progress
 - Resettlement action plan
 - Finalising a MOU to establish a Balama Training Centre in H2 2017 that will provide training opportunities for at least 500 people from local communities over the next 5 years



Awards night for the completion of training for Balama process plant shift workers

Sustainability & Environment

- ❑ Remain committed to respecting and taking care of our environmental footprint
- ❑ No significant environmental incidents last quarter
- ❑ Completed baseline surveys:
 - Flora and fauna
 - Radiation
 - Fisheries
- ❑ All results are in line with our Environmental License and International Standards



Key strategic objectives

- ❑ Construction completion, commissioning and ramp up at Balama
- ❑ Executing proprietary market analysis and implementing the sales and marketing plan
- ❑ Further developing and executing the Battery Anode Material strategy
- ❑ Maintaining balance sheet strength
- ❑ Executive and professional recruitment

Significant progress made on all objectives.

Balama Project update

- ❑ Currently, the Balama Project is approaching 80% complete
- ❑ Capital budget remains at US\$193 million plus a project contingency of US\$7 million
- ❑ Commissioning activities have commenced
- ❑ Production ramp up volumes expected to be 140kt to 160kt of flake graphite concentrate in the first 12 months of production
- ❑ 250kt to 300kt of production in the second year
- ❑ Water Pipeline Construction Agreement granted and construction has commenced
- ❑ Mining Agreement continues to progress through government approval channels with no issues or changes identified



Ore bin (top) and primary mill and flotation (bottom)

BAM Project update

- ❑ Initial BAM team mobilised to Louisiana under Chief Operating Officer – BAM Project, Paul Jahn
- ❑ Finalising site lease for the Qualification Plant in Louisiana; environmental permitting progressing well concurrently
- ❑ Front End Engineering Design (FEED) is complete, transitioning to detailed engineering design with a US firm
- ❑ Qualification Plant on target for production in Q1 2018
- ❑ Commercial Plant planning for 2019 is on schedule, with additional commercial options developed before the Bankable Feasibility Study (BFS)
- ❑ China Pilot Plant will be relocated to Perth in mid CY 2017
- ❑ MOU in place, contract under negotiation with Cadenza Innovation in the United States for a long term product testing and development partnership, focussed on the development of advanced BAM products

Commercial developments

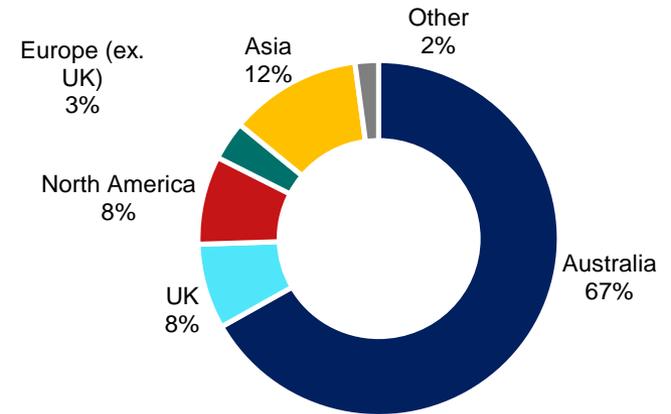
- ❑ Deep market analysis, segmentation, value-in-use analysis and product placement planning
- ❑ Implemented an integrated sales and operations planning process, carefully balancing production with demand in the traditional and BAM markets
- ❑ Comprehensive (mine to port) logistics contract signed with Grindrod, a major African logistics provider, covering the full domestic logistics requirement
- ❑ Multiple large scale sales initiatives and negotiations have been progressed including:
 - MOU with BTR New Energy Materials, the world's largest battery anode manufacturer
 - Finalisation of a Statement of Sales Intent (SSI) with an European trader consortium for a minimum of 15kt to 25kt per annum for 5 years
 - Operationalisation of existing offtake agreements and MOUs with Chalieceo, Marubeni, Hiller Carbon and other traditional market customers
 - Toll processing options developed to produce spherical graphite using Syrah flake in China, targeting earlier entry into this market
 - Conditional SSI signed with a major anode producer for battery grade spherical graphite

Our Financial Position remains strong

- ❑ US\$135 million in cash reserves as at the end of March 2017
- ❑ Total cash spend on the Balama Project of US\$138 million with further commitments of US\$30 million as at the end of March 2017, bringing total cash spend and commitments to US\$168 million
- ❑ Fully funded to deliver the Balama Project and well advanced on a US\$50 million working capital debt facility

Investor Relations

- ❑ Actively marketing to a wider potential shareholder base
- ❑ Lots of interest
- ❑ Short selling:
 - Very active in recent months
 - Very disappointing
 - Conducted discussions with the relevant authorities
 - Most effective way to neutralise the shorts is to deliver on our objectives



*Geographic analysis of investors, April 2017
(Source: Orient Capital Pty Ltd)*

Acknowledging our People

I am extremely proud of our people and watching them work together as a team across Australia, Mozambique, the United States and United Arab Emirates to make this project a reality has impressed me greatly.

I would like to thank all of our employees for their strong commitment to Working Safely at all times as no job is worth risking harm to ourselves or to others.

I would like to acknowledge the diverse workforce that we have created and will continue to establish as it affords a richness of ideas and effective problem solving that have been critical to Project Development activities.

Our people and the relationships they have forged with key stakeholders have played a significant role in getting us to where we are today.

Thank you to all involved.

Conclusion

- ❑ Syrah is the only major natural graphite development project in construction globally, and is fully funded for production of graphite concentrate from Balama in only a few months' time
- ❑ We have an extraordinary deposit – with almost 60 years mine life as the largest natural graphite producer globally
- ❑ We have a world class tier 1 asset by any measure – size, quality, life, expandability
- ❑ Our grade advantage is significant. It requires less work and lower cost to produce high carbon content concentrate, which will over time attract a premium price
- ❑ We are positioned and will remain in the lowest quartile of the cost curve
- ❑ And we are advancing our downstream BAM project to capitalise on the available margins and exponential growth in the global battery market
- ❑ In doing so we are deeply commercially engaged with the major consumers in the traditional and downstream markets building baseload contractual relationships – including that with BTR, the world's largest battery anode manufacturer