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**2019 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS**

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Syrah Resources Limited (**ASX: SYR**) ("Syrah" or "Company") provides a copy of the Chairman's Address, which will be delivered at the Company's Annual General Meeting today.

**ADDRESS BY THE CHAIRMAN, JIM ASKEW**

Good morning and welcome to Syrah Resources' Annual General Meeting.

Syrah's vision is to be the world's leading supplier of superior quality natural graphite products, working closely with customers and the supply chain to add value in battery and industrial markets. The highest standards of health safety, environment, and community performance are embodied in achieving this vision.

Your Board and Executive team recognise that performance did not meet expectations during the 2018 financial year, which has resulted in a negative impact on Syrah's valuation and on shareholder wealth. We clearly acknowledge the disappointment in the share price performance.

It is worth taking a moment however to keep the context of this enterprise in mind:

- Balama is the largest and first major new natural graphite operation developed outside of China in a generation;
- Syrah is fundamentally altering the global trade flows for natural graphite, importing into China for the first time;
- In doing so, it is providing a platform for lower cost, higher quality natural graphite anode material to support the growth of the lithium ion battery market, the growth of electric vehicles and energy storage; and
- Providing a new path for strategic supply of raw material and potentially anode material to give greater confidence and stability to global battery raw material and finished product supply chains.

Importantly, the Syrah team are developing Balama and the USA Battery Anode Material (BAM) operation in a sustainable manner, balancing business risk to maximise long term value for Syrah's shareholders.

The path to developing both the operation and market has not been as smooth as initially anticipated, but with each passing month of improved performance and expanding sales, we become more integral to the global battery supply chain. The global graphite market has not grown at the rate the Balama feasibility study assumed back in 2015. However, it continues to grow, albeit at a slower rate and will support a strong future for Syrah.



2018 performance was impacted by some well documented production ramp up challenges at Balama. Your Board was immediately notified of these significant issues and monitored progress by a well-established executive reporting protocol.

Notwithstanding those challenges, 2018 was a pivotal year in the Company's evolution. During the course of the year Balama production grew, to the extent that Syrah produced over 100,000 tonnes of high grade, low impurity natural graphite, and became the world's largest integrated natural graphite producer.

Operating a plant of the size and nature of Balama in its remote location does not come without its challenges. The management team have shown tremendous commitment in establishing a world class operation with an outstanding safety record, with environmental programs and community initiatives underpinning the Company's licence to operate. Additionally, strong governance protocols have been established, supported by the maturity of the well embedded risk management systems. The Board is confident that it has a management team with appropriate experience and skills to deliver improved results for shareholders.

When it came time for the Board to assess management performance, the Board took a very clear view that the Corporate key performance indicators (KPIs) set at the beginning of 2018 were not met in respect of:

- Balama Cashflow and Cost; and
- Sales Volume and Price.

Therefore 0% was awarded for these KPIs. However, the Board also recognised that, for the reasons I've noted, expectations were exceeded in respect of:

- Health, Safety, Compliance & Governance;
- Battery Anode Material Progress; and
- Sustainability and Social Performance.

Therefore the full award was given for those KPIs, resulting in a Corporate performance result of 25 out of 50 for the Company's Short Term Incentive plan. We also note that the Long Term Incentive plan is designed to align with shareholder value creation, thus 0% of the Long Term Incentive vested at the end of 2018.

Over the past year, your Board has undergone a number of changes. We are very pleased to announce that Ms Sara Watts has consented to act as a Non-Executive Director. She is an experienced Non-Executive Director and Audit and Risk Committee Chair. Sara brings international financial and operational acumen with more than twenty years of technology transformation experience. Her appointment documentation is expected to be finalised in the very near term.



During 2018, the Board also welcomed Lisa Bahash who brings a wealth of experience from the automotive original equipment manufacturing (OEM) industry including advanced energy storage and lithium ion technologies. As a director appointed by the Board during the year, Lisa stands for re-election by shareholders today.

We acknowledge with thanks the contributions of Stefano Giorgini and Christina Lampe-Onnerud who have finished their service with the Board and we note Christina's ongoing work with Syrah, via the commercial relationship with her advisory group, Cadenza Innovation Inc, in the development of our downstream BAM Project.

Syrah remains sharply focused on continued market penetration of our graphite products at competitive prices, and the qualification of our anode materials out the BAM plant in the United States. These steps are pivotal to Syrah's development of becoming the most important anode raw material and battery anode material producer outside of China, to deliver a fundamental platform supporting the global battery supply chain.

Without question, the grand vision of emerging from a start-up Company who first discovered Balama in 2011, to by the end of 2018 being in commercial production as the global leader in natural graphite production is already an extraordinary achievement. Certainly, the excitement of battery supply chain commodities is now maturing and the investment community is understandably exercising greater selectivity regarding investment in companies across the sector. The uniqueness of Syrah in this group is that we are establishing a deep market acceptance globally for our high quality natural graphite products across all product sectors and are progressively de-risking our position as the pre-eminent supplier outside of China.

We thank you for your continued support. I am honoured to serve as Chair of your Board.

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**About Syrah Resources**

*Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah owns and developed the Balama Graphite Project (Balama) in Mozambique. Balama transitioned to operations with sales and shipments to a global customer base including the battery anode producers, from the start of 2018. Syrah produced over 100,000 tonnes of natural graphite in 2018 and is largest and first major new natural graphite operation developed outside of China. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah is also progressing its downstream Battery Anode Material strategy with first production of spherical graphite achieved in December 2018 from its plant in Louisiana, USA. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium-ion batteries. For further information, visit [www.syrahresources.com.au](http://www.syrahresources.com.au)*