



BALAMA UPDATE

Syrah Resources Limited (**ASX: SYR**) (**Syrah** or **Company**) has been continuing to ramp up production of flake and fines graphite at Balama with increased recoveries and production achieved in February.

Syrah advises that an issue has arisen regarding the dryer of the fines graphite circuit (**Fines Dryer**) at the Balama Operations that has caused damage to the Fines Dryer refractory bricks and the flame tube. The coarse flake graphite circuit dryer (**Flake Dryer**) is independent of the Fines Dryer and continues to operate and fines graphite can be rerouted to the Flake Dryer such that production can continue whilst the Fines Dryer is being repaired.

The Company is currently investigating the cause of the issue and planning repairs to mitigate production impacts with the assistance of the Fines Dryer vendor. The Company's current best estimate of the period of time for repair is 8 weeks. The cost of the repair is not expected to be material. While the Fines Dryer is not operational, Syrah expects to produce approximately 65% of the volume planned for ramp up during this period.

Production volume impact relating to the Fines Dryer may be mitigated or eliminated by maximising Flake Dryer throughput during the period of repair, and subsequently increasing production once the Fines Dryer repair is complete.

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About Syrah Resources

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Constructing and commissioning activities of the Balama Graphite Project (Balama) in Mozambique are essentially complete. Syrah produced its first saleable flake graphite product in November 2017 and transitioned into operations on 1 January 2018. 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 developing a downstream Battery Anode Material 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