



## Update on Business Impact of COVID-19

Syrah Resources Limited (**ASX: SYR**) (“Syrah” or “Company”) has established protocols and procedures to ensure the safety of all personnel and to assess and manage potential operational risks to Balama Graphite Operation (“Balama”). The Company remains vigilant with respect to the latest information on COVID-19 through credible sources and will continue to follow the advice of Governments in the jurisdictions in which we operate. In addition, the Company is assessing and implementing more proactive measures as deemed necessary in the best interests of our people.

Syrah has continued its moderated production strategy initiated in Q4 2019 into Q1 2020 as planned, seeking to match production volumes with market demand. Syrah expects its end of quarter cash balance to be broadly aligned to existing guidance of US\$64.6m.

Risks to the international mobility of personnel and the free movement of supply chains have elevated as countries increasingly enact border controls, travel restrictions and quarantine requirements. In addition, with consideration of potential near-term demand and supply shocks due to COVID-19, the Company is observing a degree of market and operational uncertainty beyond Q1 2020. This level of uncertainty warrants a suspension of full year 2020 guidance. Further operational and market updates will be provided as greater certainty becomes available.

Syrah’s balance sheet is well positioned to navigate these near-term uncertainties. The company remains on track to deliver 20% to 25% cost reductions (at 15kt per month production rate) through the previously announced companywide cost restructure<sup>1</sup>, with 20% currently implemented and realised as of end February 2020.

Despite the near-term uncertainty due to COVID-19, the long-term market fundamentals for natural flake graphite remain intact, with ongoing commitment to the decarbonisation of the transport sector via lithium ion powered electric vehicles by supply chain participants and governments.

## This ASX release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

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<sup>1</sup> See ASX announcement dated 18 October 2019

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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 the 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.*

## Forward Looking Statement

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