



INTERIM BALAMA PROJECT UPDATE

Syrah Resources Limited is pleased to announce that the next formal project update is scheduled for late July (June Quarterly). Given the peak of construction and commissioning activity and the recent updates in April and May via investor presentations, it is appropriate to provide the market with a brief interim update.

Overall construction progress completion was 90% as at 30 June 2017. Processing plant commissioning activities commenced in May and continue as planned, including energisation of the primary crusher substation, and completion of function testing for some material handling equipment.

The majority of supporting infrastructure for the plant site is complete, aside from the water pipeline which is well advanced. The main pipeline corridor has been cleared and trenched (13.5 km) and welding of the pipeline has commenced.

Operational readiness for production ramp up is also progressing well:

- The majority of key operational management, supervision and personnel have been recruited.
- Initial mine development is complete with stockpiling of mineralized ore onto the ROM stockpile, ready for production.
- The laboratory has been fully fitted out, with state of the art equipment, and is fully functional with Bureau Veritas technical personnel already mobilised to site.
- The laboratory is being used in advance of production to train personnel in processing and perform ore characterization work.

The project remains on schedule for first production in August 2017 and the project capital cost, as at June 30, remains unchanged.

We are also pleased to advise that the Mozambique Minister for Mineral Resources and Energy, Her Excellency, Leticia Klemens undertook a very detailed visit to the Balama Operation on Monday June 26. The visit focused on health and safety, environmental compliance, the mine, processing plant and infrastructure, the training and development systems in place, and the high proportion of Mozambican national employees, particularly from the local communities. The strong commitment the Company has already shown towards social responsibility in advance of production was noted, and the Minister subsequently requested the Company share the established standards and processes with other resources projects in Cabo Delgado province and nationally.



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