



SYRAH BALAMA GRAPHITE PROJECT UPDATE

Syrah Resources Limited (ASX:SYR) (**Syrah** or the **Company**) wishes to provide an interim update of the Balama Graphite Project in Mozambique as of mid October 2017.

Key points

- Project construction is 98% complete
- Front end plant commissioning (crusher, primary mill, recycle crusher, classification, thickener, tails disposal system) and infrastructure completed
- First production of intermediate concentrate due in late October 2017, with bagging of first saleable flake product expected in second half November 2017, impacted by slippage in two areas of electrical completion
- Strong health and safety performance with over 1.8 million hours worked without a lost time injury and Total Recordable Injury Frequency Rate (TRIFR) of 1.2 for the third quarter 2017

Construction

Project construction is 98% complete with remaining works for completion primarily relating to electrical and instrumental installation. Structural, Mechanical and Piping (SMP) and Electrical and Instrumental (E&I) contractor productivity improved through measures introduced after July, with SMP now materially complete. Syrah continues to maintain additional supervision and resourcing to finalise E&I delivery. However, two planned electrical completion delivery dates were missed as of 15 October. Construction verification and vendor commissioning support is increasing momentum across the remaining areas of the plant. Construction completion and commissioning are being progressed concurrently. The Chipembe Dam pipeline is 86% complete and will be available ahead of requirements given water availability from the onsite water storage dams.

Commissioning

The commissioning sequence is prioritised for initial production of coarse flake. In September, the Company achieved first ore through the primary crushing circuit, and so far in October full commissioning of the combined crusher, primary mill, scrubber, classification, thickener and tails disposal to the tailings storage facility has been achieved, representing half of required flake circuit commissioning. Plant power, air, water and control room systems are fully operational. Flotation commissioning will commence shortly, to be followed by filtration, drying and bagging. The electrical completion delay has necessitated a change to production of first saleable flake product.

**Schedule**

Production of intermediate concentrate (combined flake and fines) is expected in late October, with first production of saleable flake product expected during the second half of November 2017. Further construction completion and commissioning information will be provided in the coming weeks.

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About Syrah Resources

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah is currently constructing the Balama Graphite Project (Balama) in Mozambique, with construction nearing completion and commissioning activities having commenced in May 2017. 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