



SYRAH Q1 2019 INTERIM UPDATE

Syrah Resources Limited (**ASX: SYR**) ("Syrah" or "Company") continues to ramp up its Balama Graphite Operation ("Balama") in Mozambique and provides an update on its expected Q1 2019 graphite pricing, production and cash position.

Production

- Production is on track in Q1 2019 for approximately 45kt in line with the lower end of guidance (45kt - 50kt).
- Production optimisation and cost management actions are continuing.

Pricing

- Sales volumes are expected to exceed production volumes, between 45kt - 50kt dependent on shipping completions in March.
- Pricing for Q1 2019 is close to completion (subject to final shipping schedules).
- Expected Q1 2019 weighted average graphite price achieved is US\$460 - US\$470 per tonne (CIF) versus the guidance range of US\$500 - US\$600 per tonne with difference mainly due to:
 - Product mix and final vessel scheduling weighted towards sales of fines graphite; and
 - Faster than anticipated progress towards close out of lower priced contract volumes from 2018 (approximately 25% of Q1 2019 sales) to extinguish those contract volumes from the sales book.
- Syrah remains optimistic that improved prices are achievable on the basis of the forward contract and product mix.

Cash and Liquidity

- Despite lower than forecast prices, the cash position as at the end of Q1 2019 is expected to be ~US\$55 million - US\$57 million (guidance ~US\$57 million), given disciplined cost management.
- Syrah re-emphasises Q2 2019 group net cash draw is forecast to be lower than Q1 2019 due to:
 - Majority of the Battery Anode Material Project capital expenditure spend for the spherical graphite processing site in Louisiana USA, is completed in Q1 2019; and
 - Continued operational ramp up at Balama and focus on product mix of sales.
- Syrah continues to focus on optimising production volume and cost against price.

**Planned Updates**

- 2018 Annual Report to be released on 29 March 2019.
- Q1 2019 Quarterly Activities Report and Appendix 5B to be released on 29 April 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. 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