



Quarterly Activities Report – Period Ended 31 December 2021

Key Points

- Total Recordable Injury Frequency Rate (“TRIFR”) of 0.5 for Balama and 0.0 for Vidalia at quarter end
- Sustained demand growth for natural graphite end uses, with global EV sales up 115% in 2021, versus 2020, to approximately 6.2 million units¹ and Chinese anode production increasing to 70kt in December 2021²
- December 2021 quarter production and sales constrained by container shipping market disruption – additional breakbulk shipment option expected to materially improve production and sales from the March 2022 quarter
- 13kt natural graphite produced at 82% recovery and 19kt sold and shipped during the quarter
- Product quality consistent with previous quarters with stable recovery and grade – 89% recovery achieved in the December 2021 month
- Balama C1 cash costs (FOB Nacala) of US\$1,159 per tonne for the quarter – Balama C1 cash costs (FOB Nacala) guidance is US\$430–470 per tonne at a 15kt per month production rate
- Weighted average sales price for the quarter increased to US\$530 per tonne (CIF), with very strong incremental demand and higher contracting prices
- Strong sales order book with more than 80kt of natural graphite sales orders for the March 2022 quarter, demonstrating robust underlying demand conditions
- First 10kt spot breakbulk shipment from Pemba port to China in February 2022, creating additional export option and significantly increasing Balama sales. Further breakbulk shipments are planned in the first half of 2022
- Offtake agreement executed with Tesla to supply 8ktpa active anode material (“AAM”) from Vidalia at a fixed price for an initial term of four years³
- Detailed engineering on Vidalia’s initial expansion (“Vidalia Initial Expansion”) is approximately 50% completed
- Well progressed in the processes to facilitate a final investment decision on the Vidalia Initial Expansion in the near-term

¹ Source: MarkLines. December 2021 includes Syrah’s estimate for EV sales (~29,000 total) in selected European companies.

² Source: ICCSino.

³ Refer ASX releases 23 December 2021 and 29 December 2021.

- Interest from target customers provides strong basis for the Vidalia Initial Expansion and a potential accelerated larger expansion at Vidalia
- Lifecycle assessment with Minviro completed, confirming the superior environmental position of Syrah's integrated operations versus Chinese natural and synthetic graphite AAM
- Quarter end cash balance of US\$53 million.

Balama Graphite Operation (“Balama”) – Mozambique

Syrah Resources Limited (ASX: SYR) (“Syrah” or “Company”) recorded a TRIFR of 0.5 at quarter end for Balama.

		Before suspension of production					After restart of production			
Quarter Ending		31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Plant Feed	Tonnes (‘000)	378	335	326	115	96	37	200	164	86
Plant Feed Grade	TGC ⁴	18%	19%	19%	19%	18%	18%	18%	18%	18%
Recovery	%	69%	66%	69%	68%	67%	68%	76%	82%	82%
Graphite Produced	Tonnes (‘000)	48	44	45	15	12	5	29	25	13
Fine/Coarse Mix	-	86/14	88/12	84/16	91/9	86/14	80/20	86/14	80/20	80/20
Average Fixed Carbon	%	95%	95%	96%	96%	96%	96%	96%	96%	96%

Balama produced 13kt natural graphite for the quarter, with production constrained by maximum finished product inventory positions at Balama and Nacala and ongoing disruption in the global container shipping market. Balama operated campaign production runs during the quarter as finished product inventory constraints allowed. Balama continued to demonstrate strong operational performance with an average and maximum daily production run-rate of 16kt per month and 24kt per month, respectively, during campaign production runs. Product quality for the quarter was consistent with previous quarters with stable recovery and grade. Plant recovery achieved over the December 2021 month was a record 89%. Balama C1 cash costs (FOB Nacala) for the quarter were US\$1,159 per tonne reflecting the impact of fixed costs with production being constrained at an average production rate of approximately 4kt per month. Balama C1 cash costs (FOB Nacala) guidance is US\$430–470 per tonne at a 15kt per month production rate. Balama unit costs are expected to reduce materially as production rate increases beyond 15kt per month with additional shipping options expected to be available from the March 2022 quarter and as improvement initiatives are embedded. Syrah is progressing a competitive tender process for contract mining services, one of the key objectives of which is to achieve lower mining costs, and the solar and battery system project at Balama is also progressing. Planned maintenance at Balama was brought forward and optimisation works were completed in the quarter to reduce operational interruptions for maintenance in 2022.

Positive electric vehicle, anode material and natural graphite market conditions are supporting the

⁴ TGC = Total Graphitic Carbon.

increase of production at Balama beyond Syrah's minimum target of 15kt per month.

At quarter end, employees at Balama decreased to 436 people excluding contractors with 83 former employees transitioning to CIS Group, Balama's camp management services contractor, to improve operating efficiencies. Total Mozambican national employment, local host community and female employment were 96%, 38% and 16%, respectively, of Balama's total labour contingent excluding contractors.

During the quarter, a number of employees and contractors at Balama tested positive for COVID-19. All cases have presented with mild or no symptoms. Operational activities at Balama have not been affected by the COVID-19 positive cases. A COVID-19 vaccination program was completed for Syrah employees and contractors in December 2021 with 97% participation and is ongoing for the Balama community to boost vaccination rates. Syrah is fully compliant with Government protocols in relation to COVID-19.

Syrah continues to actively monitor the security situation through various government, community and commercial channels. There have been no security related impacts on Syrah's operations, employees or contractors. Multi-national Government support has seen a material improvement in the security situation in northern Cabo Delgado.

Natural Graphite Sales and Marketing

Quarter Ending		Before suspension of production					After restart of production			
		31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021
Graphite Sold and Shipped	kt	49	53	45	17	7	2	15	18	19
Weighted Average Price (CIF)	US\$ per tonne	468	457	391	458	478	567	474	490	530
Finished Product Inventory ⁵	kt	29	15	15	14	19	6	20	25	20

Natural graphite sales for the quarter were 19kt with all 20kt finished product inventory contracted to customers. Unprecedented container shipping market disruption impacted the Company's ability to secure container capacity for Balama products on vessels sailing from Nacala, and to match product sales to increasingly strong underlying customer demand.

The weighted average sales price of natural graphite sales for the quarter was US\$530 per tonne (CIF). Fines sales accounted for approximately 80% of overall product sales. Fines market pricing materially increased through the quarter with record anode material production and significant disruption to Chinese supply. Coarse flake prices ex-China remained strong, with China prices increasing significantly through the quarter due to strong industrial demand and supply disruption.

Syrah is experiencing exceptionally strong demand for Balama's high quality products. Robust forward contracting with end-user customers is underpinning more than 80kt of natural graphite sales orders for

⁵ Finished product inventory includes saleable inventory at Balama, Nacala and USA.

the March 2022 quarter with new contracts at higher prices than achieved in the December 2021 quarter.

Natural graphite production and quality from processing facilities in the Heilongjiang province in China have been impacted by power cuts and shutdowns ahead of the winter production outage between December to April. Power outages in China's north-eastern industrial hubs have been caused by heightened industrial electricity usage with the post-COVID-19 economic recovery coinciding with reduced coal-fired power generation output. Customers reported that major natural graphite suppliers in the Loubei region of Heilongjiang province were unexpectedly shut down in December 2021 due to environmental issues. Disruption in Chinese natural graphite supply and the challenges in the shipping market have severely affected Chinese natural graphite inventory, with re-stocking that would ordinarily occur in advance of the winter production outages not occurring in the December 2021 quarter. Given this disruption and the very strong natural graphite demand environment supported by increasing AAM production in China, Syrah is experiencing unprecedented demand from Chinese customers for sales orders over the March 2022 quarter.

Whilst Syrah expects container shipping availability to improve through the March 2022 quarter, a major new logistics option has been developed to commence breakbulk shipments through Pemba port. A 10kt spot breakbulk shipment from Pemba to China is scheduled in early February 2022, and further customer demand for such shipments is evident. Subject to performance, Syrah expects to make further breakbulk shipments through the first half of 2022. Breakbulk shipments from Pemba creates an additional export route for Balama products, provides flexibility in managing inventory positions and will enable significantly higher product sales than otherwise could be achieved solely through Nacala port. Pemba is approximately half the distance of Nacala from Balama mine gate by road. Syrah's integrated logistics service provider is providing transport, port and customs services for exports from Pemba, with additional warehousing contractors added.

The Company continues to work closely with its container shipping service providers through Nacala to secure increased container shipping capacity. Improvement is expected from the start of 2022 with additional vessel services and container equipment for East Africa being added and lower competition for container capacity from Mozambique's agricultural sector. A successful integration of breakbulk shipping through Pemba in combination with improving container shipping availability through Nacala is expected to materially increase Balama sales and production.

Vidalia Active Anode Material Facility ("Vidalia") – USA

Syrah has made progress towards becoming a vertically integrated producer of natural graphite AAM to service ex-Asia markets during the quarter and post quarter end.

Syrah recorded a TRIFR of 0.0 at quarter end for Vidalia.

The Company has invested US\$79 million⁶ de-risking its entry into the downstream AAM market, including construction and operation of the existing, commercial scale qualification facility in Vidalia,

⁶ Includes all capitalised costs associated with Vidalia to 31 December 2021.

technical product development, product qualification with target customers and various phases of studies and engineering on the Vidalia Initial Expansion.

Syrah has undertaken detailed engineering and long-lead item procurement with Worley Group (ASX: WOR). Detailed engineering is approximately 50% completed and has largely supported the technology, design and assumptions in the Bankable Feasibility Study (“BFS”)⁷. The Company has a better level of project definition with optimised design in specific areas, a detailed understanding of the critical path schedule and an improved readiness to proceed with construction of the project.

Syrah is well progressed in the processes to facilitate a final investment decision on the Vidalia Initial Expansion in the near-term.

Syrah is expecting Vidalia to receive Louisiana Economic Development incentives including the Industrial Tax Exemption, Quality Jobs Rebate, and Fast Start programs. The City of Vidalia will be providing the necessary utilities to the Vidalia site and Syrah is proud to consider the Vidalia Initial Expansion in this community.

In December 2021, the Company announced it had executed an offtake agreement (“Agreement”) with Tesla, Inc. (“Tesla”) to supply natural graphite AAM from Vidalia³. The offtake obligation is conditional on the parties agreeing the final specifications of AAM by no later than 31 December 2022 and achieving final qualification of AAM to Tesla’s satisfaction by no later than 31 May 2025. The Agreement may also be terminated if production has not started by 31 May 2024. Subject to satisfaction of the above conditions, Tesla will offtake 8ktpa AAM of the proposed initial expansion of AAM production capacity at Vidalia at a fixed price for an initial term of four years commencing from the achievement of a commercial production rate, subject to final qualification. Tesla also has an option to offtake additional volume from Vidalia subject to Syrah expanding its capacity beyond the initial expansion.

Syrah is advancing commercial and technical engagement with other target customers to develop Vidalia AAM for mass production and secure additional long-term purchase commitments for Vidalia. The Company is engaged with multiple target battery supply chain participant and auto OEM customers on qualification, and iterative testing programs are progressing with key target customers. In conjunction with technical workstreams, engagement on commercial parameters and ESG aspects is being progressed with selected target customers. Market growth and segmentation (e.g. localisation / ESG) is benefiting Syrah in its commercial engagements with target customers for uncontracted AAM volume from Vidalia.

During the quarter, the Company continued to produce AAM from Vidalia for testing and qualification. Syrah’s wholly owned and integrated spherical, purification and furnace operation at Vidalia, which uses natural graphite from Balama, is the only vertically integrated and commercial scale AAM supply source outside China and is producing 18-micron and 12-micron AAM for testing and qualification.

Syrah’s market entry product strategy is now focused on a base 18-micron AAM product and a premium 12-micron AAM product. The Company continues to partner with potential customers, industry,

⁷ Refer ASX release 1 December 2020.

laboratories and universities in developing future products that achieve quality/performance, costs and sustainability objectives.

Syrah's engagement with target customers and the rapid growth of the battery manufacturing pipeline in North America has demonstrated that volumes demanded from Vidalia by 2025 is expected to significantly exceed the production capacity of the Vidalia Initial Expansion and the Company is therefore developing a pathway to an accelerated larger expansion of Vidalia. An independent market forecast for North American battery manufacturing capacity in 2025 is approximately 393GWh, which is estimated to require approximately 384ktpa AAM⁸. A detailed desktop review on a larger, staged expansion of Vidalia was completed in January 2022, incorporating learnings from detailed engineering on the Vidalia Initial Expansion project and with optimised design and equipment. The review found that an expansion of Vidalia's production capacity to 45ktpa AAM will yield superior economies of scale in unit operating costs and total installed capital costs than demonstrated in the BFS. The potential larger expansion of Vidalia is underpinned by Balama and its world-class, large scale graphite resource.

Syrah believes it is the most progressed vertically integrated natural graphite AAM supply alternative for USA and European battery supply chain participant and OEM customers, which are currently highly reliant on China for their battery anode supply chains. The progress at Vidalia and its vertical integration with Balama is a unique value proposition to Governments, auto OEMs and battery supply chain participants, specifically: scale; independence and co-location with USA battery production; critical mineral security; and ESG auditability back to the source.

Syrah Lifecycle Assessment

Syrah has completed an independent lifecycle assessment ("LCA") of its integrated operations, from Balama origin to Vidalia AAM customer gate, with Minviro Ltd in accordance with ISO-14040:2006 and ISO-14044:2006 standards. LCA is a globally recognized and scientifically validated methodology to quantify direct and embodied environmental impacts along the life cycle of a product or process. The approach incorporates all material and energy inputs and direct emissions to air, land, and water associated with the production of a product or process and identifies environmental hotspots in the production process. Global warming potential ("GWP"), or product carbon equivalent emissions, is divided into scope 1, 2 and 3 emissions as identified by the Greenhouse Gas Protocol. Besides GWP, the LCA methodology can quantify other impact categories such as acidification potential and water scarcity footprint.

The GWP of producing natural graphite from Balama mine and transporting it to Nacala port is estimated to be 0.48kg CO₂ equivalent per 1kg natural graphite⁹. The GWP of producing AAM from Vidalia, using

⁸ Based on 2025 forecast USA battery manufacturing capacity of 393GWh from Benchmark Mineral Intelligence Battery Megafactory Assessment, January 2022, 85% battery manufacturing capacity utilisation, 96% graphite anode market share and 1.2 kg/kWh intensity of graphite in anode.

⁹ GWP is defined as the cumulative radiative forcing, both direct and indirect effects, over a specified time horizon resulting from the emission of a unit mass of gas related to some reference gas [CO₂: (IPCC 1996)]. GWPs shown are a forecast life of operation average for Balama (full natural graphite production) and Vidalia (based on detailed engineering) and include scope 1, scope 2 and scope 3 greenhouse gas emissions.

natural graphite from Balama, is estimated to be 9.9kg CO₂ equivalent per 1kg AAM⁹, including the impact of producing natural graphite at Balama and transporting it from Balama gate to Vidalia gate.

The LCA estimated that Syrah's operations will exhibit materially lower GWP compared with a representative natural graphite supplier in Heilongjiang Province, natural graphite AAM supplier in Heilongjiang Province and synthetic graphite AAM supplier in Inner Mongolia Province, China. The Company is advancing specific projects, including a solar and battery system at Balama, and evaluating further opportunities to reduce the environmental impacts of its operations. A third-party critical review of Syrah's LCA has not yet been undertaken.

Market Update

Very positive momentum in EV sales and penetration, a key leading indicator for natural graphite and AAM demand growth, continued during the quarter. Global EV sales grew 115% in 2021, versus 2020, to approximately 6.2 million units¹ with strong demand growth in China and ex-China consumer markets. Global EV sales were more than 850,000 units in December 2021¹. EV sales growth is leading to strong demand for anode material, as shown by total Chinese AAM production increasing to 70kt in December 2021, further announced anode capacity additions in China, higher purified spherical graphite imports into South Korea and increasing imports of ex-China natural graphite. There were significant announcements relating to expanding EV sales and battery manufacturing capacity globally, and specifically in the United States in 2021 where battery manufacturing capacity is expected to increase considerably over the next five years to underpin the transformational vehicle electrification strategies of auto OEMs. Leading auto OEMs are positioning to create large-scale EV supply chains in the USA.

Government and private sector recognition of the strategic importance of battery raw material supply chains is accelerating rapidly, particularly in the USA. Syrah is engaged with key stakeholders, bilaterally and via industry group participation, to highlight the relevance of Vidalia in achieving policy objectives and to secure support for initial and subsequent expansions of Vidalia's production capacity.

Finance and Corporate

Syrah's cash balance at 31 December 2021 was US\$53 million.

During the March 2022 quarter, Syrah will, pursuant to previously obtained shareholder approvals, issue approximately 770,000 Non-Executive Director share rights to Non-Executive Directors who have elected to salary sacrifice a portion of their Directors' fees. These share rights relate to the period between 1 April 2020 to 31 December 2021 and have been accounted for in Syrah's financial statements. In accordance with the applicable plan, the number of share rights to be issued is calculated having regard to a 30-trading day volume weighted average price of Syrah's shares on the ASX during the relevant quarter to which the grant relates.

Licences

The following table lists the current licences held by Syrah Resources Limited and its subsidiaries at 31 December 2021:

Project	Licence Number	Licence Type	Country	Interest acquired/ farm-in during the quarter	Interest disposed/ farm-out during the quarter	Interest held as at 31 December 2021
Balama	6432C	Mining Concession	Mozambique	-	-	95%

Notes in relation to Appendix 5B

Payments to related parties and their associates during the quarter as outlined in Section 6 of the accompanying Appendix 5B to this quarter's activities report were US\$139,207. These payments are related to salaries, superannuation, advisory and consultancy fees paid to directors and/or director related entities during the quarter ended 31 December 2021, including amounts paid to Sal & Caldeira Advogados a related party of José Caldeira (Non-Executive Director).

This release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

Investor Relations Contact:

Viren Hira

Contact: +61 3 9670 7264

Email: v.hira@syrahresources.com.au

Media Enquiries Contact:

Nathan Ryan

Contact: 0420 582 887

Email: nathan.ryan@nwrcommunications.com.au

About Syrah Resources

Syrah Resources (ASX code: SYR) is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

Forward Looking Statement

This document contains certain forward - looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward - looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward - looking statements. Forward - looking statements, opinions and estimates provided in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward - looking statements, including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This document contains such statements that are subject to risk factors associated with the mineral and resources exploration, development and production industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to the following risks: dependence on commodity prices, availability of

funding, impact of inflation on costs, exploration risks, including the risks of obtaining necessary licences and diminishing quantities or grades of reserves, risks associated with remoteness, environmental regulation risk, currency and exchange rate risk, political risk, war and terrorism and global economic conditions, as well as earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward - looking statement by any person (including the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward - looking statements in this document will actually occur. Actual results, performance or achievement may vary materially from any projections and forward - looking statements and the assumptions on which those statements are based. The forward - looking statements in this document speak only as of the date of this document. Subject to any continuing obligations under applicable law or any relevant ASX listing rules, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward - looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this document will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this document.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

SYRAH RESOURCES LIMITED

ABN

77 125 242 284

Quarter ended ("current quarter")

31 DECEMBER 2021

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	10,102	25,379
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production	(17,960)	(46,350)
	(d) staff costs ⁽¹⁾	(4,365)	(16,197)
	(e) administration and corporate costs	(639)	(2,500)
1.3	Dividends received (see note 3)		
1.4	Interest received	27	135
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other – VAT recoveries	76	1,164
1.9	Net cash from / (used in) operating activities	(12,759)	(38,369)

(1) Includes staff costs in relation to Balama Graphite Operation, Vidalia Project and Corporate & Administration functions

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(7,656)	(18,302)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Receipts from environmental bond deposit release	-	2,551
2.6	Net cash from / (used in) investing activities	(7,656)	(15,751)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	13,733
3.2	Proceeds from issue of convertible debt securities	-	21,050
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(560)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – payment for interest and principal on lease liabilities	(455)	(1,755)
3.10	Net cash from / (used in) financing activities	(455)	32,468

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	73,740	74,992
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,759)	(38,369)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7,656)	(15,751)

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (12 months) US\$'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(455)	32,468
4.5	Effect of movement in exchange rates on cash held	43	(427)
4.6	Cash and cash equivalents at end of period	52,913	52,913

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	21,109	16,759
5.2	Call deposits	31,804	56,981
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	52,913	73,740

6.	Payments to related parties of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	139
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other - convertible notes	69,851	69,851
7.4 Total financing facilities	69,851	69,851
7.5 Unused financing facilities available at quarter end		-
<p>7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>With reference to item 7.3, Syrah issued an unsecured convertible note to AustralianSuper Pty Ltd as trustee for AustralianSuper (AustralianSuper) in October 2019 to raise A\$55.8 million (Series 1 Convertible Note). Interest to accrue on principal outstanding at a rate of (at the Company's discretion): 8% per annum, capitalised quarterly in arrears and added to principal outstanding; or 7.5% per annum if Syrah elects to make interest payments in cash. The Series 1 Convertible Note matures on 28 October 2024 unless redeemed or converted earlier. A summary of the key terms of the Series 1 Convertible Note is in Syrah's ASX release dated 19 June 2019.</p> <p>Syrah issued an unsecured convertible note to Australian Super in June 2021 to raise A\$28.0 million (Series 3 Convertible Note). Interest to accrue on principal outstanding at a rate of (at the Company's discretion): 8% per annum, capitalised quarterly in arrears and added to principal outstanding; or 7.5% per annum if Syrah elects to make interest payments in cash. The Series 3 Convertible Note matures on 28 October 2024 unless redeemed or converted earlier. A summary of key terms of the Series 3 Convertible Note is in Syrah's ASX release dated 10 December 2020.</p> <p>The value provided in 7.3 includes the Series 1 and Series 3 Convertible Note face value, interest accrued and capitalised establishment fee. The amount is converted from Australian Dollars to United States dollars at an AUDUSD exchange rate of 0.7256 (Q3 2021: 0.7206)</p>		

8. Estimated cash available for future operating activities	US\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(12,759)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(12,759)
8.4 Cash and cash equivalents at quarter end (item 4.6)	52,913
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	52,913
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer: Not applicable as item 8.7 is greater than 2.	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: Not applicable as item 8.7 is greater than 2.	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not applicable as item 8.7 is greater than 2.	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:31 January 2022.....

Authorised by:The Board.....

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.