



Quarterly Activities Report – Period Ended 31 March 2022

Key Points

- Total Recordable Injury Frequency Rate (“TRIFR”) of 0.9 for Balama and 0.0 for Vidalia at quarter end
- Demand growth for Balama natural graphite end uses, with global electric vehicle (“EV”) sales up 80% in Q1 2022, versus Q1 2021, to approximately 2.0 million units¹ and Chinese anode production increasing to above 90kt in March 2022²
- Higher Balama production and sales enabled by Pemba breakbulk shipments supplementing Nacala container shipments
- Balama produced 46kt natural graphite at 76% recovery with 35kt sold and shipped during quarter
- Product quality consistent with previous quarters with stable grade, and higher recovery relative to historical quarters with an equivalent production rate
- Balama C1 cash costs (FOB Nacala/Pemba) of US\$464 per tonne
- Weighted average sales price increased to US\$573 per tonne (CIF), with very strong incremental demand and higher new contract prices
- First 10kt spot breakbulk shipment from Pemba port arrived in China in March 2022 and two spot breakbulk shipments scheduled in the June 2022 quarter
- Significant sales order book with more than 90kt of natural graphite sales orders for the June 2022 quarter and into the second half of 2022, demonstrating robust underlying demand conditions
- Final investment decision for initial expansion of Vidalia AAM facility to 11.25ktpa AAM production capacity (“Vidalia Initial Expansion”) approved by Syrah Board³
- Detailed engineering for the Vidalia Initial Expansion project more than 60% completed and construction advancing within the planned schedule and budget
- 11.25ktpa AAM Vidalia facility targeted to start production in the September 2023 quarter
- BFS on the expansion of Vidalia’s production capacity to at least 45ktpa AAM, inclusive of 11.25ktpa AAM, to be completed in 2022
- Syrah completed A\$250 million (US\$178 million⁴) institutional placement and pro rata accelerated non-renounceable entitlement offer to fully fund the Vidalia Initial Expansion project and strengthen balance sheet⁵

¹ Source: MarkLines. March 2022 includes Syrah’s estimate for EV sales (~1k total) in selected countries.

² Source: ICCSino.

³ Refer ASX release 7 February 2022.

- Syrah offered a Conditional Commitment⁶ from the US Department of Energy following finalisation of a non-binding term sheet for up to US\$107 million loan⁷ to fund the Vidalia Initial Expansion⁸
- Quarter end cash balance of US\$205 million.

Balama Graphite Operation (“Balama”) – Mozambique

Syrah Resources Limited (ASX: SYR) (“Syrah” or “Company”) recorded a TRIFR of 0.9 at quarter end for Balama.

Quarter Ending	Unit	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022
Plant Feed	Tonnes ('000)	37	200	86	86	311
Plant Feed Grade	TGC ⁹	18%	18%	18%	18%	19%
Recovery	%	68%	76%	82%	82%	76%
Graphite Produced	Tonnes ('000)	5	29	13	13	46
Fine/Coarse Mix	-	80/20	86/14	80/20	80/20	83/17
Average Fixed Carbon	%	96%	96%	96%	96%	95%

Balama produced 46kt natural graphite for the quarter at approximately 15kt per month, on average, for the first time since the September 2019 quarter. Maximum finished product inventory positions and ongoing disruption in the global container shipping market prevented Balama operating at a higher production rate. Strong operational performance was achieved with stable product quality and grade. Plant recovery was 76%, which was lower than recovery achieved in campaign operations during Q4 2022. This was due to higher process variability, planned maintenance activities and the integration of a cyclone system in the secondary milling circuit during the quarter. Plant recovery was materially higher than when Balama last operated at an equivalent production rate in 2019.

Balama C1 cash costs (FOB Nacala/Pemba) for the quarter were US\$464 per tonne, reflecting the benefit of fixed costs being spread over an increased production rate, and were within C1 cash costs (FOB Nacala/Pemba) guidance of US\$430–470 per tonne at a 15kt per month production rate. Balama C1 cash costs are expected to continue to reduce as production rate increases beyond 15kt per month with improved shipping options and availability and as improvement initiatives are embedded.

Syrah completed a major process improvement project at Balama with the commissioning of a

⁴ A\$ proceeds converted into US\$ based on the USD/AUD exchange rate of 0.71. The net proceeds of the Offer once settled were converted into US\$ (representing the underlying currency in which the majority of the Vidalia Initial Expansion expenditure will be incurred).

⁵ Refer ASX releases 9 February 2022 and 3 March 2022.

⁶ A Conditional Commitment is offered by DOE prior to issuing a loan and indicates that DOE expects to support the Vidalia Initial Expansion project, subject to the satisfaction of certain conditions including fulfilling remaining legal, contractual, and financial requirements.

⁷ Includes estimated capitalised interest costs. Approximately US\$104 million in advances from the DOE loan is proposed to be available to fund eligible costs of the Vidalia Initial Expansion project.

⁸ Refer ASX release 19 April 2022.

⁹ TGC = Total Graphitic Carbon.

cyclone system to increase liberation and optimise classification efficiency from the secondary milling circuit. The cyclone system forms part of the Company’s recovery improvement plan at Balama and is expected to yield a step change in the recovery capability of the plant. Plant recovery has significantly improved since commissioning of the system in mid-March 2022. Post quarter end, Syrah took a final investment decision on the installation of a 11.25 MWp solar photovoltaic installation combined with an 8.5 MW/MWh battery energy storage system (“Solar Battery System”) at Balama¹⁰. The Solar Battery System will be delivered under a build-own-operate-transfer arrangement, is expected to derive operating cost savings at Balama from the March 2023 quarter and further enhances the Company’s environmental sustainability credentials.

At quarter end, employees at Balama increased to 451 excluding contractors, with recent hiring prioritising essential and critical roles. Rates of Mozambican national employment, local host community and female employment were 96%, 37% and 18%, respectively, of Balama’s total labour contingent excluding contractors.

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. The Company’s regularly reviewed security procedures at Balama are currently deemed appropriate.

During the quarter, there was a significant reduction in the number of employees and contractors at Balama that tested positive for COVID-19. There are currently no COVID-19 positive cases detected at Balama. Syrah completed a vaccination program in the Balama community to increase vaccination rates within host communities. COVID-19 protocols remain in place at Balama and Syrah is fully compliant with Government protocols in relation to COVID-19.

Natural Graphite Sales and Marketing

Quarter Ending	Unit	31 Mar 2021	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022
Graphite Sold and Shipped	kt	2	15	19	19	35
Weighted Average Price (CIF)	US\$ per tonne	567	474	530	530	573
Finished Product Inventory ¹¹	kt	6	20	20	20	30

Natural graphite sales for the quarter were 35kt with all 30kt finished product inventory contracted to customers. Natural graphite sales in March 2022 were 19kt incorporating the first spot breakbulk shipment from Pemba. Unprecedented container shipping market disruption caused by continuing China COVID-19 port and logistics restrictions and global trade imbalances is impacting the Company’s ability to secure desired container capacity for Balama shipments from Nacala, and to match product sales to very strong underlying customer demand. Breakbulk shipments from Pemba will continue to be utilised to supplement container shipments.

¹⁰ Refer ASX release 6 April 2022.

¹¹ Finished product inventory includes saleable inventory at Balama, Nacala, Pemba and USA.

The weighted average sales price of natural graphite sales for the quarter was US\$573 per tonne (CIF). New contracts in the quarter were at prices materially higher than the average basket price. Fines sales accounted for approximately 79% of overall product sales. Fines market pricing increased through the quarter off a strong base in the December 2021 quarter with robust downstream anode demand and continued Chinese natural graphite supply disruptions. Coarse flake prices ex-China remained strong, with prices increasing through the quarter due to strong industrial demand and ongoing supply disruption, including from Ukraine and Russia. The weighted average sales price of natural graphite sales was US\$590 per tonne (CIF) in March 2022. Significant sea freight rate volatility and surcharges are evident, caused by international logistics disruptions, with Syrah's current average shipping unit costs being approximately three times the long-term average.

Very strong forward demand for Balama's high quality products has continued through the March 2022 quarter with the order book continuing to strengthen despite the seasonal restart of Chinese natural graphite production. Demand is consistent with strong growth in Chinese and global EV demand and continuing increases in Chinese anode production. Robust forward contracting with end-user customers is underpinning more than 90kt of natural graphite sales orders for the June 2022 quarter and into the second half of 2022 at higher prices for new contracts.

Natural graphite production from several major processing facilities in China were negatively impacted by environmental issues prior to the seasonal winter outage and ongoing COVID-19 related interruptions. Chinese natural graphite inventory positions have been rapidly drawn down during the seasonal winter outage due to the disruption in Chinese production and the challenges in the shipping market hindering imports into China. The extent of ongoing disruption and environmental constraints on Chinese natural graphite production is currently unclear. However, Syrah's forward sales orders indicate customer concern regarding Chinese natural graphite production availability and market balance. Continuing record monthly Chinese anode production rates, in conjunction with supply disruptions, is driving very strong demand and supportive pricing from Chinese customers for new sales orders.

During the quarter, Syrah developed a major new logistics option to commence breakbulk shipments through Pemba port. Syrah's first spot breakbulk shipment of 10kt natural graphite from Pemba arrived in China in March 2022. Syrah has scheduled two spot breakbulk shipments in the June 2022 quarter. Breakbulk shipments from Pemba create an additional export route for Balama products, provide flexibility in managing inventory positions and will enable significantly higher product sales than otherwise could be achieved solely through Nacala port, given prevailing container availability constraints.

Container shipping market disruption continued during the March 2022 quarter due to the reintroduction of COVID-19 related protocols at Chinese ports and broader Chinese logistics and supply chain disruptions, and trade flow impacts resulting from the Ukraine conflict. The Company continues to work closely with its container shipping service providers through Nacala to secure increased container shipping capacity. Improvement is expected with additional vessel services and container equipment for East Africa being planned. The integration of breakbulk shipping through

Pemba in combination with improving container shipping availability through Nacala will support Balama sales and production of at least 15kt per month.

Vidalia Active Anode Material Facility (“Vidalia”) – USA

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

The Company took pivotal steps in its strategy to become a vertically integrated natural graphite AAM supply alternative for USA and European battery supply chain participant and OEM customers during the March 2022 quarter and post quarter end.

In February 2022, Syrah’s Board approved a final investment decision on the initial expansion of Vidalia to 11.25ktpa AAM production capacity (“FID”)³. The Company has invested significant time, effort and capital in de-risking its entry into the downstream AAM market, including construction and operation of the existing, commercial scale qualification facility in Vidalia, technical product development, product qualification with target customers and various phases of studies and engineering on the Vidalia Initial Expansion.

A detailed capacity assessment and updated estimate of total installed capital costs for the Vidalia Initial Expansion were completed prior to FID. Estimated parameters of the Vidalia Initial Expansion project were revised from the 2020 Bankable Feasibility Study (“BFS”)¹² as shown below.

Metric	Unit	2020 BFS	2022 FID	% Change
AAM production	ktpa	10	11.25	+12%
Annual processed natural graphite	ktpa	18	21	+13%
Operating cost estimate (all-in) ¹³	US\$ per tonne AAM (real)	3,149	3,109	-1%
Total installed capital cost estimate ¹⁴	US\$m	138	176	+28%

Detailed engineering and long-lead item procurement with Worley Group (ASX: WOR) (“Worley”) is well advanced and continuing in parallel with construction of the Vidalia Initial Expansion project. Detailed engineering was more than 60% completed at the end of the quarter.

During the quarter, Syrah awarded Worley a services contract to provide construction management services for the Vidalia Initial Expansion project via an integrated Worley and Syrah construction management team. These services are being delivered by Worley’s USA Gulf Coast team. To preserve the project schedule ahead of the FID, Worley and Syrah jointly advanced transition construction management to deliver early works and long-lead items.

¹² Refer ASX release 1 December 2020.

¹³ Includes US\$400 per tonne (FOB Nacala) for Balama natural graphite, reflecting an approximate all-in cost of production at Balama at full plant utilisation. Includes costs of transporting Balama natural graphite from Nacala to Vidalia, AAM delivery costs from Vidalia to representative US battery manufacturing facilities and maintenance costs.

¹⁴ Includes all actual and estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 December 2020 and an unutilised contingency.

Construction of the Vidalia Initial Expansion project is progressing within the planned schedule and budget under the management of an integrated Syrah and Worley team. The baseline for the Vidalia Initial Expansion project was reassessed following the FID with further construction contracts being executed, purchase ordering advancing, and further detailed vendor information being received. No material changes in the critical path schedule or total installed capital costs were discovered. Installed capital costs associated with the project are being fully funded from Syrah's cash balance. Syrah completed all planned early works for site preparation, including earthworks, road preparation, temporary power connection and construction of temporary facilities during the quarter. Piling, laydown and other key contractors were awarded work packages and/or have mobilised post quarter end. Construction of the 11.25ktpa AAM Vidalia facility is expected to be completed in the June 2023 quarter and, following commissioning, start of production is targeted in the September 2023 quarter with an 18-month ramp-up period to the full estimated 11.25ktpa AAM production rate.

Syrah has executed an offtake agreement with Tesla, Inc. to supply natural graphite AAM from the 11.25ktpa AAM Vidalia facility¹⁵. The Company 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. Syrah 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. Market growth and segmentation (e.g. localisation / ESG) is expected to benefit Syrah in its commercial engagements with target customers for the 3.25ktpa AAM uncontracted volume from the 11.25ktpa AAM Vidalia facility. Accordingly, Syrah is aiming to secure additional AAM offtake agreements with target customers, at AAM prices consistent with or better than assumed for the Vidalia FID, prior to start of production of the 11.25ktpa AAM Vidalia facility.

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 continuing to produce 18-micron and 12-micron AAM as required for testing and qualification.

Syrah's engagement with target customers and the rapid growth of the battery manufacturing pipeline in North America has demonstrated that AAM volumes demanded from Vidalia by 2026 are expected to significantly exceed 11.25ktpa AAM and the Company is therefore developing a pathway to an accelerated expansion of Vidalia beyond 11.25ktpa AAM production capacity. Syrah is progressing scoping of a bankable feasibility study on the expansion of Vidalia's production capacity to at least 45ktpa AAM, inclusive of 11.25ktpa AAM, and is planning to complete this study by the end of 2022. Detailed engineering, procurement, and construction phases will follow the bankable feasibility study sequentially, subject to Syrah Board approval and customer and financing commitments. The potential expansion of Vidalia to a scale beyond 11.25ktpa AAM is underpinned by Balama and its world-class, large scale graphite resource.

¹⁵ Refer ASX releases 23 December 2021 and 29 December 2021.

Syrah believes it is the most progressed vertically integrated natural graphite AAM supply alternative for North American 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 Update

The Company updated the independent lifecycle assessment (“LCA”) of its integrated operations, from Balama origin to Vidalia AAM customer gate, with Minviro Ltd for the Solar Battery System at Balama and revised direct air emissions for the 11.25ktpa AAM Vidalia facility.

The Global Warming Potential (“GWP”)¹⁶ of producing natural graphite from Balama and transporting it to Nacala port is estimated to be 0.42kg CO₂ equivalent per 1kg natural graphite. The GWP of producing AAM from Vidalia, using natural graphite from Balama, is estimated to be 7.6kg CO₂ equivalent per 1kg AAM, including the impact of producing natural graphite at Balama and transporting it from Balama gate to Vidalia gate. Syrah’s operations 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 evaluating further opportunities to reduce the environmental impacts of its integrated 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 80% in Q1 2022, versus Q1 2021, to approximately 2.0 million units¹ with strong demand growth in China and ex-China consumer markets. Global EV sales were approximately 750,000 units in March 2022¹. Sustained EV sales growth is resulting in strong demand for anode material, as shown by total Chinese anode production increasing to above 90kt in March 2022, further announced anode capacity additions in China and increasing imports of natural graphite into China. There has been significant commitment made to expanding EV sales and battery manufacturing capacity globally, and specifically in North America 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 North America to meet growing consumer demand for EVs.

¹⁶ 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.

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 the Vidalia Initial Expansion and subsequent expansions of Vidalia's production capacity.

US Department of Energy Advanced Technology Vehicles Manufacturing Loan

Following quarter end, Syrah wholly owned subsidiary, Syrah Technologies, LLC ("Syrah Technologies"), finalised a non-binding term sheet and was offered a Conditional Commitment⁶ for a loan from the US Department of Energy ("DOE") to fund the Vidalia Initial Expansion project⁸. The proposed loan is to be made under DOE's Advanced Technology Vehicles Manufacturing ("ATVM") loan program in support of the Biden Administration's critical minerals strategy.

The loan is for a maximum amount of US\$107 million⁷ with a term of up to approximately 10 years from financial close. Interest on the loan will be fixed from the date of advance for the term of the loan at applicable long-dated US Treasury rates. While the term sheet and Conditional Commitment⁶ demonstrates DOE's intent to support the Vidalia Initial Expansion project, there is no certainty that a loan financing from DOE will be ultimately committed to Syrah Technologies, or if committed, on terms and conditions consistent with the term sheet. A binding loan agreement from DOE is subject to the satisfactory completion of due diligence by DOE, satisfaction of conditions precedent specified in the term sheet, approval of the Syrah Board, receipt of all material governmental and third-party consents necessary for the loan and the negotiation and execution of binding loan documents. Once binding loan documents have been signed, Syrah and Syrah Technologies will need to satisfy certain conditions precedent before the loan commitment from DOE becomes effective and funds can be advanced. The Company and DOE are targeting financial close of the loan by the end of June 2022 and first advance of the loan in the September 2022 quarter.

To the extent the DOE loan is drawn, Syrah will use its surplus cash to accelerate studies and detailed engineering of a potential larger expansion of Vidalia, fund construction of such a potential expanded AAM facility at Vidalia, to provide additional balance sheet flexibility to Syrah and/or for capital management initiatives.

As part of its loan process, DOE prepared an Environmental Assessment ("EA") of the Vidalia Initial Expansion. DOE issued a final EA and finding of no significant impact in connection with the Vidalia Initial Expansion on 22 April 2022.

Finance and Corporate

During the quarter, the Company completed an institutional placement and pro rata accelerated non-renounceable entitlement offer for A\$250 million (US\$178 million⁴) (collectively, the "Equity Raising")⁵. The Equity Raising was supported by both existing shareholders and new high-quality investors. Syrah will use proceeds of the Equity Raising to: 1) fully fund remaining estimated installed capital costs for the Vidalia Initial Expansion, 2) fund estimated costs associated with Vidalia operations,

expansion studies and product development in 2022, 3) pay the transaction costs of the Equity Raising and 4) fund Balama TSF expansion and sustaining capital costs, Balama working capital and for general corporate purposes.

With the completion of the Equity Raising, the conversion price of AustralianSuper's Series 1 and Series 3 convertible notes with Syrah was adjusted to A\$0.9685¹⁷.

The Company's cash balance at 31 March 2022 was US\$205 million.

Syrah was admitted to the S&P/ASX 300 Index on 22 March 2022. S&P/ASX index inclusion is informed by relative average free float adjusted market capitalisation and trading liquidity.

Licences

The following table lists the current licences held by Syrah Resources Limited and its subsidiaries at 31 March 2022:

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 March 2022
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\$328,282. These payments are related to salaries, superannuation, advisory and consultancy fees paid to directors and/or director related entities during the quarter ended 31 March 2022, 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

¹⁷ Refer to ASX releases from 19 June 2019 and 10 December 2020.

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 MARCH 2022

Consolidated statement of cash flows	Current quarter US\$'000	Year to date (3 months) US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	18,090	18,090
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(29,280)	(29,280)
(d) staff costs ⁽¹⁾	(4,965)	(4,965)
(e) administration and corporate costs	(672)	(672)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	15
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	2,954	2,954
1.9 Net cash from / (used in) operating activities	(13,858)	(13,858)

(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	(13,316)	(13,316)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (3 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	3,758	3,758
2.6	Net cash from / (used in) investing activities	(9,558)	(9,558)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	180,777	180,777
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(5,076)	(5,076)
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	(796)	(796)
3.10	Net cash from / (used in) financing activities	174,905	174,905

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	52,914	52,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(13,858)	(13,858)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,558)	(9,558)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	174,905	174,905

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 (3 months) US\$'000
4.5	Effect of movement in exchange rates on cash held	101	101
4.6	Cash and cash equivalents at end of period	204,504	204,504

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	19,988	21,109
5.2	Call deposits	184,516	31,805
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)	204,504	52,914

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	328
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

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

7.	Financing facilities	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
	<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>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other - convertible notes	73,538	73,538
7.4	Total financing facilities	73,538	73,538
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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 0.7482 (Q4 2021: 0.7256)</p>		

8.	Estimated cash available for future operating activities	US\$'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(13,858)
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)	(13,858)
8.4	Cash and cash equivalents at quarter end (item 4.6)	204,504
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	204,504
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	14.8
	<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>	

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

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:27 April 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.