

ASX Announcement / Media Release

20 October 2022

Quarterly Activities Report

FOR THE THREE MONTHS ENDING 30 SEPTEMBER 2022

Key Points

- Total Recordable Injury Frequency Rate ("TRIFR") of 1.0 for Balama and 8.8 for Vidalia at quarter end
- Demand growth for Balama natural graphite end uses, with global electric vehicle ("EV") sales up 68% in September 2022 quarter, versus the September 2021 quarter, to approximately 2.8 million units¹ and Chinese anode production increasing to above 130kt per month in the September 2022 quarter²
- Record 55kt natural graphite sold and shipped with 38kt produced at Balama at 80% recovery during quarter
- Weighted average sales price increased to US\$688 per tonne (CIF)
- Balama C1 cash costs (FOB Nacala/Pemba) of US\$615 per tonne, impacted by operational interruption due to industrial action, disproportionately high product logistics costs and higher diesel costs
- Maiden positive Balama net operating profit after C1 and C2 costs for the quarter
- Three ~10kt spot breakbulk shipments from Pemba port completed in the September 2022 quarter
- Forward sales order book of nearly 70kt natural graphite, with increased demand expected prior to and through the winter period of lower Chinese production
- Detailed engineering on Vidalia's initial expansion to 11.25ktpa AAM production capacity ("Vidalia Initial Expansion") more than 89% completed
- Construction of Vidalia Initial Expansion project advancing within the planned schedule and budget with a targeted start of production in the September 2023 quarter
- Definitive Feasibility Study ("DFS") underway on expansion of Vidalia to a 45ktpa AAM, inclusive of 11.25ktpa AAM, production capacity
- Syrah signed a memorandum of understanding ("MOU") with Ford and SK On to evaluate AAM supply from Vidalia to the BlueOval SK joint venture³
- Syrah signed a MOU with LG Energy Solution to evaluate AAM supply from Vidalia⁴
- Syrah signed a five year binding offtake with Hiller Carbon to supply all by-product spherical graphite fines from the 11.25ktpa AAM Vidalia facility for further processing and sale into industrial markets
- Assessing potential development options for a large-scale AAM facility in Europe through partnership

¹ Source: LMC, China Passenger Car Association and SWS Research. September 2022 includes Syrah's estimate for EV sales in selected countries (~207k total).

² Source: ICCSino.

³ Refer ASX release 22 July 2022.

⁴ Refer ASX release 20 October 2022.

- Entered into binding US\$102 million loan from US Department of Energy ("DOE") to support financing for Vidalia Initial Expansion project⁵
- Selected for a DOE grant of up to approximately US\$220 million to support financing of Vidalia's proposed expansion to a 45ktpa AAM production capacity⁶
- Quarter end cash balance of US\$136 million, representing a US\$33 million cash outflow for the quarter of which US\$28 million related to investing activities.

Balama Graphite Operation ("Balama") – Mozambique

Syrah Resources Limited (ASX: SYR) ("Syrah" or "Company") recorded a TRIFR of 1.0 at quarter end for Balama.

Quarter Ending	Unit	31 December 2021	31 March 2022	30 June 2022	30 September 2022
Plant Feed	Tonnes ('000)	86	311	265	224
Plant Feed Grade	TGC ⁷	18%	19%	20%	20%
Recovery	%	82%	76%	79%	80%
Graphite Produced	Tonnes ('000)	13	46	44	38
Fine/Coarse Mix	-	80/20	83/17	83/17	86/14
Average Fixed Carbon	%	96%	95%	95%	95%

Balama produced 38kt natural graphite for the quarter, and at an approximately 15kt per month production rate in July and August. Industrial action interrupted Balama operations in September 2022⁸. Prior to this interruption, maximum finished product inventory positions due to ongoing disruption in the global container shipping market continued to constrain Balama operating at a higher than 15kt per month production rate.

Syrah achieved strong operational performance with consistent product quality, stable grade and higher recovery. Balama average and maximum daily production run-rates were 18kt and 27kt per month, respectively, during campaign production runs, and a 30-day rolling production record of 20kt was achieved during the quarter. Plant recovery was 80% during the quarter and 85% in August with the new cyclone system in the secondary milling circuit fully commissioned from the start of the quarter.

Balama C1 cash costs (FOB Nacala/Pemba) for the quarter were US\$615 per tonne of which ~US\$40 per tonne was attributed to fixed costs incurred through operational interruption in September 2022, ~US\$21 per tonne was attributed to ex-mine gate product logistics costs being disproportionate to production with Balama finished product inventory being transported to ports and ~US\$62 per tonne was attributed to diesel price escalation since March 2022. The diesel price, which is set by the Mozambique Government, has increased by ~30% since July 2022 and ~80% since March 2022. Despite these cost pressures, Balama reported its first positive net operating profit after C1 and C2 costs for the quarter. Syrah is continuing to review Balama C1 cash cost guidance. Balama C1 cash costs are expected to reduce as production rate increases beyond 15kt per month with improved shipping options and availability and as improvement initiatives are embedded.

At quarter end, employees in Mozambique totalled 489 excluding contractors. Rates of Mozambican national employment, local host community and female employment were 96%, 38% and 18%, respectively, of Balama's total labour contingent excluding contractors. Value accruing to local employees, Mozambican contractors and suppliers, and the eight local host communities from Balama operations is significant, and having a positive impact on local stakeholders remains a key priority for the Company.

⁵ Refer ASX release 28 July 2022.

⁶ Refer ASX release 20 October 2022.

⁷ TGC = Total Graphitic Carbon.

⁸ Refer ASX release 26 September 2022.

During September 2022, Balama operations were interrupted by illegal industrial action driven by a small contingent of local employees and contractors. With work stoppage, disrupted access to site and out of caution for the safety of Syrah's employees and contractors, Balama operations were halted and the Company's workforce temporarily moved from site⁸. After quarter end, Balama prepared operations for restart, with employees and contractors returning to site and camp, and production and logistics movements recommencing⁹. Syrah's extensive engagement with the relevant Mozambique Government authorities endorsed the Company Level Agreement ("CLA") renewal process with the Internal Union Committee ("Union") as the correct process for matters regarding Balama employment conditions. Despite Mozambique Government authorities committing to ensuring that illegal industrial action is not permitted to interrupt Balama operations, illegal industrial action disrupted a full operational restart and limited logistics movements after quarter end¹⁰. The Company continues to engage with employee and contractor labour representatives and relevant Mozambique Government authorities to drive resolution of immediate issues, support the renewal of the CLA and ensure that grievances are managed through the correct internal and/or regulatory channels.

Natural Graphite Sales and Marketing

Quarter Ending	Unit	31 December 2021	31 March 2022	30 June 2022	30 September 2022
Graphite Sold and Shipped	kt	19	35	44	55
Weighted Average Price (CIF)	US\$ per tonne	530	573	662	688
Finished Product Inventory ¹¹	kt	20	30	30	14

Natural graphite sales for the quarter were a record 55kt. A further 6kt in finished product inventory was shipped from Nacala after quarter end and all other finished product inventory is contracted to customers. Syrah was unable to secure its desired container capacity for Balama shipments from Nacala during the September 2022 quarter. However, the Company completed three ~10kt breakbulk shipments from Pemba to supplement container shipments and meet strong underlying customer demand. Container market conditions through the quarter end have begun to improve with freight rates declining and availability increasing.

The weighted average sales price of natural graphite sales for the quarter was US\$688 per tonne (CIF). Fines sales accounted for approximately 83% of overall product sales. Fines spot pricing was stable in July and August 2022 compared to last quarter and increased in September 2022 with record downstream anode market demand even with peak seasonal Chinese natural graphite production. Coarse flake prices ex-China remained strong and stable due to ongoing supply disruptions including from Ukraine and Russia. Sea freight rate volatility and surcharges continued with Syrah's average shipping unit costs during the quarter at almost four times the long-term average, despite the recent indications of improvement.

Strong forward demand for Balama's high quality products has continued through the September 2022 quarter. High demand for natural graphite is consistent with strong growth in global EV demand, increasing Chinese anode production, Syrah's primary customer segment, and positive conditions in the ex-China graphite market. Syrah expects the coarse flake market in Asia to be balanced in the December 2022 quarter due to contracting steel production driving lower refractory demand and higher product inventories. Strong demand conditions underpin nearly 70kt of natural graphite forward sales orders.

Chinese natural graphite production levels returned to normal from July 2022, following the late seasonal start of production earlier this year, with high capacity utilisation through the peak summer season. Higher Chinese natural graphite imports, principally from Mozambique and Madagascar, are expected to be required to satisfy strong demand and rebuild inventory positions ahead of the winter period of lower Chinese natural graphite production. Syrah's forward sales orders indicate customer concern regarding Chinese natural graphite production availability and market balance. Continuing record monthly

⁹ Refer ASX release 11 October 2022.

¹⁰ Refer ASX release 20 October 2022.

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

Chinese anode production, in conjunction with expected lower Chinese natural graphite supply ahead and through the winter period, are driving very strong demand and supportive pricing from Chinese customers for new sales orders.

During the quarter, Syrah completed three ~10kt spot breakbulk shipments through Pemba port. The Company is planning further breakbulk shipments in the December 2022 quarter and will continue to use this export route for Balama products in addition to container shipments from Nacala, subject to overall shipping availability, costs and customer preferences. Breakbulk shipments from Pemba as an additional export route for Balama products provides flexibility in managing inventory positions and enables higher product sales than otherwise could be achieved solely through Nacala port, particularly given prevailing container availability constraints.

Disruption in the global container shipping market is easing with lower port congestion, improved scheduling reliability and weaker demand on some routes. Global container freight rates on major trade lanes are materially below recent peaks but remain above the long-term average. East Africa vessel services and container availability improved in the September 2022 quarter and are expected to further improve in the December 2022 quarter. Ex-East Africa container freight rates are trending down at a slower rate than on major trade lanes. Pemba breakbulk shipping rates are reducing with lower freight rates in bulk shipping driven by moderating demand. The Company continues to work closely with its container shipping service providers from Nacala to secure increased container shipping capacity. The integration of breakbulk shipping from Pemba in combination with container shipping availability will continue to support Balama sales and production of at least 20kt per month.

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

Syrah recorded a TRIFR of 8.8 at quarter end for Vidalia and no lost time injuries were sustained through the quarter with significant hours spent on the Vidalia Initial Expansion.

The Company made outstanding progress toward 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 September 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”)¹². Construction of the Vidalia Initial Expansion project is progressing within the planned schedule and budget under the management of an integrated Syrah and Worley Group team. Detailed engineering with Worley Group was more than 89% completed at the end of the quarter, and will be completed in the December 2022 quarter enabling required equipment fabrication and construction to progress in line with the schedule. Procurement activities for all key construction activities and equipment are substantially complete, with contracts for more than ~US\$130 million in total installed capital costs awarded¹³ including for major mechanical and equipment work packages. All remaining significant construction and equipment supply contracts will be awarded in the December 2022 quarter. The project is on budget after the completion of the majority of procurement activities with a significant portion of the project contingency remaining unallocated. The key construction activities undertaken during the quarter were piling, fencing, buried water services, power connections, concrete foundation and slab pouring, mechanical, structural steel & substation delivery, piping manufacturing, and preparing for delivery and installation of major equipment. All overseas fabrication of major equipment is tracking as expected and delivery of this equipment remains on schedule. Construction activities in the December 2022 quarter will focus on completion of concrete foundations, mechanical & structural steel delivery, steel erection for permanent buildings, piping manufacturing, and delivery and installation of major equipment. Start of production of the 11.25ktpa AAM Vidalia facility is targeted in the September 2023 quarter with an 18-month ramp-up period to the full production rate.

Syrah advanced a comprehensive technology assessment and test work for the DFS on the expansion of Vidalia’s production capacity to 45ktpa AAM, inclusive of 11.25ktpa AAM facility. Completion of trade-off studies and test work underpin scope enhancements for flexibility in AAM product options, improved estimated operating costs and the selection of a preferred site layout. During the quarter, Syrah awarded Worley Group a services contract to complete the DFS. The DFS is well underway and will be substantially completed in 2022. Detailed engineering, procurement, and construction phases will follow the DFS sequentially, subject to Syrah Board approval and customer and financing commitments.

¹² Refer ASX release 7 February 2022.

¹³ Includes a mix of fixed cost / lump-sum, unit rate and cost reimbursable contracts. Costs for unit rate and cost reimbursable contracts are estimates.

Syrah has executed an offtake agreement with Tesla, Inc. to supply natural graphite AAM from the 11.25ktpa AAM Vidalia facility¹⁴.

The Company has signed a non-binding MOU with Ford Motor Company (“Ford”) and SK On, Ltd (“SK On”) to evaluate a strategic arrangement, including natural graphite active anode material (“AAM”) supply to the BlueOval SK joint venture, relating to Vidalia³. Under the MOU, Syrah, Ford and SK On will continue testing and qualifying Vidalia AAM and use commercially reasonable efforts to finalise, by no later than 31 December 2022, a binding offtake agreement between Syrah and the BlueOval SK joint venture for AAM from an expanded production facility at Vidalia and with an offtake commencement date of no later than 2028.

Today, Syrah announced it signed a non-binding MOU with LG Energy Solution to evaluate AAM supply from Vidalia⁴. Under the MOU, Syrah and LG Energy Solution will continue testing and qualifying Vidalia AAM and use commercially reasonable efforts to finalise, by no later than 31 December 2022, a binding offtake agreement for 2ktpa AAM from Vidalia commencing from 2025 and increasing to at least 10ktpa AAM upon Vidalia’s expansion to a 45ktpa AAM production capacity.

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 benefitting Syrah in its commercial engagements with target customers for the 3.25ktpa AAM uncontracted volume from the 11.25ktpa AAM Vidalia facility and for volumes materially beyond 11.25ktpa AAM. Accordingly, Syrah is aiming to secure additional AAM offtake agreements with target customers, at AAM prices better than assumed for the Vidalia FID, by no later than 31 March 2023.

During the quarter, Syrah finalised a binding offtake with Hiller Carbon LLC (“Hiller Carbon”) to supply all by-product micronized spherical graphite fines from the 11.25ktpa AAM Vidalia facility for an initial five year term plus extension options. Hiller Carbon is a leading supplier of specialty carbon products and other minerals to the steel, paper, foundry, lime, industrial and other chemical industries and a long-term partner of Syrah. By-product micronized graphite fines from Vidalia will be primarily used by Hiller Carbon to produce Crown® Graphite, a high-performance pelletized recarburiser, for use in steel and foundry applications and also to produce other reprocessed products for use in industrial applications.

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 believes it is the most progressed vertically integrated natural graphite AAM supply alternative for US 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.

European Downstream Strategy

Syrah is progressing the evaluation of a large-scale AAM production facility in Europe and the assessment of the strategic merits of such development in partnership. Syrah’s strategy for a AAM facility in the European Union is to replicate the technology, process and equipment used for the Vidalia AAM facility and for it to use natural graphite supply from Balama. By 2026, European-based lithium-ion battery manufacturing capacity is forecast to be 491GWh¹⁵ per annum, which is estimated to require 443ktpa AAM¹⁶. Whilst it is evident that substantial investment is underway and planned in significantly expanding lithium-ion battery manufacturing capacity across Europe, there has not been commensurate planning, investment or progress in developing a proportionately scaled and localised natural graphite AAM supply chain in Europe. Syrah’s broad engagement with global customers has also highlighted concerns with the lack of European-based AAM supply and dependency on, and cost vulnerabilities of, imported AAM supply from Asia.

¹⁴ Refer ASX releases 23 December 2021 and 29 December 2021.

¹⁵ Source: Benchmark Mineral Intelligence Battery Megafactory Assessment, June 2022.

¹⁶ 2026 forecast European battery manufacturing capacity of 491GWh, 85% battery manufacturing capacity utilisation, 97% graphite anode market share and 1.1kg/kWh intensity of graphite in anode. Source: Benchmark Mineral Intelligence Battery Megafactory Assessment, June 2022 and Flake Graphite Forecast, Q3 2022, excluding capacity utilization assumption which is a Syrah assumption.

Syrah Lifecycle Assessment Update

A critical panel review of Minviro Ltd's independent lifecycle assessment ("LCA") of Syrah's integrated operations, from Balama origin to Vidalia AAM customer gate, was completed during the quarter. Syrah's LCA meets the requirements of ISO14040/14044 standards. The estimated Global Warming Potential ("GWP")¹⁷ of natural graphite from Balama, including transport to Nacala port, is 0.42kg CO₂ equivalent per 1kg natural graphite. The GWP of Balama natural graphite is ~60% lower than equivalent natural graphite produced from a benchmarked supply route in Heilongjiang Province, China. The estimated GWP of AAM from Vidalia, including the GWP of producing natural graphite at Balama and transporting it from Balama gate to Vidalia gate, is updated to 7.3kg CO₂ equivalent per 1kg AAM. The GWP of Vidalia AAM is ~50% lower than natural graphite AAM produced from a benchmarked supply route in Heilongjiang Province, China and is ~70% lower than synthetic graphite AAM produced from a benchmarked supply route in Inner Mongolia Province, China. Implementation of specific decarbonisation opportunities, which includes hydro-electric supply of electricity to Vidalia, reduces the GWP of Vidalia to 3.2kg CO₂ eq. per kg AAM.

Syrah encourages care to be taken in comparing LCAs by ensuring consistency in the products and boundaries being evaluated by each LCA. Furthermore, the Company notes that certain LCAs in the graphite and AAM sector may not measure the environmental impacts of the full value chain to manufacture products due to a lack of data. Syrah's LCA measures the environmental impacts of the full value chain, which is based on a complete and fully defined inventory of its vertically integrated position.

IRMA Certification

Syrah is committed to maintaining the highest standards of conduct in all business activities and to promoting a culture of integrity, transparency and corporate social responsibility. To achieve this, we pursue alignment with leading practice environmental, social and governance ("ESG") frameworks including the International Council on Mining & Metals ("ICMM") Mining Principles, the United Nations Sustainable Development Goals, the Global Reporting Initiative, and the International Finance Corporation Performance Standards on Environmental and Social Sustainability.

To further strengthen its ESG performance, the Company intends to undertake an independent third-party audit of Balama against the Initiative for Responsible Mining Assurance ("IRMA") Standard for Responsible Mining, which is one of the most comprehensive and rigorous mining standards in the world. Syrah believes that, in partnership with its key stakeholders, it has built a strong foundation to achieve an IRMA certification level. In working through the recent industrial relations issues at Balama, Syrah has re-emphasised the importance of and commitment to sustainable long-term benefit to both employees and host communities. More information regarding IRMA is on the website: <https://responsiblemining.net>.

Market Update

Positive momentum in EV sales and penetration, a key leading indicator for natural graphite and AAM demand growth, continued during the quarter despite global recessionary concerns. Global EV sales grew 68% in the September 2022 quarter, versus the September 2021 quarter, to approximately 2.8 million units¹ with strong demand growth in China and ex-China consumer markets. Monthly global EV sales were above 1 million units for the first time in September 2022¹. Robust EV sales growth is resulting in high demand for anode material, as shown by total Chinese anode production increasing to above 130kt per month, further announced anode capacity additions in China and sustained imports of natural graphite into China. There continues to be significant new commitments made to expanding EV sales and battery manufacturing capacity globally, and specifically in Western markets where battery manufacturing capacity is expected to increase considerably 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 and Europe to meet growing consumer demand for EVs.

Government and private sector recognition of the strategic importance of battery raw material supply chains is accelerating rapidly, particularly in the US. Syrah is engaged with key stakeholders, bilaterally and via industry group participation, to highlight the relevance of Vidalia in achieving policy objectives and to build support for the Vidalia Initial Expansion and subsequent expansions of Vidalia's production capacity. In August 2022, the US Senate passed the historic Inflation

¹⁷ 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.

Reduction Act 2022, the largest climate focused legislation ever in the US. The Inflation Reduction Act offers significant tax credits and financial support to mobilise the development of domestic battery and battery raw materials supply chains and to accelerate the adoption of EVs in the US. Syrah is evaluating the legislation to confirm the direct and indirect benefits available to Vidalia. The Company expects that Vidalia AAM will be qualified as a critical mineral processed in the US for the EV tax credit under the Inflation Reduction Act.

Finance and Corporate

The Company's cash balance at 30 September 2022 was US\$136 million.

US DOE debt financing

In July 2022, Syrah announced it entered into binding documentation for a loan facility up to US\$102 million from the US Department of Energy to Syrah Technologies, LLC ("Syrah Technologies"), Syrah's wholly owned subsidiary, to support the financing of the Vidalia Initial Expansion project⁵. The DOE loan will be made under DOE's Advanced Technology Vehicles Manufacturing ("ATVM") loan program, which is a loan authority to support the manufacture of eligible advanced technology vehicles including EVs, and qualifying components and materials, in the USA. The DOE loan to Syrah Technologies is the first from the ATVM loan program since 2011 and the first ever from the ATVM loan program to a materials processing facility. The Company and DOE are targeting the first advance from the loan within the December 2022 quarter, aligned with the capital spending program for the Vidalia Initial Expansion project.

US DOE grant

Today, Syrah announced that Syrah Technologies has been selected for a Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing grant ("DOE Grant") of up to approximately US\$220 million from DOE⁶. A DOE Grant will support the financing of the potential expansion of Vidalia to a 45ktpa AAM production capacity. DOE Grants will be made by the Office of Manufacturing and Energy Supply Chains ("MESC") in collaboration with the Office of Energy Efficiency and Renewable Energy ("EERE") of DOE. Syrah, MESC and EERE will proceed to negotiate and finalise a binding funding agreement for a DOE Grant. DOE Grants are a separate funding opportunity to the DOE's ATVM loan program, and Syrah does not expect its binding ATVM loan will be affected by a binding funding agreement for a DOE Grant.

US DFC debt financing

In May 2021, Syrah applied to the United States International Development Finance Corporation ("DFC") for debt financing to fund (i) initial working and sustaining capital, (ii) expansion of the tailings storage facility, and (iii) feasibility studies for development of the vanadium resource at Balama. Due diligence on Balama and Syrah by the DFC is ongoing.

There is no certainty that debt financing from the DOE or DFC, nor funding from a DOE Grant, will be unconditionally extended to Syrah or in Syrah's targeted timeframe. These matters remain subject to ongoing negotiation and/or conditions.

Licences

The following table lists the current licences held by Syrah Resources Limited and its subsidiaries at 30 September 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 30 September 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\$209,459. These payments are related to salaries, superannuation, advisory and consultancy fees paid to directors and/or director related entities during the quarter ended 30 September 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

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About Syrah

Syrah (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. 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.

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")

30 SEPTEMBER 2022

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	32,425	79,431
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(30,623)	(94,670)
	(d) staff costs ⁽¹⁾	(4,820)	(14,322)
	(e) administration and corporate costs	(831)	(2,533)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	512	772
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	114	3,332
1.9	Net cash from / (used in) operating activities	(3,223)	(27,990)

(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	(28,807)	(58,005)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter US\$'000	Year to date (9 months) US\$'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	501	501
	(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
2.6	Other – Payment for environmental bond deposit release	-	(8,122)
2.7	Other – Payment for security deposit	-	(38)
2.8	Net cash from / (used in) investing activities	(28,306)	(61,906)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	-	(5,186)
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	(772)	(2,383)
3.10	Net cash from / (used in) financing activities	(772)	173,208

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	168,116	52,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,223)	(27,990)

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 (9 months) US\$'000
4.3	Net cash from / (used in) investing activities (item 2.8 above)	(28,306)	(61,906)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(772)	173,208
4.5	Effect of movement in exchange rates on cash held	(218)	(629)
4.6	Cash and cash equivalents at end of period	135,597	135,597

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	23,820	14,522
5.2	Call deposits	111,777	153,594
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)	135,597	168,116

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	209
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.</i> <i>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	66,648	66,648
7.4	Total financing facilities	66,648	66,648
7.5	Unused financing facilities available at quarter end		98,000
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 0.6502 (Q2 2022: 0.6889)</p> <p>With reference to item 7.5, Syrah entered into binding documentation for a loan from the US Department of Energy to Syrah Technologies LLC, Syrah's wholly owned subsidiary, to support the financing of the initial expansion of the Vidalia active anode material facility in Louisiana, USA (DOE Loan). The DOE Loan is for up to US\$102 million including US\$98 million in loan advances and approximately US\$4 million in maximum capitalised interest. Interest is fixed from the date of each loan advance at applicable long-dated US Treasury rates and is capitalised in arrears prior to 20 October 2024 up to the maximum amount. The DOE Loan matures on 20 April 2032 unless repaid earlier. There are conditions precedent outstanding to the DOE loan closing and advances becoming available to Syrah. A summary of the key terms of the DOE Loan is in Syrah's ASX release dated 28 July 2022.</p>		

8. Estimated cash available for future operating activities	US\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,223)
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)	(3,223)
8.4 Cash and cash equivalents at quarter end (item 4.6)	135,597
8.5 Unused finance facilities available at quarter end (item 7.5)	98,000
8.6 Total available funding (item 8.4 + item 8.5)	233,597
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	72.5
<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

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

Date:20 October 2022.....

Authorised by:The Board.....

Notes

- 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

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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.