

ASX Announcement / Media Release

31 January 2023

Quarterly Activities Report

FOR THE THREE MONTHS ENDING 31 DECEMBER 2022

Key Points

- Total Recordable Injury Frequency Rate (“TRIFR”) of 0.7 for Balama and 10.5 for Vidalia at quarter end
- Demand growth for Balama natural graphite end uses, with global electric vehicle (“EV”) sales in December 2022 quarter up 63% versus the December 2021 quarter to ~3.7 million units¹ and strong Chinese anode production²
- Balama production, C1 costs and sales impacted by illegal industrial action and a precautionary security measure^{3,4}
- 28kt natural graphite sold and shipped with 35kt produced at Balama at 78% recovery during quarter – 19kt produced at 80% recovery in December with uninterrupted operations and logistics movements
- Balama C1 cash costs (FOB Nacala/Pemba) of US\$709 per tonne, impacted by operational interruptions and sustained high diesel costs through the quarter
- Weighted average sales price increased to US\$716 per tonne (CIF)
- Agreement on final specifications of AAM supply to Tesla, fulfilling a key condition to the 8ktpa AAM offtake obligation from the 11.25ktpa AAM Vidalia facility⁵
- Tesla option exercised for an additional 17ktpa AAM, for a total 25ktpa AAM⁵ – key customer commitment for the expansion of Vidalia to a 45ktpa AAM, inclusive of 11.25ktpa AAM, production capacity (“Vidalia Further Expansion”)
- MOU signed with LG Energy Solution to evaluate AAM supply from Vidalia⁶
- Detailed engineering on Vidalia’s initial expansion to 11.25ktpa AAM production capacity (“Vidalia Initial Expansion”) essentially complete
- Construction of the 11.25ktpa AAM Vidalia facility advancing within the planned schedule and budget with a targeted start of production in the September 2023 quarter
- Definitive Feasibility Study (“DFS”) on the Vidalia Further Expansion project nearing completion
- Assessing potential development options for a large-scale AAM facility in Europe through partnership
- Closed binding US\$102 million loan from US Department of Energy (“DOE”) to support financing for the Vidalia Initial Expansion project with first advance expected in the March 2023 quarter⁷

¹ Source: LMC.

² Source: ICCSino.

³ Refer ASX releases 26 September 2022, 11 October 2022, 20 October 2022 and 27 October 2022.

⁴ Refer ASX release 14 November 2022.

⁵ Refer ASX release 23 December 2022.

⁶ Refer ASX release 20 October 2022.

⁷ Refer ASX release 28 July 2022.

- Progressing negotiation of ~US\$220 million grant from DOE to fund a significant proportion of capital costs of the Vidalia Further Expansion project⁸
- Quarter end cash balance of US\$90 million.

Balama Graphite Operation (“Balama”) – Mozambique

Syrah Resources Limited (ASX: SYR) (“Syrah” or “Company”) recorded a TRIFR of 0.7 at quarter end for Balama.

Quarter Ending	Unit	31 March 2022	30 June 2022	30 September 2022	31 December 2022	2022
Plant Feed	Tonnes ('000)	311	265	224	214	1,014
Plant Feed Grade	TGC ⁹	19%	20%	20%	20%	20%
Recovery	%	76%	79%	80%	78%	78%
Graphite Produced	Tonnes ('000)	46	44	38	35	163
Fine/Coarse Mix	-	83/17	83/17	86/14	87/13	84/16
Average Fixed Carbon	%	95%	95%	95%	95%	95%

Balama produced 35kt natural graphite for the quarter with production impacted by the timing and sequence of operational interruptions caused by illegal industrial action in October³ and a precautionary security measure in November⁴. Balama production in December was 19kt with uninterrupted operations and logistics movements, with production rebuilding finished product inventory. Balama average and maximum daily production run-rates were 19kt and 25kt per month, respectively, during campaign production runs over the quarter.

Syrah achieved good performance in December in uninterrupted operations, notwithstanding ore feed variability and processing instability in the ramp-up of operations, with stable grade and recovery compared with the September 2022 quarter. Plant recovery was 80% in December and 78% during the quarter. Plant maintenance and equipment integrity was maintained at an excellent level throughout the quarter.

Balama C1 cash costs (FOB Nacala/Pemba) for the quarter were US\$709 per tonne of which US\$89 per tonne was attributed to fixed costs incurred through unplanned operational interruptions and ~US\$86 per tonne was attributed to diesel price escalation since March 2022. The diesel price set by the Mozambique Government remained high through the quarter. The prevailing diesel price is ~30% above the price in July 2022 and ~80% above the price in March 2022.

Installation of a 11.25 MWp solar photovoltaic installation combined with an 8.5 MW/MWh battery energy storage system (“Solar Battery System”) progressed during the quarter. Site clearing and earthworks are complete, solar and battery components have been delivered, and the piling and installation of trackers and solar panels is well underway. As a result of interruptions at Balama through the quarter, the Solar Battery System is now expected to be commissioned and operating before the end of the June 2023 quarter.

Balama C1 cash cost (FOB Nacala/Pemba) guidance is US\$430–480 per tonne at a 20kt per month production rate, assuming a normalisation of diesel price below prevailing levels, the Solar Battery System is operating at full capacity and updated labour costs associated with the renewal of the Company Level Agreement (“CLA”). Balama’s cash costs are expected to reduce further as production rate increases beyond 20kt per month and as improvement initiatives continue to be embedded.

⁸ Refer ASX release 20 October 2022.

⁹ TGC = Total Graphitic Carbon.



Figure 1: Balama Solar Battery System development.

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.

Syrah has worked through the periodic renewal of employment conditions under the CLA with the designated representatives of its unionised workforce, and this renewal process was successfully completed during the quarter with improvement in conditions for all employees covered under the CLA.

Balama operations were interrupted by illegal industrial action with production suspended for 26 days from the start of October and the Company's workforce temporarily moved from site for part of this period³. In late October, mining and processing operations, and unrestricted logistics movements, resumed at Balama with the full complement of the Company's employees and contractors returning to site. There has been no subsequent industrial action at Balama.

In November 2022, the Company was informed of security concerns in Namuno district ~50km from Balama site⁴. Syrah's highest priority at all times is the health and safety of employees and contractors, and it temporarily suspended Balama operations and moved most of Balama's workforce and contractors from site. The workforce returned to site and operations resumed after a two-day outage, with full production capability achieved one week after production was suspended. All employees and contractors remain safe. There has been no subsequent security issue affecting operations, employees or contractors at Balama, and the Company continues to work proactively with Government and security authorities to ensure operational continuity.

Natural Graphite Sales and Marketing

Quarter Ending	Unit	31 March 2022	30 June 2022	30 September 2022	31 December 2022	2022
Graphite Sold and Shipped	kt	35	44	55	28	162
Weighted Average Price (CIF)	US\$ per tonne	573	662	688	716	661
Finished Product Inventory ¹⁰	kt	30	30	14	20	20

Natural graphite sales for the quarter were 28kt with most finished product inventory contracted to customers. The timing of operational interruptions at Balama impacted the availability of finished product for shipment, with most inventory only available at port through December. Natural graphite sales were unconstrained by container availability for Balama shipments from Nacala, with 10kt shipped in December. No breakbulk shipments were completed in the quarter due to the timing of inventory availability. The Company is planning to undertake further breakbulk shipments in the March 2023

¹⁰ Finished product inventory includes saleable inventory at Balama, Nacala, Pemba and USA.

quarter. East Africa shipping market conditions are normalising with container and vessel availability increasing and freight rates decreasing.

The weighted average sales price of natural graphite sales for the quarter was US\$716 per tonne (CIF). Fines sales accounted for approximately 81% of overall product sales. Fines spot pricing was stable compared to last quarter and remained supported by strong anode market demand. Coarse flake prices ex-China remained strong due to ongoing supply disruptions including from Ukraine and Russia.

Syrah's access to container capacity for Balama shipments from Nacala improved during the December 2022 quarter. The Company will continue to use the Pemba 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.

The global container shipping market is improving with growth in the global vessel fleet, easing of port congestion, improved scheduling reliability and weaker trade demand trends. East Africa vessel services and container availability improved in December 2022 and into 2023 due to easing demand on major trade lanes. Global container freight rates are materially below recent peaks and approaching pre-Covid pandemic levels. Freight rates for Syrah's Nacala container and Pemba breakbulk cargoes have declined from approximately four times the long term average earlier in 2022 to less than two times in the March 2023 quarter, highlighting the significant improvement in Ex-Africa shipping conditions. The easing of container shipping constraints and the integration of breakbulk shipping from Pemba means there is now no logistics impediment to Balama sales and production of at least 20kt per month.

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

Syrah recorded a TRIFR of 10.5 at quarter end for Vidalia and no lost time injuries were sustained through the quarter with a significant increase in hours due to the ramp-up of the Vidalia Initial Expansion project.

The Company continues to progress toward its strategy to become a vertically integrated natural graphite AAM supply alternative for USA and European battery supply chain participants and OEM customers.

Syrah executed an offtake agreement with Tesla, Inc. to supply natural graphite AAM from the 11.25ktpa AAM Vidalia facility in December 2021¹¹. AAM specifications in this offtake agreement were updated and accordingly, the condition to Tesla's offtake obligation relating to agreement of final specifications of AAM by 31 December 2022 was fulfilled⁵. The final specifications are aligned with Syrah's planned AAM product from Vidalia that informed the final investment decision on the expansion of Vidalia's production capacity to 11.25ktpa AAM. Further to the 8ktpa AAM offtake obligation from the 11.25ktpa AAM Vidalia facility, Tesla exercised an option to offtake an additional 17ktpa AAM from Vidalia at a fixed price and for an initial term of no less than four years, subject to the expansion of Vidalia's production capacity to 45ktpa AAM⁵. Tesla's offtake obligation is a key customer commitment for a final investment decision ("FID") on the Vidalia Further Expansion project, accounting for a combined 56% of the planned production capacity of a 45ktpa AAM facility at Vidalia. Syrah is working with Tesla to finalise the detailed terms and conditions of this additional offtake obligation in an offtake agreement.

During the quarter, the Company signed a non-binding memorandum of understanding ("MOU") with LG Energy Solution to evaluate AAM supply from Vidalia⁶. Under the MOU, Syrah and LG Energy Solution will continue testing and qualifying Vidalia AAM and use commercially reasonable efforts to finalise 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. Syrah also has a non-binding MOU with Ford Motor Company and SK On Ltd to evaluate a strategic arrangement, including AAM supply from Vidalia to the BlueOval SK joint venture¹². Syrah continues to advance commercial negotiations toward offtake agreements with tier 1 customers. The Company is focused on engaging with these target customers in iterative testing programs for qualification and binding offtake terms to maximise the value of the Vidalia Further Expansion project. Market growth, segmentation (e.g. localisation / ESG) and policy support are benefitting Syrah in its commercial engagement with target customers for the 3.25ktpa AAM uncontracted volume from the 11.25ktpa AAM Vidalia facility and for volumes from the planned expansion of Vidalia. The Company is also advancing commercial and technical engagement with further customers and supply chain participants..

¹¹ Refer ASX releases 23 December 2021 and 29 December 2021.

¹² Refer ASX release 22 July 2022.

In February 2022, Syrah's Board approved the initial expansion of Vidalia to 11.25ktpa AAM production capacity¹³. 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 is 99% complete, enabling required equipment fabrication and construction to progress in line with the schedule. Procurement activities for all key construction activities and equipment were advanced, with contracts for ~US\$150 million in total installed capital costs awarded¹⁴. The Vidalia Initial Expansion project is on budget after the completion of procurement activities with an acceptable amount of the project contingency remaining unallocated. All major mechanical, electrical & instrumentation, and equipment work packages are proceeding. Concrete foundations and slabs have been completed and erection of permanent buildings has commenced. Building steels, pipe rack structural steel, cable spool reels and fabricated piping are being delivered to site and erected. All overseas fabrication of critical equipment is complete, and delivery of this equipment commenced during the December 2022 quarter and will continue into the March 2023 quarter. Construction activities in the March 2023 quarter will focus on steel erection, roofing and cladding for permanent buildings, structural steel and equipment installation in these buildings, structural steel levels, final mounting of the first power distribution centre and taking delivery of the second power distribution centre. Operational readiness for the 11.25ktpa AAM Vidalia facility, which includes preparing business and maintenance systems and operating teams to move from commissioning to operations, is on track for commencement of operation in the September 2023 quarter.



Figure 2: Construction of 11.25ktpa AAM Vidalia facility.

A DFS on the expansion of Vidalia's production capacity to 45ktpa AAM, inclusive of 11.25ktpa AAM facility with Worley Group is nearing completion. Detailed engineering, procurement, and construction phases will follow the DFS sequentially, subject to Syrah Board approval and customer and financing commitments.

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. The Company is engaged with high-quality counterparties to potentially partner with in this development. Syrah's strategy for a European AAM facility is to replicate the most updated technology, process and equipment selected for the Vidalia AAM facility and for it to use natural graphite supply from Balama. 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. Syrah's

¹³ Refer ASX release 7 February 2022.

¹⁴ Includes a mix of fixed cost / lump-sum, unit rate and cost reimbursable contracts. Costs for unit rate and cost reimbursable contracts are estimates.

broad engagement with global AAM 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.

Market Update

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 63% in the December 2022 quarter versus the December 2021 quarter, to approximately 3.7 million units¹ with demand growth in China and ex-China consumer markets. Global EV sales grew 65% in 2022 versus 2021, to approximately 10.8 million units¹. Chinese anode production grew 94% in 2022 versus 2021.

Natural graphite production in Heilongjiang province in China has declined due to major suppliers facing water supply issues and commencement of seasonal shutdowns for the winter production outage. Chinese natural graphite inventory positions are being restocked with increasing imports, principally from Mozambique and Madagascar. Forward demand and sales orders for Balama products in China, and particularly in the anode market, has weakened somewhat against historically high levels in 2022 with anode material production having outpaced strong growth in global EV sales. Consumption of AAM inventory, operational and logistics disruptions due to Covid-19 in China, and Chinese New Year closures will likely result in lower Chinese anode production in the March 2023 quarter. However, expected growth in EV and energy storage markets means that customers remain concerned about availability of Chinese natural graphite fines and the future market balance. Syrah expects the coarse flake market in Asia to be balanced due to contracting steel production, Covid-19 in China and Chinese New Year driving lower refractory demand and higher product inventory positions. Ex-China coarse flake market conditions remain strong due to lower supply availability.

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. Robust global EV production and sales growth is expected to result in high demand for anode material and imported natural graphite into China. Such market conditions are expected to drive strong demand and supportive pricing from Chinese customers for Balama sales orders and from customers for Vidalia AAM.

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 Vidalia Further Expansion projects. The US Inflation Reduction Act (“IRA”) offers significant tax credits and financial support to mobilise the development of domestic battery and critical mineral supply chains and to accelerate the adoption of EVs in the US. The US Department of Treasury is expected to issue formal guidance on the requirements for sourcing of critical minerals, such as graphite, in batteries to qualify EVs for the clean vehicle credit under the IRA in March 2023. Based on preliminary guidance, Syrah expects that Vidalia AAM will be a qualified critical mineral for the clean vehicle credit. Syrah is confirming the direct tax credits available to Vidalia. The Company’s preliminary assessment is that the Advanced Manufacturing Production Credit (Section 45X) or the Manufacturers’ Tax Credit (Section 48C), are available to Syrah Technologies LLC (“Syrah Technologies”), Syrah’s wholly owned US subsidiary.

Finance and Corporate

The Company’s cash balance at 31 December 2022 was US\$90 million, representing a US\$46 million cash outflow for the quarter of which US\$38 million related to investing activities¹⁵ principally for the Vidalia Initial Expansion project and expansion of the tailings storage facility at Balama. Cashflow from operating activities for the quarter was impacted by operational interruptions at Balama and relatively higher working capital at quarter end with natural graphite inventory positions being rebuilt.

US DOE debt financing

Syrah signed 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

¹⁵ Includes ~US\$2 million in staff costs associated with Vidalia and Balama capital projects that are classified as cash flows from operating activities in the Appendix 5B.

Expansion project⁷. 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 was closed in December 2022, and first advance is planned within the March 2023 quarter, aligned with the capital spending program for the Vidalia Initial Expansion project.

US DOE grant

Syrah Technologies was selected for a Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing grant (“DOE Grant”) of approximately US\$220 million from DOE to fund a significant proportion of capital costs of the Vidalia Further Expansion project⁸. The DOE Grant 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 are negotiating the DOE Grant and targeting its finalisation within the June 2023 quarter. The DOE Grant is a separate funding opportunity to the DOE’s ATVM loan program and Syrah’s ATVM loan will not be affected by the award of the 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 and commercial engagement with DFC continued through the quarter. DFC is preparing for the publication of the Environmental and Social Impact Assessment on Balama for public comment, which is a critical step in DFC’s approval process.

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 31 December 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 December 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\$211,565. 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 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

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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")

31 DECEMBER 2022

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	18,812	98,243
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production	(23,529)	(118,199)
(d) staff costs ⁽¹⁾	(5,814)	(20,136)
(e) administration and corporate costs	(792)	(3,325)
1.3 Dividends received (see note 3)		
1.4 Interest received	927	1,699
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	1,408	4,740
1.9 Net cash from / (used in) operating activities	(8,988)	(36,978)

(1) Includes staff costs in relation to Balama Graphite Operation, Vidalia 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	(35,977)	(93,982)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	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	Other – Release of security deposit	57	57
2.9	Net cash from / (used in) investing activities	(35,920)	(97,826)

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	(809)	(3,192)
3.10	Net cash from / (used in) financing activities	(809)	172,399

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	135,597	52,914
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,988)	(36,978)

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
4.3	Net cash from / (used in) investing activities (item 2.8 above)	(35,920)	(97,826)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(809)	172,399
4.5	Effect of movement in exchange rates on cash held	497	(132)
4.6	Cash and cash equivalents at end of period	90,377	90,377

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	10,359	23,820
5.2	Call deposits	80,018	111,777
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)	90,377	135,597

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	212
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 <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	70,925	70,925
7.4	Total financing facilities	70,925	70,925
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 0.6775 (Q3 2022: 0.6502)</p> <p>With reference to item 7.5, Syrah signed 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 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. The DOE Loan became effective on 27 December 2022.</p>		

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8. Estimated cash available for future operating activities	US\$'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(8,988)
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)	(8,988)
8.4 Cash and cash equivalents at quarter end (item 4.6)	90,377
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)	188,377
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	21.0
<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:31 January 2023.....

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

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

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.