ASX Announcement / Media Release

27 April 2023

Quarterly Activities Report

FOR THE THREE MONTHS ENDING 31 MARCH 2023

Key Points

- Syrah Group Total Recordable Injury Frequency Rate ("TRIFR") of 1.1 at quarter end
- Volatile Chinese anode market conditions, resulting from apparent high cell and anode inventories, with growth in global electric vehicle ("EV") sales slowing to 32% in March 2023 quarter, versus the March 2022 quarter, to ~2.7 million units[1]
- Flat quarter on quarter natural graphite sales with volatile sales order performance from Chinese anode customers
- Balama production and C1 costs impacted by maximum inventory positions and minor operational issues
- 30kt natural graphite sold and shipped with 41kt produced at Balama at 71% recovery during quarter – 14kt produced at 76% recovery in March 2023
- Balama C1 cash costs (FOB Nacala/Pemba) of US$668 per tonne, impacted by volume, recoveries and diesel price
- Weighted average sales price of US$636 per tonne (CIF) with weaker fines pricing quarter on quarter
- Construction of the 11.25ktpa AAM Vidalia facility ("Vidalia Initial Expansion") is advancing on schedule – total installed capital cost estimate revised to US$180 million (2% increase), with potential for further increase to US$186 million
- Definitive Feasibility Study ("DFS") for the expansion of Vidalia to a 45ktpa AAM production capacity, inclusive of 11.25ktpa AAM ("Vidalia Further Expansion") confirms project is technically viable, financially robust and is expected to generate significant value for Syrah[2]
- Syrah to proceed with transition detailed & long-lead items engineering and permitting for the Vidalia Further Expansion project to maintain momentum ahead of a FID proposal
- First ~US$21 million advance of the US$102 million loan from US Department of Energy ("DOE") completed during the quarter to support financing for the Vidalia Initial Expansion[3]
- Progressing ~US$220 million grant[4] and alternative funding, including an Advanced Technology Vehicles Manufacturing ("ATVM") loan, from DOE to fund a significant proportion of Vidalia Further Expansion capital costs
- Quarter end cash balance of US$84 million, including restricted cash of US$36 million
- Up to A$150 million (US$99 million[5]) in new convertible notes – first A$50 million (US$33 million[5]) series to be issued by 12 May 2023 to AustralianSuper[6]
- AustralianSuper intention to convert its existing convertible notes to Syrah ordinary shares to increase its shareholding in Syrah to no more than ~30%, subject to Syrah shareholder approval[6].

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[1] Source: LMC.
[2] Refer ASX release 27 April 2023.
[3] Refer ASX release 28 July 2022.
[4] Refer ASX release 20 October 2022.
[5] A$ amount converted into US$ based on the USD/AUD exchange rate of 0.66 as at 26 April 2023.
[6] Refer ASX release 27 April 2023.

Balama Graphite Operation ("Balama") – Mozambique

Syrah Resources Limited (ASX: SYR) ("Syrah" or "Company") recorded a TRIFR of 0.6 at quarter end for Balama.

Quarter Ending	Unit	31 March 2022	30 June 2022	30 September 2022	31 December 2022	31 March 2023
Plant Feed	Tonnes ('000)	311	265	224	214	280
Plant Feed Grade	TGC[7]	19%	20%	20%	20%	20%
Recovery	%	76%	79%	80%	78%	71%
Graphite Produced	**Tonnes ('000)**	**46**	**44**	**38**	**35**	**41**
Fine/Coarse Mix	-	83/17	83/17	86/14	87/13	91/9
Average Fixed Carbon	%	95%	95%	95%	95%	95%

Balama produced 41kt natural graphite for the quarter, with production constrained by maximum finished product inventory positions. Balama average and maximum daily production run-rates were 15kt and 24kt per month, respectively, during campaign production runs over the quarter.

Notwithstanding higher production compared with the last quarter, Balama reported weaker operational performance in the March 2023 quarter. This was primarily due to operational stoppages necessitated by finished product inventory constraints, and also due to minor unexpected processing inefficiencies with ore feed variability and unplanned equipment performance-related issues. Plant recovery was 71% during the quarter and improved to 76% on 14kt natural graphite production in March 2023 with the optimised processing of variable ore feed and rectification of equipment performance-related issues. Product grade was stable compared with the December 2022 quarter.

Balama C1 cash costs (FOB Nacala/Pemba) for the quarter were US$668 per tonne, impacted by lower production for the quarter, as well as recovery below 80% (~US$20 per tonne) and increases in the diesel price since March 2022 (~US$88 per tonne). The diesel price set by the Mozambique Government remained high and increased marginally through the quarter, against expectations. The prevailing diesel price is ~90% above the price in March 2022.

Considering prevailing volatile China anode market conditions and the availability of significant finished product inventory, Syrah will moderate production from Balama until demand conditions and sales orders at economic prices warrant higher capacity utilisation. During this time, Syrah will execute operational improvements, bring forward planned maintenance, and focus on minimising costs. The Company will also review and evaluate the potential for more dynamic Balama operating scenarios at lower capacity utilisation, to match periods of volatile customer demand and lower sales ordering, with the objective of achieving acceptable unit operating cost and cash flow outcomes. Syrah is also focused on preserving Balama's capability to quickly return to higher capacity utilisation as the market balances and natural graphite demand grows.

Installation of the 11.25 MWp solar photovoltaic array over 19 hectares combined with an 8.5 MW/MWh battery energy storage system ("Solar Battery System") progressed during the quarter. Civil works, piling and installation of trackers, solar modules and cabling were completed during the quarter. Remaining project activities are progressing on schedule. The Solar Battery System is expected to be commissioned and operating before the end of the June 2023 quarter, which will partially offset the cost impact of the higher diesel price.

Balama C1 cash cost (FOB Nacala/Pemba) guidance remains US$430–480 per tonne at a 20kt per month production rate, with the lower end of the range assuming a normalisation of diesel price to historical levels, the Solar Battery System 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 as the production rate increases beyond 20kt per month, with increasing sales and no inventory constraints, and as improvement initiatives continue to be embedded.

[7] TGC = Total Graphitic Carbon.

Figure 1: Balama Solar Battery System development.

Rates of Mozambican national employment, local host community and female employment were 96%, 39% 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.

There were no security issues that affected operations, employees or contractors at Balama during the quarter and the security environment in Cabo Delgado province has generally improved since 2022.

Natural Graphite Sales and Marketing

Quarter Ending	Unit	31 March 2022	30 June 2022	30 September 2022	31 December 2022	31 March 2023
Graphite Sold and Shipped	kt	35	44	55	28	30
Weighted Average Price (CIF)	US$ per tonne	573	662	688	716	636
Finished Product Inventory[8]	kt	30	30	14	20	30

Natural graphite sales for the quarter were 30kt, with lower than anticipated fines product sales to Chinese anode customers and increased unsold finished product inventory at quarter end. One breakbulk shipment was completed during the quarter. Natural graphite sales were unconstrained by container and breakbulk vessel availability for Balama shipments from Nacala and Pemba, respectively, but volatile sales order performance inhibited sales growth. Syrah will prioritise sales from inventory to deliver into commitments in the June 2023 quarter.

The weighted average sales price of natural graphite sales for the quarter was US$636 per tonne (CIF), impacted by a higher proportion of fines sales and lower fines prices compared with the December 2022 quarter. Fines sales accounted for approximately 89% of overall product sales. Fines spot prices declined compared to last quarter due to destocking of elevated Chinese battery cell and anode material inventory positions. This resulted from a slower pace of EV growth, and the impacts of aggressive battery cell production and anode material production exceeding EV demand growth through the latter part of 2022. Direct customer feedback indicates low spot market liquidity in China. Syrah's sales position is to moderate production where purchase bids fall below a level that would support weighted average prices above cost of production and sustainable volumes. Coarse flake and fines prices ex-China remained strong due to stable demand and ongoing supply disruptions including from Ukraine and Russia and lower Chinese supply.

The global container shipping market continues to soften in the Company's favour through 2023 to date, with further growth in the global vessel fleet, cleared port congestion, good scheduling reliability and weaker trade demand trends. East Africa vessel services and container availability continues to improve with significantly higher year on year container exports

[8] Finished product inventory includes saleable inventory at Balama, Nacala, Pemba, China and USA.

reported from key ports, including Nacala. Global container freight rates are facing sustained pressure given the market backdrop and are generally below typical pre-Covid pandemic levels. Freight rates for Syrah's Nacala container and Pemba breakbulk cargoes were approximately two times the long-term average in the March 2023 quarter. With the availability of the Pemba export route for Balama products in addition to container shipments from Nacala, there is 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 6.6 at quarter end for Vidalia and no lost time injuries were sustained through the quarter with significant hours completed on 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.

Customer commercial arrangements

Syrah executed an offtake agreement with Tesla, Inc. to supply natural graphite AAM from the 11.25ktpa AAM Vidalia facility in December 2021[9] and has finalised AAM specifications in this offtake agreement[10]. Further to the 8ktpa AAM offtake obligation from the 11.25ktpa AAM Vidalia facility, Tesla exercised an option in December 2022 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 further expansion of Vidalia's production capacity to 45ktpa AAM[11]. 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 finalising the detailed terms and conditions of the additional offtake obligation in an offtake agreement. Syrah has non-binding MOUs with Ford Motor Company and SK On Ltd and LG Energy Solution[11] to evaluate AAM supply from Vidalia to the BlueOval SK joint venture[12]. The Company is receiving strong engagement from target customers for uncontracted AAM from Vidalia. Syrah is focused on finalising binding offtake terms that maximise the value of Vidalia and is engaged in iterative testing programs for qualification and commercial alignment with these customers. Market growth, segmentation (e.g. localisation / ESG) and policy support are benefitting Syrah's commercial position in customer engagement. Syrah is also advancing commercial and technical engagement with further customers and supply chain participants.

Vidalia Initial Expansion

In February 2022, Syrah's Board approved the initial expansion of Vidalia to 11.25ktpa AAM production capacity[13]. Construction of the Vidalia Initial Expansion project is progressing within the planned schedule under the management of an integrated Syrah and Worley Group team. Detailed engineering was completed during the quarter. Mechanical, electrical & instrumentation, and equipment installation work fronts have intensified through the March 2023 quarter and will peak through the June 2023 quarter. Approximately 90% of containers containing overseas fabricated equipment had been delivered by the March 2023 quarter end and limited remaining items have been shipped for arrival on site within the June 2023 quarter. Steel erection, roofing & cladding for permanent milling and furnace buildings, ducted assembly & equipment installation in the milling building, furnace section installation in the furnace building, structural steel and final mounting of the first power distribution centre are well progressed.

Construction activities in the June 2023 quarter will focus on advancing structural steel, ducting assembly & equipment installation in permanent buildings, field fabrication of process tanks, advancing various activities for the purification area, piping installation, structural steel levels 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, remains on track for commencement of operation in the September 2023 quarter.

Total Vidalia employees was 63 at quarter end and a further ~45 roles are planned to be recruited prior to start of production.

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[9] Refer ASX releases 23 December 2021 and 29 December 2021.
[10] Refer ASX release 23 December 2022.
[11] Refer ASX release 20 October 2022.
[12] Refer ASX release 22 July 2022.
[13] Refer ASX release 7 February 2022.

The total installed capital cost estimate, including contingency, of the Vidalia Initial Expansion project was revised to US$180 million, representing a 2% increase from the total installed capital cost estimate at FID, and there is potential for further escalation to US$186 million[14]. The utilisation of the contingency to date has principally been for higher labour-intensive construction services costs, in part due to legislated contractor wage obligations and to preserve the project schedule, and true-up costs for certain mechanical and electrical & instrumentation work following completion of detailed engineering. At quarter end, total installed capital costs of US$178 million in the Vidalia Initial Expansion project had been committed to, of which US$100 million had been invested.

Figure 2: Construction of 11.25ktpa AAM Vidalia facility.

Vidalia Further Expansion

Today Syrah announced the completion of the DFS on the expansion of Vidalia's production capacity to 45ktpa AAM, inclusive of 11.25ktpa AAM facility[2], which confirms that the project is technically viable, financially robust and is expected to deliver significant value for Syrah shareholders and other stakeholders. The 45ktpa AAM Vidalia facility has an estimated NPV of US$208–794 million, IRR of 14-23% and payback period from commencement of operations of 4-6 years, assuming a flat AAM price of US$5,000-7,000 per tonne (2023 real)[15]. The 45ktpa AAM Vidalia facility is forecast to be a financially robust, high margin operation with estimated EBITDA of US$103-192 million (2023 real) and EBITDA margin of 44-60%, assuming a flat AAM price of US$5,000-7,000 per tonne (2023 real). The DFS assessed a total installed capital cost estimate for the Vidalia Further Expansion project of US$539 million[16], including a US$38 million contingency, to commissioning of the 45ktpa AAM Vidalia facility. Estimated steady state operating cost (all-in) of the 45ktpa AAM Vidalia facility is US$3,023 per tonne (2023 real), assuming Balama natural graphite cost is US$425 per tonne (FOB Nacala/Pemba) (2023 real)[17]. Syrah is proceeding with transition detailed and long-lead items engineering, permitting, acquisition of adjacent land and other early activities to maintain project momentum ahead of a FID proposal on the Vidalia Further Expansion project to be considered by the Syrah Board by no later than December 2023 and as soon as customer and financing commitments can be finalised. Detailed engineering, long-lead items and other procurement, and construction activities will follow a FID sequentially, subject to Syrah Board approval and customer and financing commitments. Further information regarding key assumptions, financial and economic outcomes and implementation of the Vidalia Further Expansion project are contained within Syrah's separate ASX release today.

Vidalia Qualification 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

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[14] Includes all actual and estimated engineering, equipment, materials, construction, construction-related capitalised costs from 1 December 2020 to commissioning of the 11.25ktpa AAM Vidalia facility and excludes Syrah owner's team costs and DOE loan related costs.
[15] NPV adopts a 10% nominal discount rate. NPV and IRR is as at 1 April 2023 and incorporates 25 years of operations of the 45ktpa AAM Vidalia facility. Capital costs invested in the Vidalia Initial Expansion project and Vidalia Further Expansion project (including for the DFS) prior to 31 March 2023 are treated as sunk costs for the purposes of calculating NPV and IRR. NPV and IRR incorporates the Advanced Manufacturing Production Credit (Section 45X) under the IRA, for which Syrah expects Vidalia will be qualified for.
[16] Includes all estimated direct and indirect engineering, equipment, materials, construction and construction-related capitalised costs of the Vidalia Further Expansion project, and a $38 million contingency. Excludes DFS, Syrah owner's team and certain other capital costs associated with the Vidalia Further Expansion project.
[17] Incorporates US$425 per tonne (FOB Nacala) for Balama natural graphite costs, reflecting an approximate all-in cost of production at Balama at full capacity utilisation, costs of transporting Balama natural graphite from Nacala to Vidalia and maintenance costs of the 45ktpa AAM Vidalia facility.

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 North American battery production; critical mineral security; qualification for clean vehicle tax credits under the US Inflation Reduction Act; and ESG auditability back to the source.

European Downstream Strategy

Syrah is engaging with a limited number of counterparties to potentially partner with on the evaluation and feasibility of a large-scale AAM production facility in Europe. The Company's broad engagement with global AAM customers has highlighted concerns with the lack of European-based AAM supply and dependency on, and cost vulnerabilities of, imported AAM supply from Asia. 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. The Company will provide an update on the partnership process and potential next steps for a European AAM facility in the June 2023 quarter.

Market Update

EV sales and penetration, whilst higher in the March 2023 quarter compared with the March 2022 quarter, slowed from the December 2022 quarter. Global EV sales grew 32% in the March 2023 quarter versus the March 2022 quarter, to approximately 2.7 million units[1] with demand growth in both the China and ex-China consumer markets. As the key leading indicator for natural graphite and AAM demand growth, this slower growth rate combined with destocking of AAM inventories in China led to declining demand conditions for natural graphite through and beyond the quarter.

Chinese anode production increased 94% in 2022 compared with 2021, and like lithium-ion cell production, outpaced EV sales growth, which led to apparent inventory build-up toward the end of 2022. Chinese anode production in the March 2023 quarter declined 14%, compared to the December 2022 quarter, as inventory built, and grew 32%, compared with the March 2022 quarter.

Over the past two years, the two largest Chinese anode producers increased production by five times and two times, respectively, but have seen margin contraction of 30% and 20%, respectively. Lower graphitization and needle coke costs, and competition from recently completed synthetic graphite production capacity, has led to a lower price premium for synthetic graphite-based AAM compared with natural graphite-based AAM.

Forward sales orders for Balama products in the Chinese anode market have weakened from the higher levels in 2022. Following the uncertainty created by the Covid-19 reopening in China and extended Chinese New Year production closures, the Chinese anode production outlook became more challenging towards the end of the March 2023 quarter. Immediate customer concerns in the anode and natural graphite markets are inventory levels and price, with availability of natural graphite fines from inventories and the future market balance fears abating for now. The short-term outlook for natural graphite demand volumes and price does not support higher capacity utilisation at Balama.

Conversely, the medium and long-term outlook for ex-China AAM demand continues to strengthen. Significant new commitments to expanding EV sales and increasing battery manufacturing capacity globally have been made during the quarter. Specifically in North America and Europe where battery manufacturing capacity is expected to increase considerably to underpin the transformational vehicle electrification strategies of auto OEMs. Robust global EV production and sales growth is expected to result in high demand for locally-processed AAM in North America, and is ultimately expected to require significantly higher imported natural graphite into China. Whilst 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 over the medium to long-term, the short-term volatility of China customer demand remains challenging.

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. In March 2023, the US Department of Treasury released further guidance on the requirements for sourcing of critical minerals, such as graphite, in batteries to qualify EVs for a tax credit under Section 30D of the IRA. This guidance substantiates Syrah's view that Vidalia AAM using Balama natural graphite is a qualified critical mineral, which will contribute towards the critical minerals requirement for the Section 30D 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.

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.

Finance and Corporate

Syrah's cash balance at 31 March 2023 was US$84 million. This amount included restricted cash of US$36 million for reserves associated with the DOE loan and proceeds in Syrah restricted project and operating accounts, which will be used to fund operational and construction costs. Net cash from operating activities for the quarter was impacted by operational stoppages and underperformance at Balama and relatively higher working capital at quarter end with significant natural graphite inventory positions accumulated. Net cash outflows from investing activities of US$20 million was principally for the Vidalia Initial Expansion project and expansion of the tailings storage facility at Balama. Net cash inflows from financing activities of US$21 million was associated with the first advance from the DOE loan to support funding of the Vidalia Initial Expansion Project.

AustralianSuper convertible notes

Today, Syrah announced the execution of a new convertible note deed with AustralianSuper Pty Ltd as trustee for AustralianSuper ("AustralianSuper") for up to A$150 million (US$99 million[5]) in convertible notes issuable to AustralianSuper in three equal series and the issue of the first A$50 million (US$33 million[5]) series of the new convertible notes[6]. Syrah will seek shareholder approval for issuance of the Series 5 Note and the Series 6 Note as required by ASX Listing Rule 7.1 and conversion of all series of the new and existing convertible notes under item 7 of section 611 of the Corporations Act. AustralianSuper intends to convert its existing convertible notes in full into Syrah fully paid ordinary shares, subject to shareholder approval of such conversion as required by item 7 of section 611 of the Corporations Act and shareholders also approving the new convertible notes as noted above. Conversion of the existing convertible notes is expected to increase AustralianSuper's shareholding in Syrah from ~17% to no more than ~30%. Further information on the key terms of the new convertible notes, use of proceeds of the first series of the new convertible notes, conversion of the existing convertible notes and timetable for a Syrah General Meeting are contained within Syrah's separate ASX release today.

US DOE debt financing for the Vidalia Initial Expansion project

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 Expansion project[3]. The DOE loan is under DOE's 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 the first advance of US$21 million was completed in the March 2023 quarter. Immediately prior to the first advance, Syrah funded cash into restricted project accounts to meet reserve requirements for the DOE loan and for cash disbursements for the Vidalia Initial Expansion project.

US DOE financing for the Vidalia Further Expansion project

Syrah Technologies was selected for a Bipartisan Infrastructure Law Battery Materials Processing and Battery Manufacturing grant of approximately US$220 million from DOE to fund a significant proportion of capital costs of the Vidalia Further Expansion project ("DOE Grant")[4]. The DOE Grant is made by the Office of Manufacturing and Energy Supply Chains ("MESC") in collaboration with the Office of Energy Efficiency and Renewable Energy ("EERE") of the DOE. The DOE Grant was originally expected to be closed in the June 2023 quarter but is now being assessed in conjunction with alternative funding options. In parallel to the DOE Grant process, Syrah has engaged with DOE on alternative funding for the Vidalia Further Expansion project and has recently commenced the application process for a further DOE loan, of significantly higher amount than the DOE Grant, under the ATVM loan program. While there are benefits associated with a

DOE Grant, debt funding options are expected to provide higher cash proceeds compared with a DOE Grant, which is likely to be taxed as income as received.

US DFC debt financing

In June 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. During the March 2023 quarter, DFC undertook a public disclosure process of an Environmental and Social Impact Assessment on Balama and commercial engagement with DFC also continued through the quarter.

Following quarter end, the Company received an updated, indicative and non-binding term sheet for US$128.5 million in debt financing, including a US$50 million tranche for future development of tailings storage facilities at Balama. The finalisation of a binding loan commitment, and its terms, from the DFC remains subject to completion of due diligence, negotiation of financing terms and legal documentation, and DFC's credit and policy approvals, including approval by DFC's Board of Directors.

There is no certainty that DOE financing for the Vidalia Further Expansion or DFC debt financing for Balama will be 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 March 2023:

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 2023
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$442,125. 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 2023, 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	Quarter ended ("current quarter")
77 125 242 284	31 MARCH 2023

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	25,639	25,639
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production	(25,656)	(25,656)
	(d) staff costs(1)	(6,520)	(6,520)
	(e) administration and corporate costs	(563)	(563)
1.3	Dividends received (see note 3)		
1.4	Interest received	786	786
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	315	315
1.9	**Net cash from / (used in) operating activities**	**(5,999)**	**(5,999)**

(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	(29,061)	(29,061)
	(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	8,431	8,431
2.6	Other – Payment for environmental bond deposit release	-	-
2.7	Other – Payment for security deposit	-	-
2.8	Other – Release of security deposit		
2.9	**Net cash from / (used in) investing activities**	**(20,630)**	**(20,630)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	21,375	21,375
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	(834)	(834)
3.10	**Net cash from / (used in) financing activities**	**20,541**	**20,541**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	90,376	90,376
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,999)	(5,999)

Consolidated statement of cash flows		**Current quarter US$'000**	**Year to date (3 months) US$'000**
4.3	Net cash from / (used in) investing activities (item 2.8 above)	(20,630)	(20,630)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20,541	20,541
4.5	Effect of movement in exchange rates on cash held	(57)	(57)
4.6	**Cash and cash equivalents at end of period**	**84,231**	**84,231**

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	17,786	10,359
5.2	Call deposits	30,099	80,017
5.3	Bank overdrafts	-	-
5.4	Other – Restricted cash	36,346	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**84,231**	**90,376**

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	442
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** *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.*	**Total facility amount at quarter end US$'000**	**Amount drawn at quarter end US$'000**
7.1	Loan facilities	21,375	21,375
7.2	Credit standby arrangements	-	-
7.3	Other - convertible notes	71,726	71,726
7.4	**Total financing facilities**	**93,101**	**93,101**
7.5	**Unused financing facilities available at quarter end**		76,625

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

With reference to item 7.1, Syrah completed the first advance from the US Department of Energy loan facility (DOE Loan) on 15 February 2023. 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. 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. 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.

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.

Syrah issued an unsecured convertible note to AustralianSuper 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.

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 0.6712 (Q4 2022: 0.6775)

With reference to item 7.5, the unused financing facility relates to the remaining DOE Loan commitment after deducting the advance described in item 7.1. While Syrah satisfied the conditions for the first advance from the DOE Loan, subsequent advances are subject to ongoing satisfaction of various conditions.

8.	**Estimated cash available for future operating activities**	**US$'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,999)
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)	(5,999)
8.4	Cash and cash equivalents at quarter end (item 4.6)	84,231
8.5	Unused finance facilities available at quarter end (item 7.5)	76,625
8.6	Total available funding (item 8.4 + item 8.5)	160,856
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	26.8

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.

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.

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.

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 2023...

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.