

ASX Announcement / Media Release

12 December 2024

Balama force majeure

Syrah Resources Limited (ASX:SYR) (“Syrah” or “Company”) advises its subsidiary Twigg Exploration and Mining, Limitada (“Twigg”) declared a force majeure event concerning its Balama Graphite Operation (“Balama”) in Mozambique under the terms of its Mining Agreement with the Mozambique Government.

On 24 October 2024, the results of Mozambique’s general election were announced, with the ruling Frelimo party, led by presidential candidate Daniel Chapo, extending its majority across both Provincial and National levels of government. These results are being contested by opposition parties, citing allegations of electoral fraud and irregularities. The Mozambique Constitutional Council is yet to confirm the official election results. Nationwide protests associated with the electoral process is causing widespread disruptions throughout Mozambique, including at several mining operations. Circumstances surrounding the general election and the ongoing protests are significantly impacting National Government operations, and hindering the ability of District and Provincial Government authorities to resolve illegal protest actions at Balama.

The protest actions at Balama, originally linked to a small group of farmers with historical farmland resettlement grievances, commenced in late September 2024, impeding Syrah’s ability to conduct operations at the Balama site. Prior to the Mozambique general election on 9 October 2024, and since the election outcomes were announced, protest actions have continued, with segments of the local population not directly involved in Balama’s resettlement process conflating unrelated issues and objectives. The movement of people and supplies, site access and plant operations have continued to be interrupted. Most operational personnel have been demobilised from the site and a full contract security presence remains onsite. The protest actions have been peaceful with no evident actions to deliberately damage property, plant or equipment at Balama.

Sustained efforts by the Company to achieve a positive resolution of protest actions through lawful and constructive dialogue with Mozambique Government authorities, host community leaders and protestors, and the pursuit of legal avenues, have been unsuccessful to date.

Syrah was granted a provisional injunction by the Judicial Court of the District of Balama in response to a restraining order application in relation to certain individuals organising the protest. After service procedures are properly completed in December 2024, the Company will seek orders from the Court to enforce the provisional injunction. It is uncertain whether the provisional injunction will be administered by District authorities and if it will be effective in removing the relevant individuals from the protest at Balama. Mozambique Government authorities have also not been able to implement support for right of access obligations under the Mining Agreement.

With conditions continuing to deteriorate across Mozambique and further National Government opposition protest actions recently announced, Syrah is unable to undertake a production campaign at Balama in the December 2024 quarter that is required to replenish finished product inventory, and for customer sales. Consequently, force majeure is declared under the Mining Agreement.

Syrah remains committed to achieving a positive resolution of the protest and addressing all legitimate resettlement concerns through the appropriate consultative and dispute resolution mechanisms. The Company relies on the Mozambique Government to uphold the rule of law and ensure free movement of goods and people to and from the Balama site, as required under the Mining Agreement. Syrah will continue working intensively with all levels of the Mozambique Government, local communities, employees and the protestors to restore normal operations at Balama as quickly as possible. The Company acknowledges that resolution of the Balama protest will take time due to broader unrest and disruptions across Mozambique and the new Mozambique Government not being formed until January 2025.

The impacts and duration of the protest actions have triggered events of default in the Company’s loans with United States International Development Finance Corporation (“DFC”) and United States Department of Energy (“DOE”). Syrah is engaging with DFC and DOE regarding these events of default.

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.

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