



Update on Business Impact of COVID-19

Syrah Resources Limited (**ASX: SYR**) (“Syrah” or “Company”) has established protocols and procedures to ensure the safety of all personnel and to assess and manage potential operational risks to Balama Graphite Operation (“Balama”). The Company remains vigilant with respect to the latest information on COVID-19 through credible sources and will continue to follow the advice of Governments in the jurisdictions in which we operate. In addition, the Company is assessing and implementing more proactive measures as deemed necessary in the best interests of our people.

Syrah has continued its moderated production strategy initiated in Q4 2019 into Q1 2020 as planned, seeking to match production volumes with market demand. Syrah expects its end of quarter cash balance to be broadly aligned to existing guidance of US\$64.6m.

Risks to the international mobility of personnel and the free movement of supply chains have elevated as countries increasingly enact border controls, travel restrictions and quarantine requirements. In addition, with consideration of potential near-term demand and supply shocks due to COVID-19, the Company is observing a degree of market and operational uncertainty beyond Q1 2020. This level of uncertainty warrants a suspension of full year 2020 guidance. Further operational and market updates will be provided as greater certainty becomes available.

Syrah’s balance sheet is well positioned to navigate these near-term uncertainties. The company remains on track to deliver 20% to 25% cost reductions (at 15kt per month production rate) through the previously announced companywide cost restructure¹, with 20% currently implemented and realised as of end February 2020.

Despite the near-term uncertainty due to COVID-19, the long-term market fundamentals for natural flake graphite remain intact, with ongoing commitment to the decarbonisation of the transport sector via lithium ion powered electric vehicles by supply chain participants and governments.

This ASX release was authorised on behalf of the Syrah Board by

Shaun Verner, Managing Director

¹ See ASX announcement dated 18 October 2019

For further information contact Investor Relations

Kristian Stella

Contact: +61 3 9670 7264

Email: k.stella@syreresources.com.au

About Syrah Resources

Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah owns and developed the Balama Graphite Project (Balama) in Mozambique. Balama transitioned to operations with sales and shipments to a global customer base including the battery anode producers, from the start of 2018. Syrah produced over 100,000 tonnes of natural graphite in 2018 and is the largest and first major new natural graphite operation developed outside of China. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah is also progressing its downstream Battery Anode Material strategy with first production of spherical graphite achieved in December 2018 from its plant in Louisiana, USA. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium-ion batteries.

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. Forward-looking statements in this presentation include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof; the capital and operating costs, timetable and operating metrics for the Balama Project; the viability of future opportunities such as spherical graphite, future agreements and offtake partners; future market supply and demand; and future mineral prices. 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 presentation 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 presentation 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 presentation 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 presentation speak only as of the date of this presentation. 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 presentation 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 presentation will under any circumstances create an implication that there has been no change in the affairs of Syrah since the date of this presentation.