

The future of graphite

Sales & Marketing

April 2017

Disclaimer

This presentation is for information purposes only. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. This presentation may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply in their own jurisdiction. A failure to do so may result in a violation of securities laws in such jurisdiction. This presentation does not constitute financial product advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments.

Certain statements contained in this presentation, including information as to the future financial or operating performance of Syrah Resources Limited (Syrah Resources) and its projects, are forward-looking statements. Such forward-looking statements: are necessarily based upon a number of estimates and assumptions that, whilst considered reasonable by Syrah Resources, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements; and may include, among other things, Statements regarding targets, estimates and assumptions in respect of metal production and prices, operating costs and results, capital expenditures, ore reserves and mineral resources and anticipated grades and recovery rates, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. Syrah Resources disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and other similar expressions identify forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

Syrah Resources has prepared this presentation based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the presentation. To the maximum extent permitted by law, Syrah Resources, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it.



Syrah's Balama deposit has the largest defined reserve and is the only fully funded listed graphite project



Grade (% TGC)

Source: Syrah Resources, Corporate Reports. bubble size representative of defined reserve.

- (1) ASX and TSX listed projects only and excludes Chinese producers
- (2) Cut-off grade for Northern Graphite (Ontario, Canada) is 1% TGC
- (3) Cut-off grade for Energizer Resources (Madagascar) is 4.5% TGC
- (4) Cut-off grade for Kibaran Resources (Tanzania) is 5% TGC
- (5) Cut-off grade for Battery Minerals (Mozambique) is 4.4% TGC
- (6) Cut-off grade for Focus Graphite (Quebec, Canada) is 3.1% TGC
- (7) Cut-off grade for Mason Graphite (Quebec, Canada) is 6% TGC
- (8) Cut-off grade for Volt Resources (Tanzania) is 1.3% to 1.8% TGC
- (9) TGC = Total graphitic carbon



Fully funded

Major project metrics highlight the attractiveness the Balama investment



Note: Competitor location based on location of proposed mine, not company headquarters.

Syrah's graphite is in demand, and characteristics provide production and cost advantages

Syrah Resources Spherical Graphite



Syrah Resources Flake Graphite Concentrate

Characteristics of Syrah Resources' graphite

1 Optimal flake size

-100 mesh maximises production yield for battery market. +100 mesh material primarily for industrial markets.

2 Crystallisation

Balama graphite has a fully ordered crystalline structure.

3 High production yields

Spherical graphite production yield of 45% - 55%, compared to typical yields of 30% - 40%.

4 Degree of spheroidisation

Well rounded spherules, increased tap density and anode efficiency.

5 Purity level

High ore graphite content eases purification to 99.95%+ that increases anode life and conductivity.



There is a value in use benefit to using Syrah Resources graphite at multiple stages of processing

1kg of natural flake graphite to produce a spherical graphite product



3

Micronizing Balama graphite is easier and higher yielding compared with other commercial flake graphite.

Due to high density, composition and 2 flake thickness, Balama graphite requires fewer shaping stages to

reach target density No significant difference to purification process compared to

Increasing flake graphite concentrate 4 carbon content improves product yield while reducing purification input (acid/energy) and process costs.

other flake graphite.

5

Processing Syrah Resources Flake Graphite has an advantageous value in use between 5 - 10% per tonne.



Source: Syrah Resources

Notes: Assumes processing of -100# Natural Flake Graphite with; Syrah at 98% TGC, and competitor at 95% TGC

In 2016, approximately 75% of natural flake graphite was sourced from China



By 2020 Syrah will be the largest individual graphite producer in the world with ~40% market share



Syrah Resources will be a first quartile producer both during ramp up and at full capacity

Flake Graphite C1 Cost Curve

(Not concentrate TGC adjusted, first 12 months of production for Syrah Resources, 2017/18)



Source: Syrah Resources

Notes: Cost curves include current operating graphite mines that accounted for ~95% of global production in 2016.

Syrah's Balama production ramp up will be driven by the strong global demand growth profile



Notes: Steel sector includes refractory bricks, foundries and recarburising products.

Other includes lubricants, brakes, friction products and pencils. New energy vehicles includes battery electric and plug in hybrid

Syrah's premium product will command a premium price



Flake prices are determined based on a range of value in

The market already appreciates this value. An additional +1% of TGC equates to a +4 - +7% value uplift, depending on the flake size.

% price change per % change in TGC





Price has historically been driven by steel and industrial applications; in the next phase by battery demand





Source: USGS, Syrah Resources Notes: for low grade fines

Our market views – Battery driven demand growth, satisfied by Syrah supply. Quality advantage in price.

Supply	China	We believe maximum supply capacity of natural flake graphite is <500ktpa due to increasing costs, grade depletion and increasing environmental regulations.
	Ex - China	Syrah Resources' imminent and high quality additional supply meets the incremental demand required from global graphite market.
Demand	Traditional	Steel market to remain a major demand sector but we expect growth in demand to be flat as China closes steel capacity but increases EAF steel production.
	New	We believe the battery market is set for significant growth as demand for new energy vehicles reaches approx. 4 million in 2020 and 7-9 million in 2025.
Price	Flake	We believe today's prices are cutting into the 3 rd quartile of the cost curve. Prices will continue to be driven by size, graphite content and impurity levels.
	Spherical	We believe prices will support a high quality spherical product made with natural graphite as it improves battery energy density and reduces total battery cost.



Syrah's marketing strategy is to be diversified across end user markets and geographies



Syrah's flake offtake agreements and commercial negotiations are well progressed – all production will be placed

Current and additional agreements in place:

- Marubeni 20,000mt offtake being operationalised (timing, customer volumes, pricing) ٠
- Chalieco 80,000mt offtake being operationalised (timing, customer volumes, pricing) •
- Hiller Carbon -25,000-35,000mt SSI; change to existing agreement focus, extended to traditional market • options underway; timing, customer volumes, pricing. (New)
- European Refractories SSI 15,000mt (contractual terms agreed in SSI, awaiting commercial production ٠ to operationalise contract)
- BTR New Energy Materials Strategic MOU including flake sales, potential tonnage confidential (New) •
- European Trader Consortium, led by Minerals GMBH SSI for 5-year 15,000-25,000mt p/a minimum flake ٠ sales and agency in Europe for traditional market excluding battery and recarburiser applications. (New)

Further developments:

- China battery anode segment: additional direct flake sales to spherical producers being negotiated (New) ٠
- India market development: sales agency options for flake sales identified negotiations initiated (New) •
- South East Asia / Taiwan market development: initial offers made (New) •
- Europe and South America recarburiser market development: initial offers made (New) ٠
- Internal consumption of flake in toll processing options to produce spherical graphite in China: awaiting • final proposals (New)



Syrah's downstream strategy has progressed significantly since our last update

The key elements of the Downstream BAM strategy are to:

- Complete and commercialise the downstream qualification plant
- Initiate battery anode material testing and formulation capability
- Advance revenue through earliest entry to the BAM market
- Assess additional BAM commercial opportunities

Current and additional agreements in place:

- Marubeni 50,000mt offtake for Uncoated Spherical Graphite (Japan and Korea, sample testing and customer engagement ongoing, awaiting production from USA plant)
- Morgan Hairong offtake for 7,000mt Uncoated and 2,000mt Coated Spherical Graphite (China, awaiting production from USA plant)

Further Developments:

- BTR New Energy Materials signed MOU for strategic development of sales and supply chain options (New)
- Signed conditional Statement of Sales Intent (SSI) for lithium ion battery grade spherical graphite with a major battery anode manufacturer. This SSI follows the provision of multiple spherical graphite samples for testing and reference purposes, and is targeted at continuing close cooperation to qualify material for mass production. (New)
- Assessment of opportunity for spherical production via toll processing agreement (New)
- Ongoing sample provision and commercial negotiation with multiple potential customers.



Low cost, high quality entry into the natural flake market; **Downstream commercial value addition in progress**

- We remain on track to deliver first ore concentrate in Q3, matching ramp up 1 production to the demand profile, with additional capacity filling the supply gap.
- 2 Syrah will be one of the lowest cost and highest quality producers in the world.
- Our downstream strategy is being implemented and commercial opportunities will 3 enhance the value proposition.
- Demand for Syrah material in both the battery and industrial markets is strong.
- Our marketing strategy ensures we are diversified by geography and segment. 5



Supporting Information



Graphite market definition and flow



- The total graphite market refers to the sum of natural and synthetic graphite production.
- Synthetic graphite predominately derived from petroleum coke, with a small amount from coal tar pitch.
- Majority of world's amorphous and flake supply is from China.
- All vein supply is from Sri Lanka.
- Steel market remains the main end use market with battery market a fast growing sector.



Non-metallic and metallic properties of flake graphite ensure the largest variety of applications



Technical: Electrodes for steel and aluminium production, expandable, brakes, flame retardants, nuclear reactors. **Other:** Pencils, lubricants, paints.

How much does an additional GWh of battery production impact flake graphite demand? It depends...



Source: Syrah Resources Notes: 1. Nominal 60kWh advertised to consumers contains ~75kWh absolute capacity to compensate for lifetime capacity fading.

