SYRAH RESOURCES

The World's Pre-eminent Graphite Resource

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What is graphite?

- Graphite is a grey **crystalline** allotropic form of **carbon** and is known for its electrical **conductivity**, **lubrication** and **resistance** to corrosion and high temperatures.

- Graphite ore is mined and then processed via simple **flotation** before being **dried** and **classified** into a **high grade concentrate** for sale to end users

- **Natural graphite** is beneficiated **graphite concentrate** (typically 90% to 95% total graphitic carbon) that is then sized and screened into various mesh sizes (large flake and fine flake) for **industrial applications**

- **Spherical graphite** is fine flake concentrate that is milled into spherules, purified to at least 99.95% carbon and then coated with a layer of carbon for **battery anode applications**

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Traditional and developing markets for graphite offer a multi-channel marketing opportunity

Traditional markets

- **Refractories** – act as protective insulating materials in industrial processes which involve extremely high temperatures, corrosive and abrasive environments
- **Lubricants** – used to reduce friction between moving surfaces e.g. additive in petroleum oil or aerosol
- **Industrial products** – devices, shapes and products e.g. brake pads, pencils and graphite foils
- **Recarburisers** – carbon additive used to increase the carbon content of steel up to the required specification for different applications
- **Lead acid batteries** – used in the electrodes as an electrically conductive additive to help extend the battery's life-cycle and improve the charging process

Developing markets

- **Expandable graphite** – used as a fire retardant and to prevent oxidation and heat loss in metallurgical application
- **Battery anode materials** – coated spherical graphite is used manufacture the anodes in lithium ion batteries for electric vehicle and energy storage applications

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Syrah's integrated supply chain will service traditional industrial and growth battery markets from start up

Balama ore (Mozambique)

Processing

- *Grinding*
- *Flotation*
- *Screening*
- *Bagging*

Export

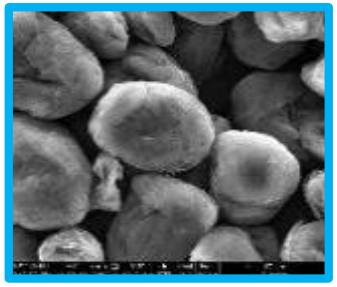
Traditional markets

- *Refractory*
- *Expandable graphite*
- *Recarburisers*

Lithium ion battery

- *Electric vehicles*
- *Grid storage*

Direct sales to spherical graphite producers



Battery Anode Material (BAM) Commercial Facility (Louisiana)

- *Spheroidisation*
- *Purification*
- *Coating*

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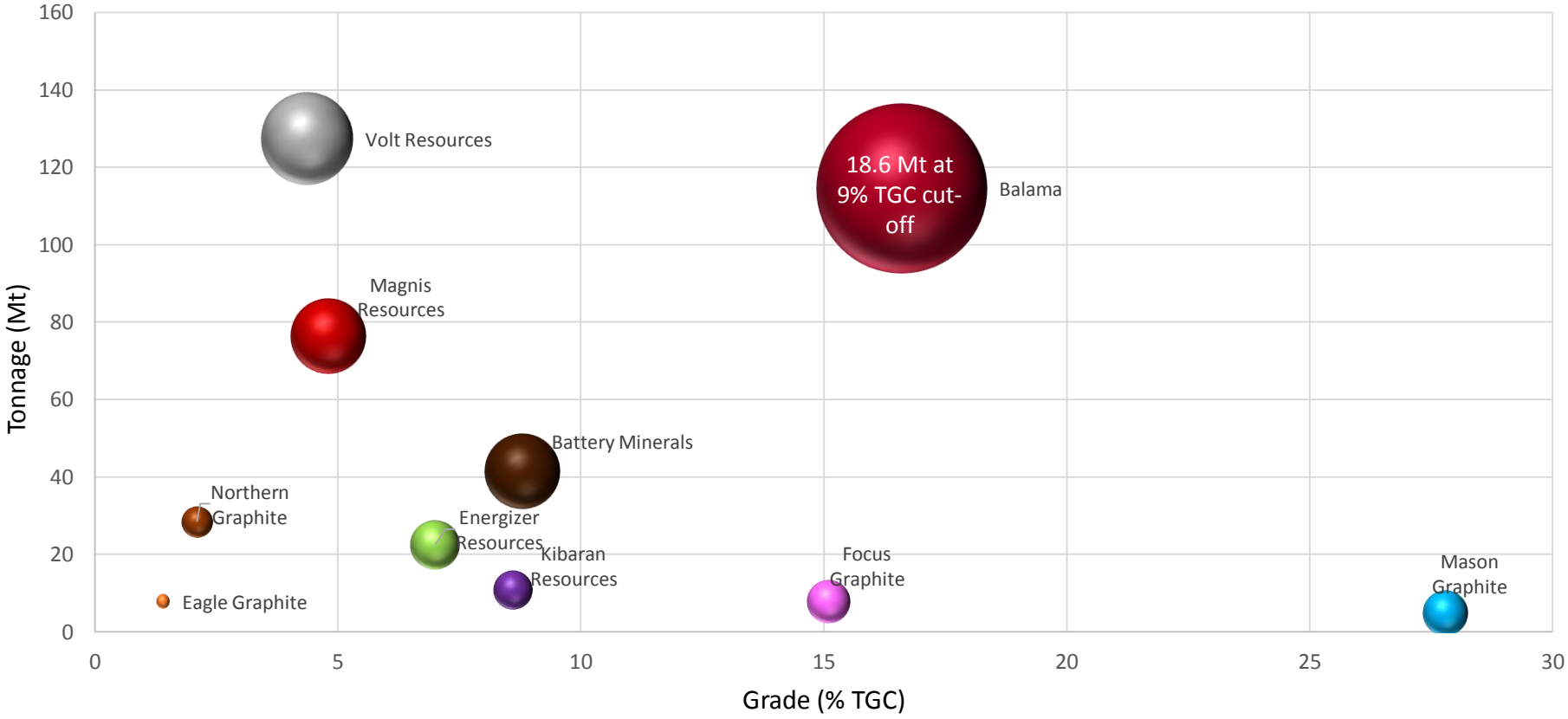
Balama Ore Reserves exceed listed[1] projects by grade and volume



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

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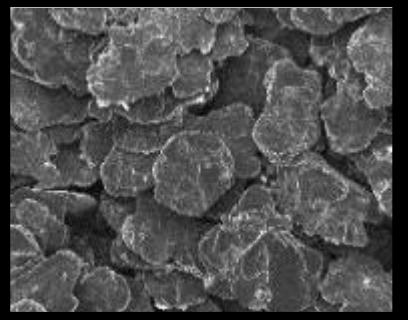
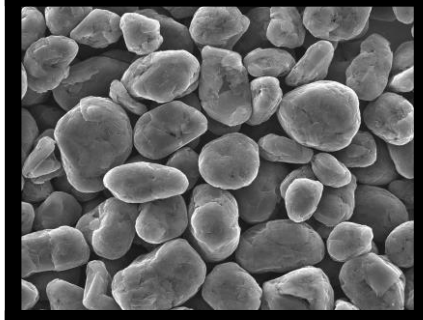
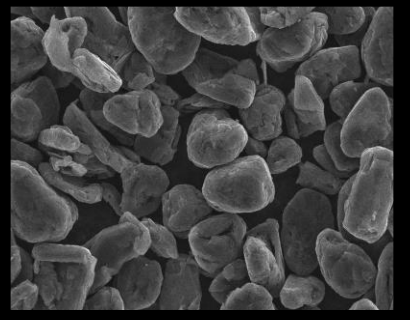
Across the graphite value chain, a consistent, high quality supplier can capture attractive margins

	Flake Graphite	Uncoated Spherical	Coated Spherical
Products			
Cost	US$300/t	US$2,300/t[1]	US$3,200/t[2]
Price	US$600/t - US$1,200/t[3]	US$3,000/t - US$4,500/t[4]	US$7,000/t - US$10,000/t[1]
	Mozambique	Louisiana	

*Syrah's strategy is to **capture enhanced value** by positioning itself as the **leading**, **high quality** and **consistent** supplier to the **high growth technology markets**.*

(1) Based on Syrah's market inquiries
(2) Syrah internal economic assessment – refer to ASX announcement dated 18th June 2015 for coated figures
(3) Based on Benchmark Minerals 2016 price data
(4) Based on Benchmark Minerals 2016 price data for 15µm (D50) spherical graphite product

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Balama is fully funded and imminent commissioning allows customers to establish baseload supply

	2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Balama Graphite Project, Mozambique								
Balama Plant Construction								
Commissioning								
First Ore & Production Ramp Up								
Full Production Capacity								

- Rapidly developing the **world class** Balama Project located in **Mozambique**
- Balama Project remains **on schedule** for **commissioning** in **Q2 2017**
- **First production** in **Q3 2017**

*Balama will be the **solution** for end users demanding a **consistent** and **high quality** source of supply.*

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Balama Project is progressing to schedule

- Overall **construction progress** of the **Balama process plant** is **52.4%** as at 31 December 2016:
  - All **principal equipment** on site
  - **Mining fleet** mobilised
- **Attrition cells** have been added to the Balama process plant:
  - Increases **product quality** (>98% TGC across all flake sizes)
  - Reduces **downstream processing costs** of BAM production
- Project **capital costs** increased to **US$200 million**:
  - increase in the project budget will be **funded** from the Company's **existing cash reserves**
  - Progressing **US$50 million debt facility** for **Balama** and **general corporate activities**, as a conservative contingency

Significant progress *in the development of the Balama Project has* ***materially de-risked*** *the construction of this asset, positioning Syrah to deliver on its* ***advantage*** *as the* ***early mover*** *in the sector.*

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BAM strategy

Syrah Pilot Plant, Guangzhou, China

A vertically integrated strategy to capture and shape the market opportunity quickly

- Syrah will pursue a **multi-channel sales strategy** with a presence in **flake** and **battery anode material** markets
- Develop a **Commercial BAM Plant** to supply the battery anode market:
  - Initial 20ktpa Louisiana, **Commercial Plant** for a **60ktpa** capacity, using **proven technology** and **processes**
  - **Leading Engineering Firm** appointed to provide technical and engineering support for a **Product Qualification Plant** in **Louisiana** to accelerate sales and cash flows from the Commercial Plant
  - **Approvals** and **permitting** processes **underway**
- Currently conducting **test work** and generating **BAM product samples** at a **Pilot Plant** in China
- Subsequent **discussions** with **customers** and **industry participants** have identified a number of **new** and **value enhancing options** which are **currently under review**

*This strategy **accelerates cash flows** and **profitability** from downstream processing whilst **minimising risk**.*

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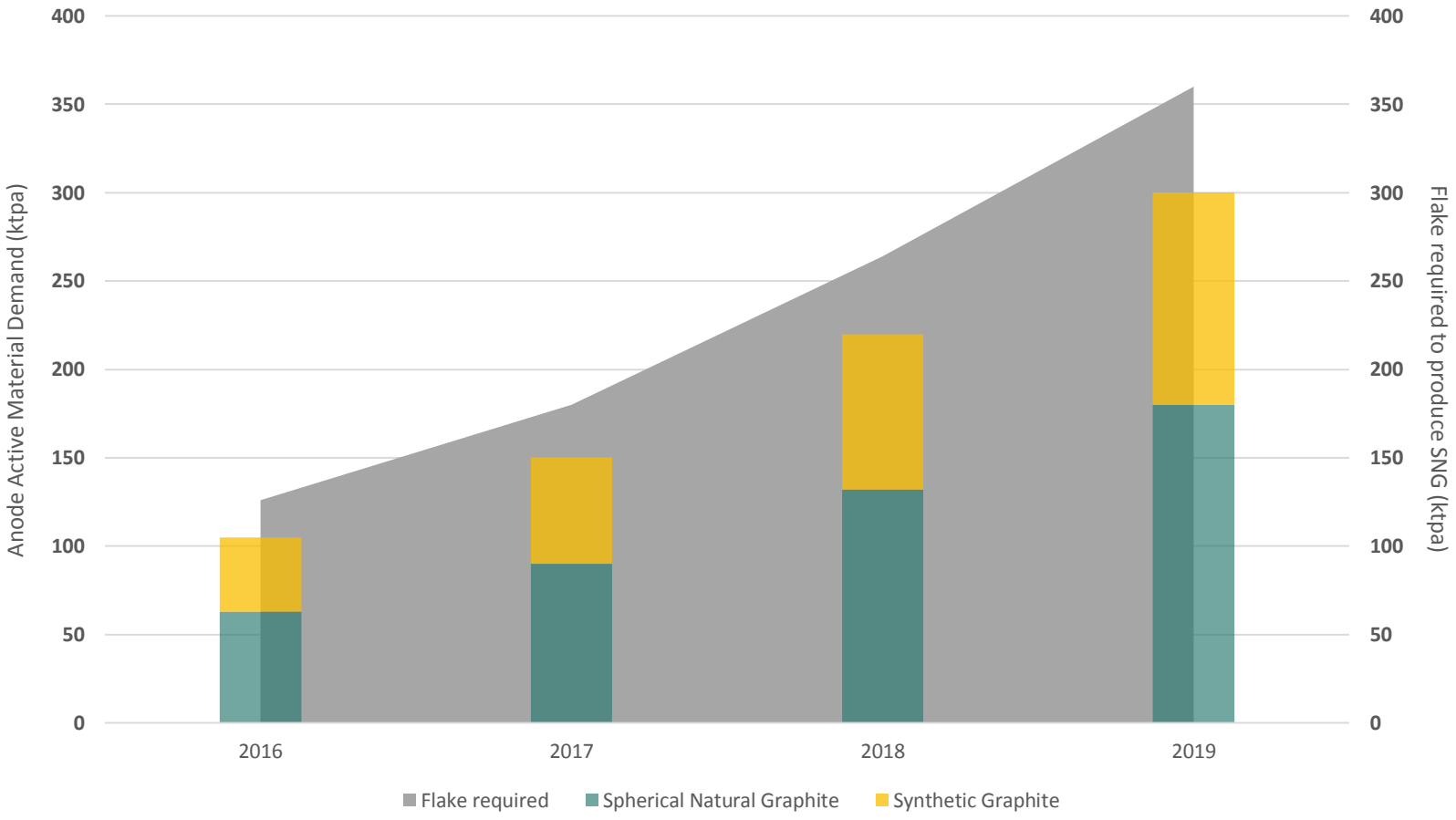
Battery anode material (BAM) demand projections far exceed supply; 117kt shortfall (or 234kt of flake graphite) by 2019



(1) Benchmark Minerals 2016
(2) 1 tonne of anode material = 1 tonne of spherical graphite
(3) 2 tonnes of flake graphite is required to produce 1 tonne of spherical graphite

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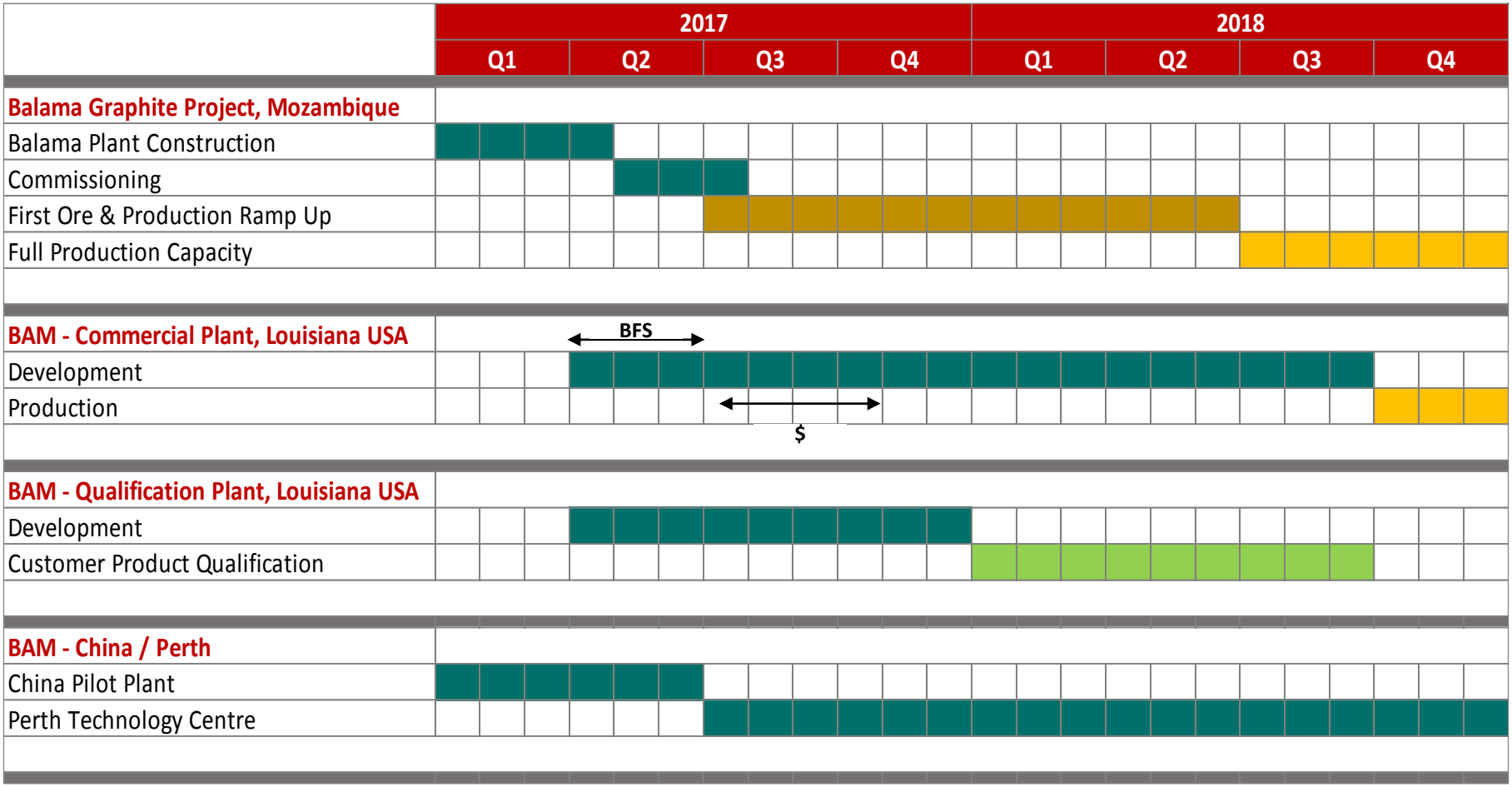
Timetable recap



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Summary

- **World's largest high quality graphite resource** – low cost and baseload supply
- Planning to **capture value** through an **integrated supply chain**
- **Balama Project** scheduled for **first production** in **Q3 2017**
- Focussed on the development of an initial **Commercial Plant** in Louisiana for a **60ktpa capacity**
- A **Product Qualification Plant** will **accelerate** the pathway to **sales** and **cash flows** by allowing product qualification to occur prior to production from the Commercial Plant

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