

Q4 2019 Quarterly Sustainability Update

January 2020

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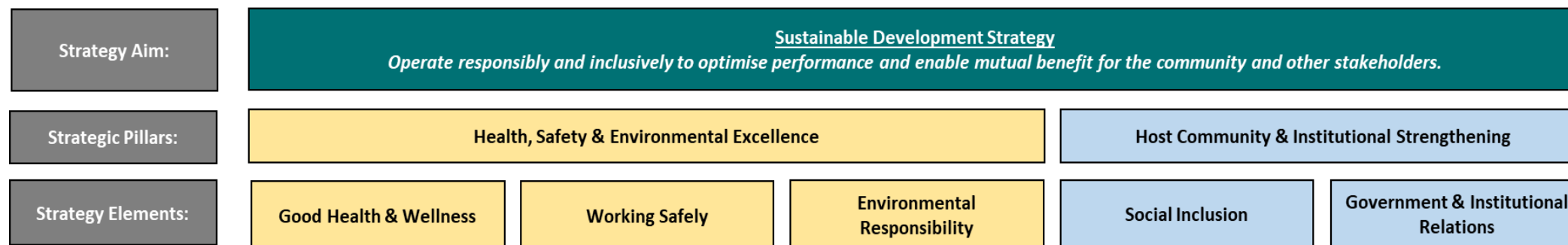


Local community members and successful graduates of the Balama Professional Training Centre

Syrah's Sustainable Development Strategy

- Syrah Resources' (Syrah) sustainable development strategic pillars (Health, Safety & Environmental Excellence and Host Community & Institutional Strengthening) underpin our enduring commitment to good governance and maintaining an engaged, diverse and inclusive workforce
- Syrah adopts a risk and opportunities based approach to managing key material sustainability matters across the business with all relevant information captured under the Company's Risk Management Framework which is reviewed at least monthly by the Executive Team
- Asset-level sustainability reporting has been guided by the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals, the International Council on Mining & Metals (ICMM) 10 Principles for Sustainable Development and other internationally recognised standards to assess and report sustainability performance in line with industry benchmarks
- Corporate governance frameworks have also been established across the Syrah Group to enhance the Company's overall performance and shareholder value⁽¹⁾

Overview of Syrah's Sustainable Development Strategy



(1) Details of Syrah's Corporate Policies and Governance can be found at <http://www.syrahresources.com.au/corporate-governance> and link to [Corporate Governance Statement dated 29 March 2019](#)

Q4 2019 Sustainability Highlights

Health, Safety and Environment

- Continued strong safety record with TRIFR of 0.6 at year end
- Environmental Licence renewal application submitted to the Ministry of Land, Environmental & Rural Development (MITADER) for a further 5 year period
- Environmental Monitoring Program continued in line with over 200 licence conditions with zero significant environmental incidents in Q4 2019
- Malaria Screening Program continued with in excess of 11,000 inbound and outbound tests undertaken, 821 pre-symptomatic malaria cases treated / averted and 1,158 work days recovered
- Radiation Licence obtained from the National Atomic Energy Authority (ANEA)
- Continued focus on water stewardship has resulted in a significant increase in recycled water usage with total raw water consumption at Balama being less than 50% of annual licenced volumes
- World HIV/AIDS Day commemorated to raise awareness and education regarding disease prevention / management at Balama and across our Host Communities

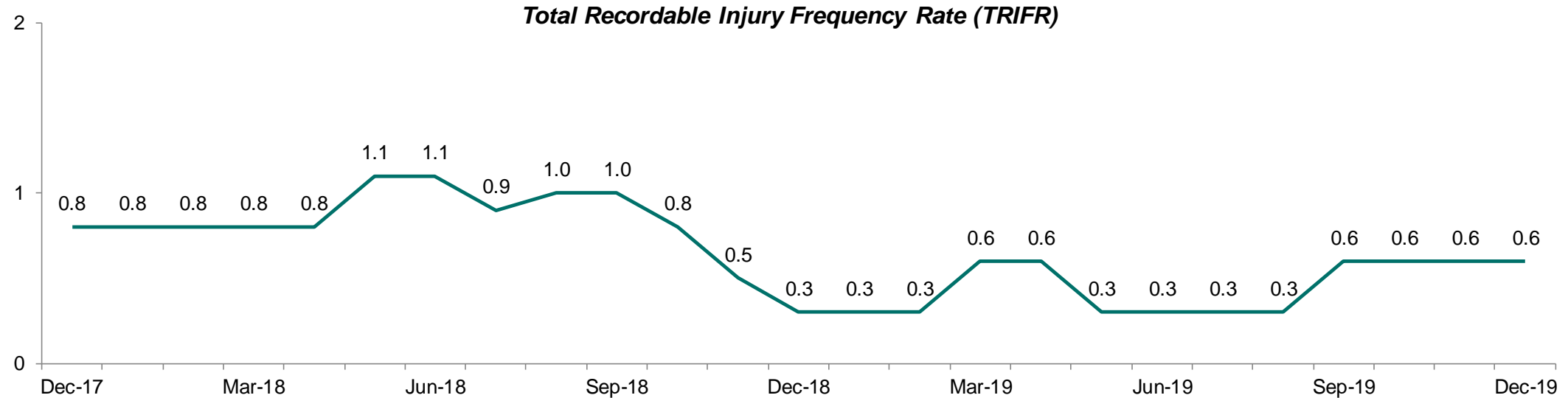
People, Community and Stakeholder Engagement

- At year end, 96% of Balama's direct employees are Mozambican nationals with 49% employed from the local Host Communities and more than 21% of employees are female
- Livelihood Development Program continued through the quarter in partnership with the Mapupulo Agrarian Institute (CIAM) to promote Host Community food security and generate independent livelihoods
- 110 Host Community members successfully trained at the Balama Professional Training Centre (BPTC) with female participation in excess of 30%
- Mine Open Doors Program affords local stakeholders an opportunity to visit Balama to better understand mine operations and to gain insights into the Company's sustainable development programs
- Participation in the Mozambique-Germany Bureau for Economic Development conference held in Maputo with private and public sector entities to promote sustainable economic development in Mozambique

Health, Safety & Security



Strong safety performance maintained at Balama



Note: TRIFR based on 12 month moving average

- No recordable injuries sustained in Q4
- Refresher training in Mandatory Competencies⁽¹⁾, strong visible leadership and critical hazard risk management remain key focus areas for Syrah & Contractors

(1) Mandatory Training Units of Competency: Business Conduct Training, Critical Hazard Management Standards, General Induction, Occupational Exposures, Risk and Hazard Management, Fatigue Management, Human Rights and In-field Leadership



A holistic approach to Malaria mitigation

- Malaria mitigation is a core element of the Balama Health Program with preventative measures implemented across our workforce and in the Host Communities.
- All mitigation efforts are consistent with the Mozambique National Malaria Control Program. Key initiatives include:
 - Ultra-sensitive Rapid Diagnostic Testing of all camp residents on their immediate return from, or departure to, their Rostered Leave Period
 - Workforce and community education campaigns including a strictly enforced camp dress code
 - Insecticide treated bed nets in all camp accommodation with nets also donated to the Balama District Hospital
 - Regular hot and cold fogging in active work areas and in camp accommodation
 - Indoor residual spraying (IRS) and removal of mosquito larvae breeding sites
 - Trapping and mapping of mosquito species

Malaria Screening Program Results - 2019



Bed nets donated to Balama Hospital

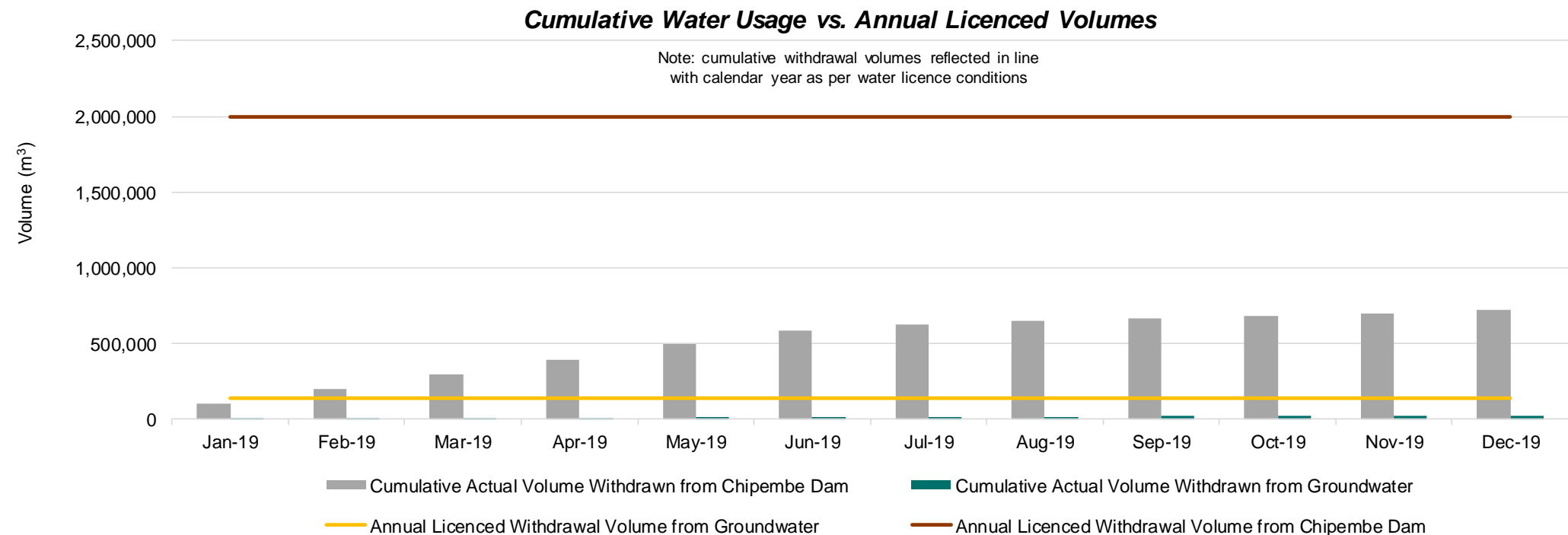


Environment



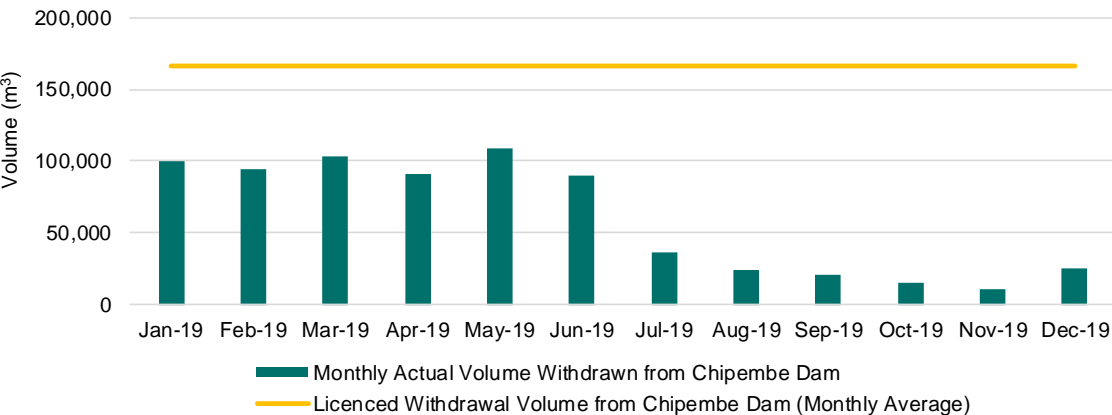
Water stewardship drives significant reduction in raw water consumption

- Water for the Balama Graphite Operation is predominantly sourced from Chipembe Dam which has a capacity of approximately 25 million cubic meters
- Syrah's Water Licence permits 2 million cubic meters of water to be withdrawn from Chipembe Dam annually with current consumption rates well below 50% of licenced volumes
- 33% reduction in total raw water consumption achieved in 2019 compared to 2018 due to material improvements in recycled water usage at Balama

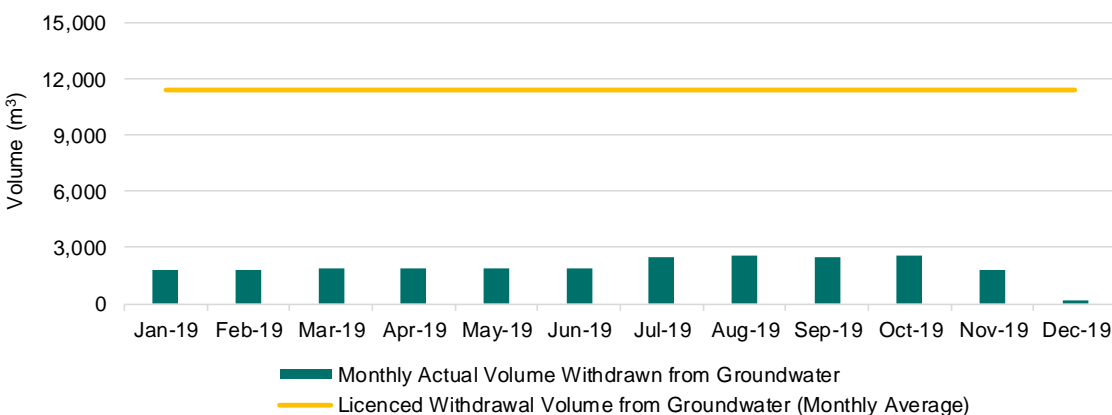


Water source management closely monitored

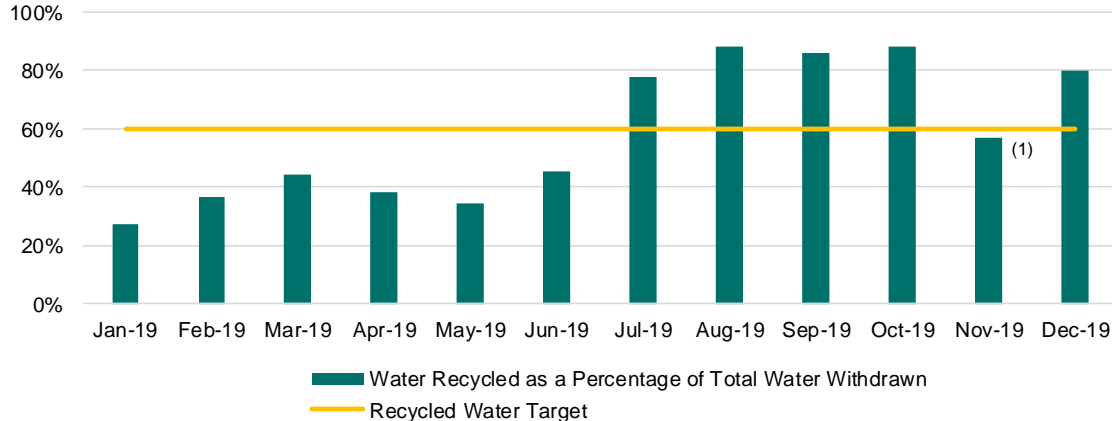
Water Withdrawn from Chipembe Dam



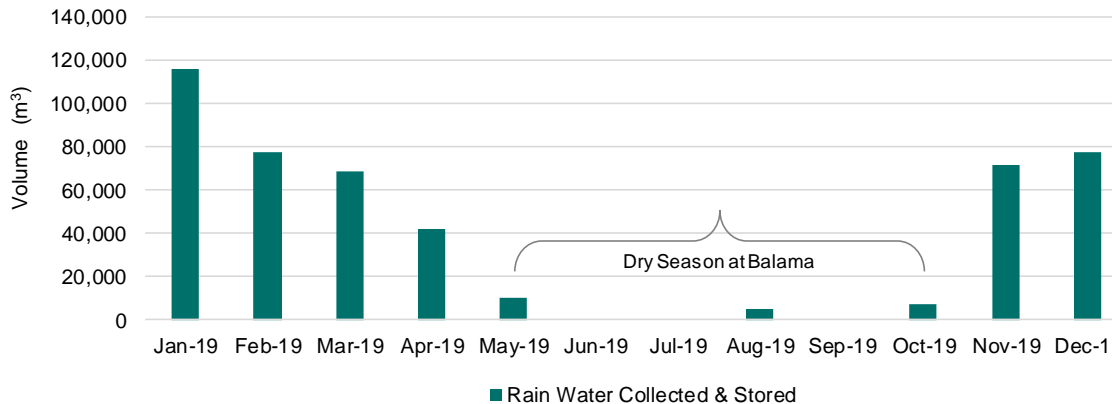
Volume Withdrawn from Ground Water



Recycled Water



Rain Water Recovered



(1) Reduction in water recycled in November attributable to minimal TSF water consumed on site due to a planned shutdown

Balama Tailings Storage Facility

Tailing Storage Facility Governance Committee

- A Tailing Storage Facility (TSF) Governance Committee has been established consisting of key management personnel and technical specialists
- The TSF Governance Committee oversee the management of the TSF in line with Mozambique regulatory / licencing requirements and leading practice
- Syrah's TSF Governance Framework continues to mature in accordance with the International Council of Mining & Metals (ICMM) guidelines and recommendations
- Asset-level TSF accountability is assigned to qualified, trained and competent professionals across operations, processing and hydrogeological engineering disciplines
- Zero non-compliances with all applicable laws and regulations to date
- Independent expert external review of the Balama TSF and all associated management systems and processes to ensure alignment with international leading practice is carried out periodically and reported to the Board of Directors



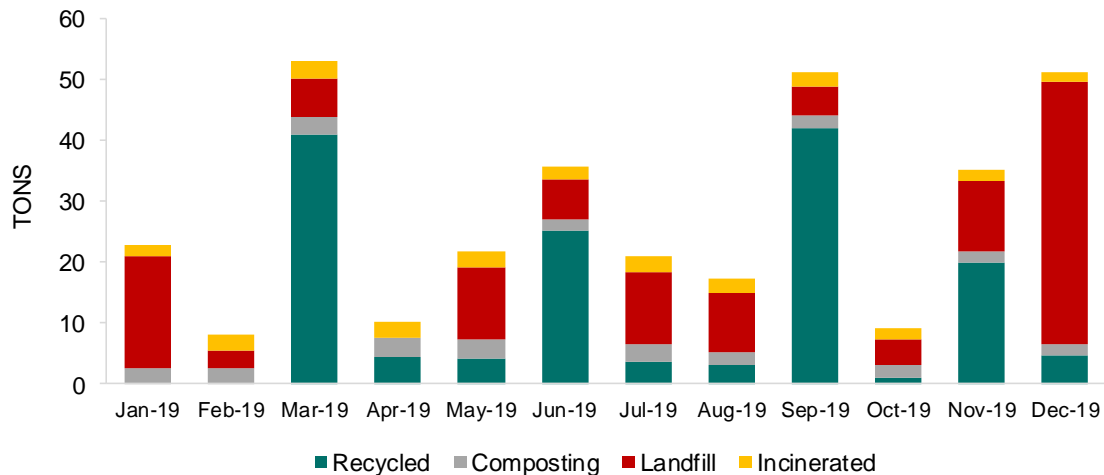
Balama Tailings Storage Facility



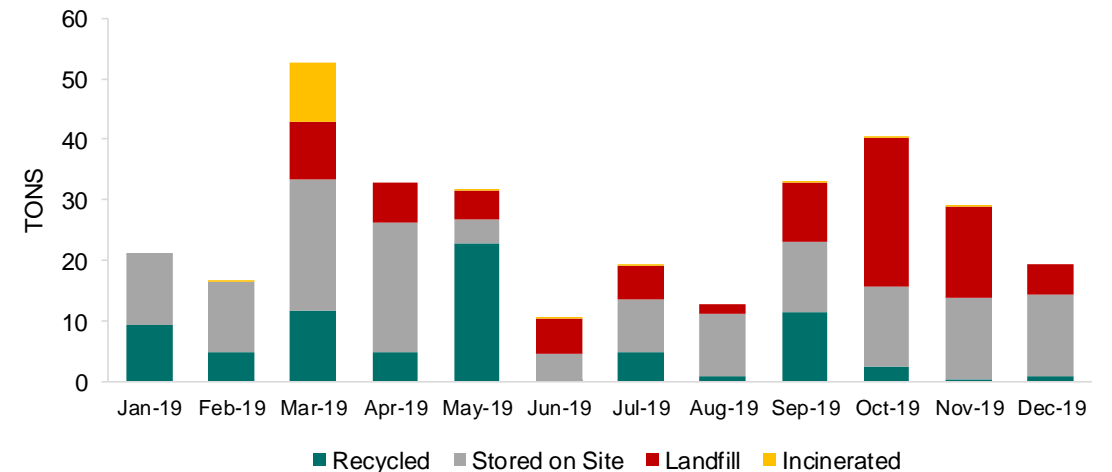
Waste management practices focus on reuse and recycling

- Non-hazardous and hazardous waste disposal methods closely monitored to drive continual improvement
- Monthly differences in waste disposal method (for both non-hazardous & hazardous waste) can be attributable, in part, to Balama's cyclical waste disposal strategy and contractor camp waste removal campaigns which are completed on an as required basis
- Various waste initiatives have been implemented to increase the reuse and recycling of waste produced on site including scrap wood donations to the local community Beekeeping Project, organic waste provided to local pig farmers, recycling and the substitution of single-use plastic water bottles where possible
- Plans in place to review Balama's waste disposal performance against industry peers using relevant sustainability disclosures / reporting frameworks

Non-hazardous Waste Disposal by Method



Hazardous Waste Disposal by Method



Community & Stakeholders



Syrah is committed to sustainable in development in Mozambique

Supporting the Economy

>US \$50M paid in salaries in Mozambique to date



Syrah participation in Mozambique-Germany Business Conference

Employment & Training

~1,092 direct and contract roles for Mozambicans



Permit to Work training

Balama Health Program

Improving workforce and community health and wellbeing



HIV / AIDS awareness

Local Development Programs

Delivering local development initiatives across our Host Communities



Livelihood Development Program



Awareness and education campaigns enable improved disease prevention and management efforts

World HIV / AIDS Day

- Education sessions were conducted across Balama and Maputo work fronts to raise awareness as to the prevalence of HIV / AIDS in Mozambique, its socio-economic impacts and how the disease can be effectively prevented and treated
- Further information was shared so that employees can better support people living with HIV / AIDS and understand the associated challenges they may experience in and outside of work
- The theme of HIV / AIDS Day was *Communities Make the Difference* and members of Syrah's Social team visited our Host Communities to raise awareness and to reinforce the role the community plays in disease awareness, education and prevention



International SOS doctors delivering training to Balama & Maputo employees in HIV / AIDS prevention and management

Breast & Prostate Cancer Awareness

- Initiatives implemented to educate employees as to the risks associated with breast and prostate cancers. This included information on the signs, symptoms and importance of early diagnosis via regular self examinations and professional medical check-ups
- The stigma associated with these and other non-communicable diseases were presented and employees were encouraged to challenge these misconceptions so as to facilitate early diagnosis and improved treatment outcomes
- The importance of adopting a healthy lifestyle such as engaging in regular exercise, eating healthy foods, avoiding alcohol and illicit drugs and managing weight were outlined as key disease mitigation measures



Breast and prostate cancer awareness training

Local Development Programs drive sustainable development

Livelihood Development Program (LDP)⁽¹⁾

- The LDP continues to provide formal agricultural training to Project Affected Farmers to improve food security, generate independent livelihoods and improve crop yields
- 92 grain storage units have been constructed in 2019 in collaboration with the Balama Artisan Association (ARTEBA) to help local farmers protect their produce from decay and rodent contamination / damage
- 8 agricultural demonstration plots have been established in collaboration with the Mapupulo Agrarian Research Centre (CIAM) to train 70 resettled farmers in improved farming techniques
- 800 fruit tree saplings and in excess of 5,000 cashew saplings grown at the Balama nurseery have been distributed to our Host Communities to promote the generation of commercial “cash” crops in the local community
- Beekeeping Project continued with training provided to participants on bee biology, hive management, bee handling, honey harvesting & correct use of PPE



Grain storage units being handed over to community members



Beekeeper training with the Host Communities

Balama Professional Training Centre (BPTC)

- 110 Host Community members successfully trained at the BPTC in its first year of operation. This is consistent with Syrah's commitment to train a minimum of 500 members of the local community over the next five years across health, work readiness, basic mechanical and electrical disciplines
- BPTC selection criteria requires that women hold a minimum representation of 30% on each training cohort
- Maintaining a strong safety culture among the students at the training centre remains a priority with toolbox sessions held regularly to discuss different safety and environmental topics, including electrical safety, working in dangerous environments and machine operation
- Solar energy and solar panel maintenance was added to the electrical curriculum as it is most commonly used in the Host Communities where there is no conventional power and is aligned with the Company's increasing focus on renewable energy



Final BPTC graduation ceremony for 2019

(1) The Livelihood Development Program is a local development initiative included under the Local Development Plan which has been endorsed and is governed by the Local Development Committee (LDC). The LDC consists of Company, Host Community, District and Provincial Government representatives, established to ensure fair and transparent stakeholder oversight / input into local development projects and associated expenditure.



Community & stakeholder engagement is central to ensuring mutual benefit

Mozambique - Germany Business Investments Conference

- Represented by Agnaldo Laice, General Manager Institutional Relations & Corporate Services, Syrah participated in the Mozambique-Germany Bureau for Economic Development held in Maputo
- The conference was represented by private and public sector entities from both countries with the aim of promoting sustainable economic development in Mozambique
- Both barriers and antecedents to economic development were explored with close consideration given to the capital project landscape that is emerging in Mozambique
- Syrah used this forum to strengthen established industry networks and highlight the commercial possibilities and economic benefits associated with a long term supply of high quality graphite



Balama Christmas Celebrations

- Syrah and Sodexo representatives visited the Balama District Hospital where food, toys and other gifts were provided to hospitalised children in an effort to spread some joy over the Christmas period
- Syrah also held Christmas Day celebrations with the children of Ntete, 7 de Setembro and Magaia villages. Different departments and site management teams were represented at each event
- Engaging meaningfully with local stakeholders is critical to ensuring the Company remains abreast of the key issues impacting them and allows us to demonstrate the genuine care and concern we have for the health, wellbeing and prosperity of our Host Communities



People



Syrah continues to meet its gender diversity targets

- Progress against gender diversity targets is monitored monthly:

Business Area	Gender Diversity Key Performance Indicator	TARGET		ACTUAL (as at quarter end)	
		2019	2020		
Board of Directors	Representation of women on the Board of Directors of the Company.	30%	33%	33%	
Senior Executives	Representation of women in Senior Executive roles, defined as the Key Management Personnel of the Company, with the exception of the Managing Director & Chief Executive Officer who is included under the Board.	20%	25%	33%	
Corporate Group	Representation of women across Corporate business divisions.	50% ± 10%		Including above roles	Excluding above roles
				54%	62%
Operations	Representation of women across Twigg Exploration and Mining Limitada (Balama Graphite Operation) and Syrah Technologies LLC (BAM Project).	18%	20%	Balama	BAM
				21%	23%
Business Conduct Training	Percentage of total workforce who have undertaken Business Conduct Training on commencement and biennially thereafter.	100%		97% ⁽¹⁾	

Syrah's updated Diversity & Inclusion Policy⁽²⁾



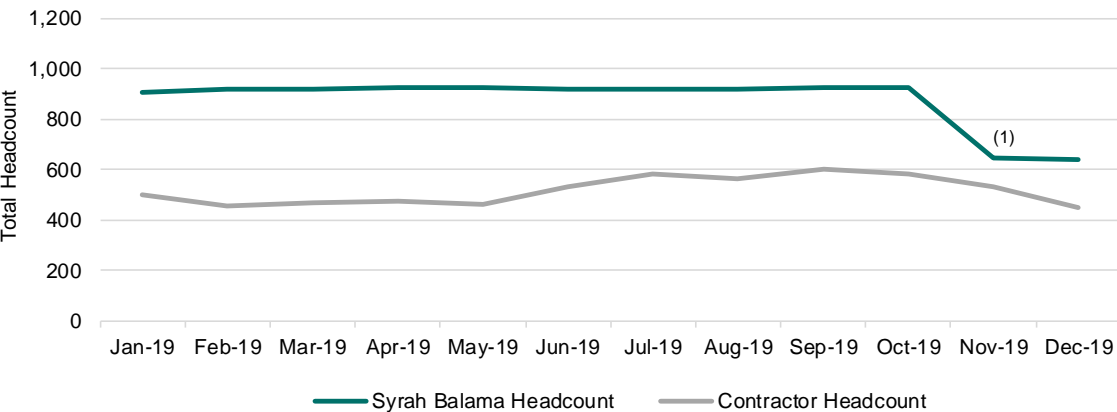
www.syrahresources.com.au
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(1) Business Conduct Training currently on target at the Balama Graphite Operation, with plans in place to address outstanding training needs across the Syrah Corporate Group in H1 2020

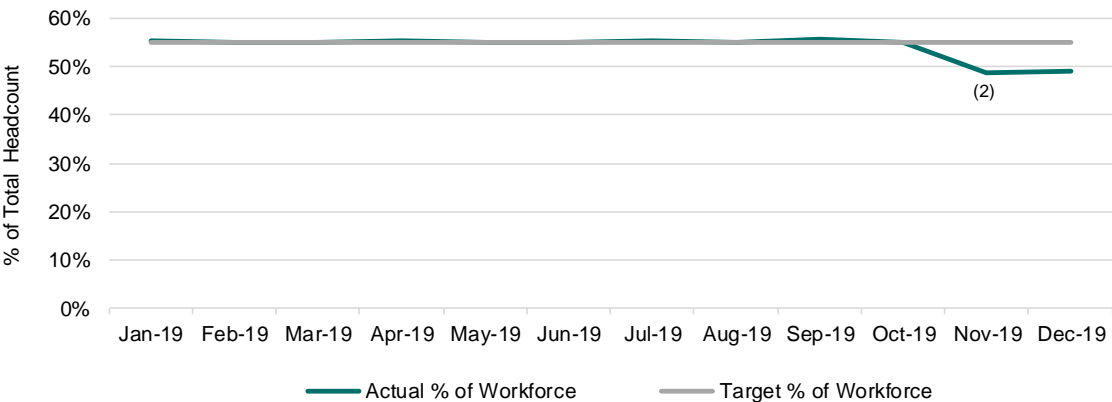
(2) Read Syrah's Diversity & Inclusion Policy here: <http://www.syrahresources.com.au/corporate-governance>

Key employment metrics closely monitored

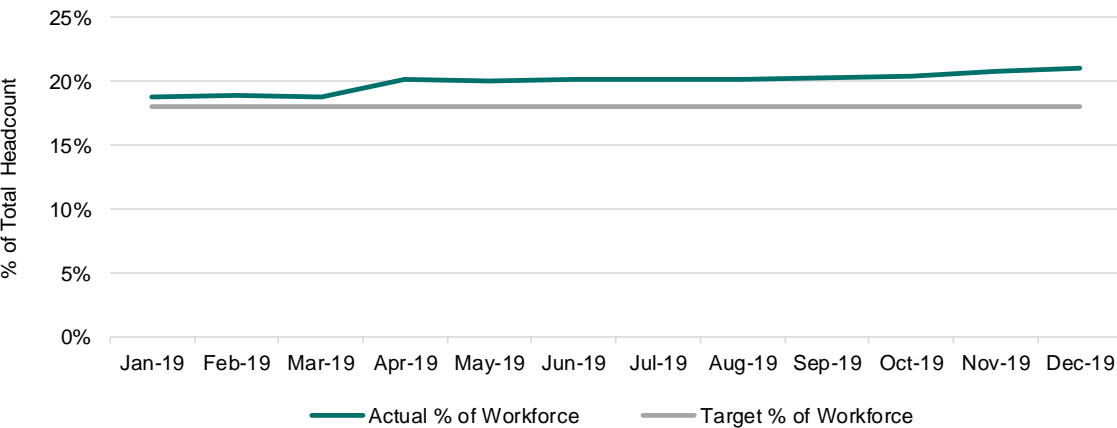
Balama Graphite Operation and Contractor Headcount



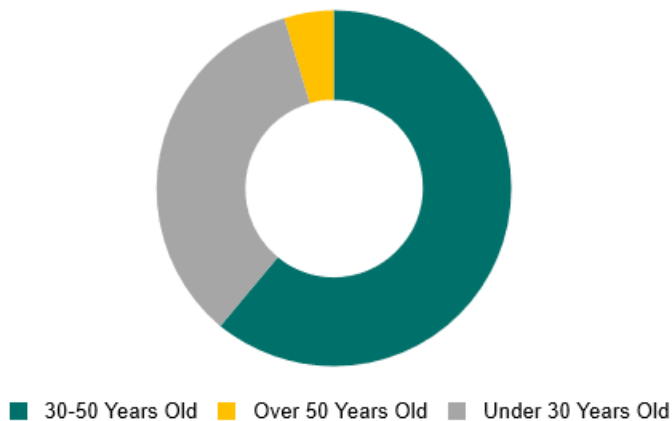
Local (Host Community) Employment



Female Representation at Balama



Age Distribution as at 31 December 2019 ⁽³⁾



(1) Headcount reduction in Q4 due to organisational restructure which resulted in a headcount reduction of ~30% at Balama across all employment categories

(2) Local employment targets set at the beginning of 2019 prior to organisational restructure

(3) The average life expectancy in Mozambique is 60.1 (World Health Organization, 2018)



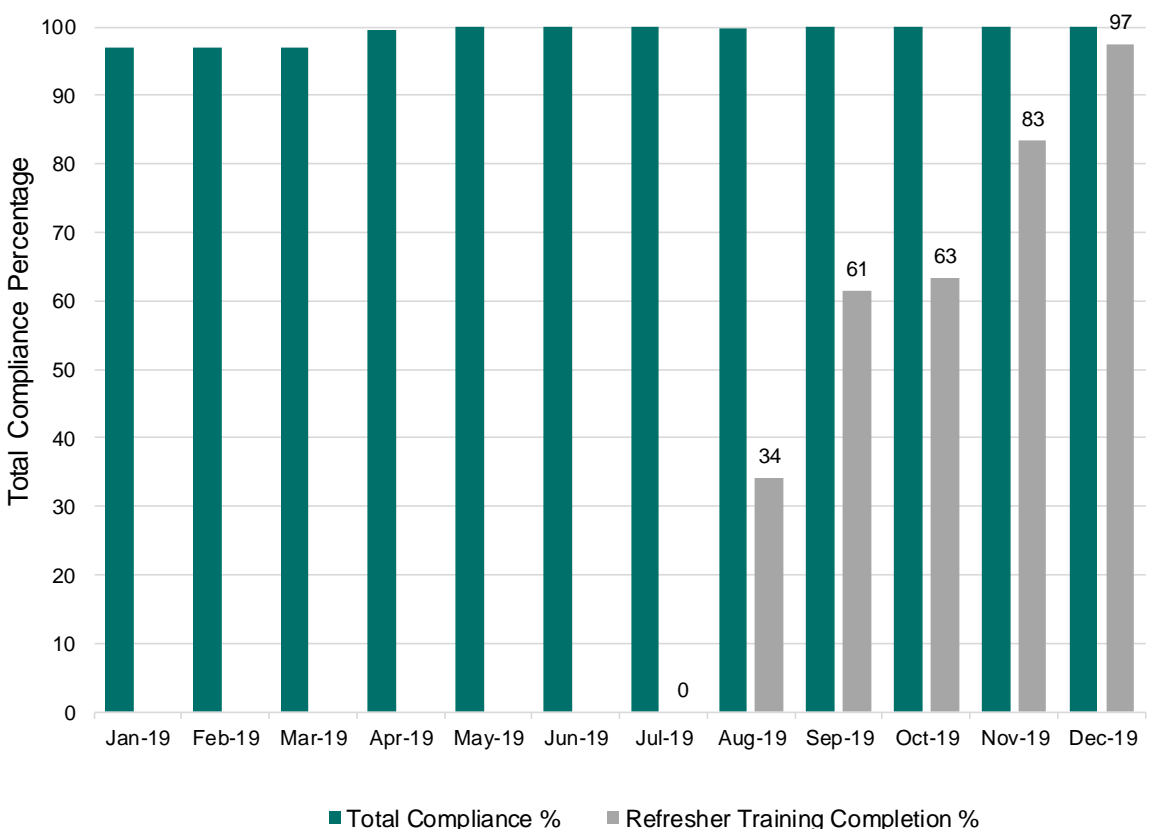
Training in Mandatory Competencies remains a key focus at Balama

Compliance & High Risk Training

- Mandatory Training units of competency at the Balama Graphite Operation are Business Conduct Training⁽¹⁾, Critical Hazard Management Standards, General Induction, Occupational Exposures, Risk & Hazard Management, Fatigue Management, Human Rights and In-field Visible Leadership
- Completion of refresher training in Mandatory Competencies remains ongoing to ensure total compliance does not drop below 100% across Twigg and contractor groups
- Strong visible leadership and critical hazard risk management training/compliance remain key focus areas for Syrah & Contractors

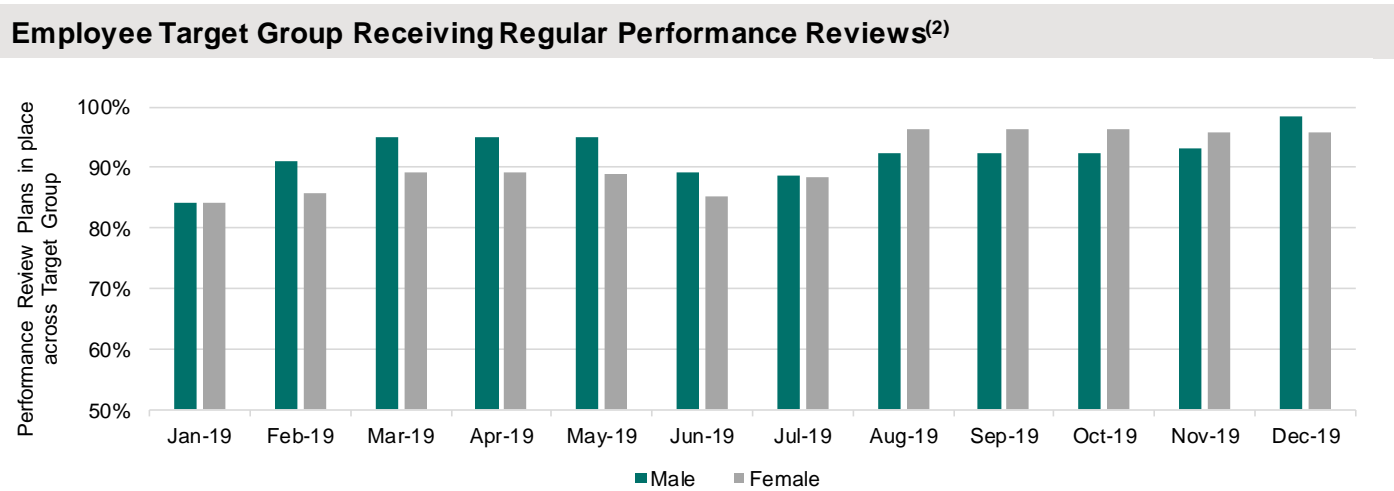
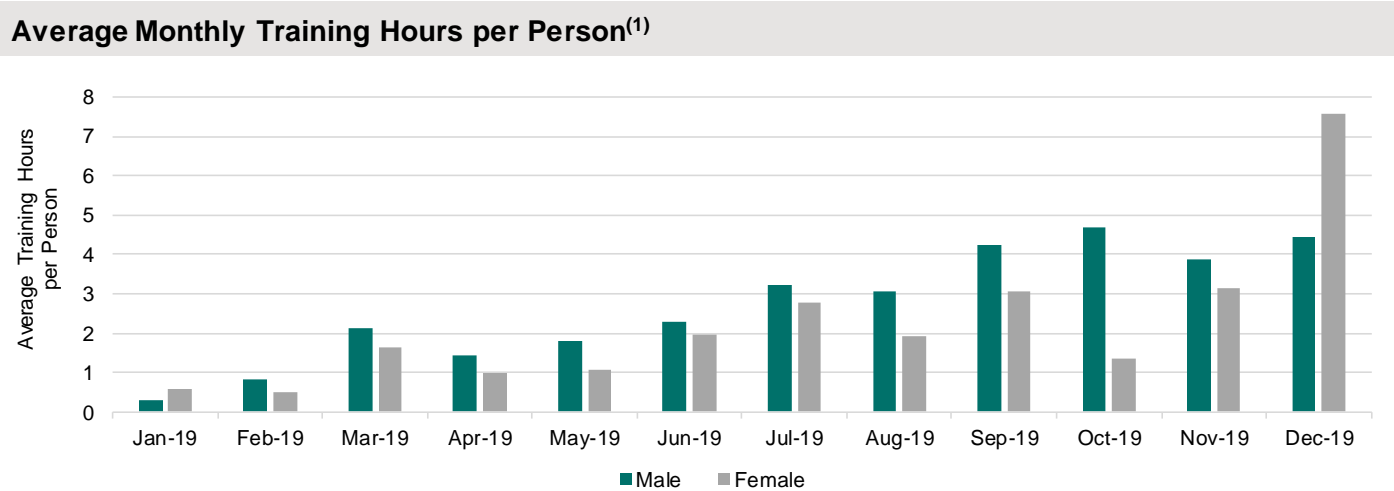


Mandatory Training Compliance - Syrah Balama



(1) Business Conduct Training includes Anti Bribery and Corruption, Whistleblower Policy, Code of Conduct, Workplace Behaviour Policy, Diversity & Inclusion, IT Policy, Social Media Policy and the Employee Assistance Program

Balama Training and Development



(1) Variation in monthly training hours between males & females attributable to role specific / targeted training requirements & differing gender ratios across role categories
(2) Target Group means all Leadership (Supervisor and above) and Professional/Officer level roles (Engineers, Officers and Specialists) at Balama