

Q3 2019 Quarterly Sustainability Update

October 2019

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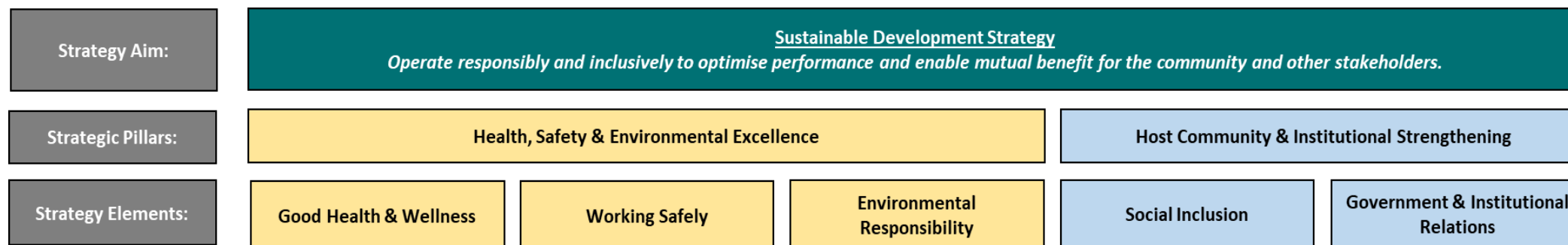


Syrah Board of Directors visiting Balama Operations

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](#)



Q3 2019 Sustainability Highlights

Health, Safety and Environment

- Continued strong safety record with TRIFR of 0.6 at quarter end
- Syrah received an honourable mention at the International SOS Duty of Care Awards 2019 for leading Malaria Mitigation practices
- The Environmental Monitoring Program continued in line with over 200 licence conditions with zero significant environmental incidents in Q3 2019
- Malaria Screening Program continued with 2,845 employees and contractors tested and 124 pre-symptomatic malaria cases treated / averted
- Independent review of Balama Tailings Storage Facility (TSF) to confirm alignment with international leading practice
- Bushfire awareness & prevention campaigns conducted to raise awareness of the safety, environmental and food security risks associated with uncontrolled fires
- Significant reduction in raw water consumption from Chipembe Dam achieved following Balama Water Balance Strategy optimisation efforts

People, Community and Stakeholder Engagement

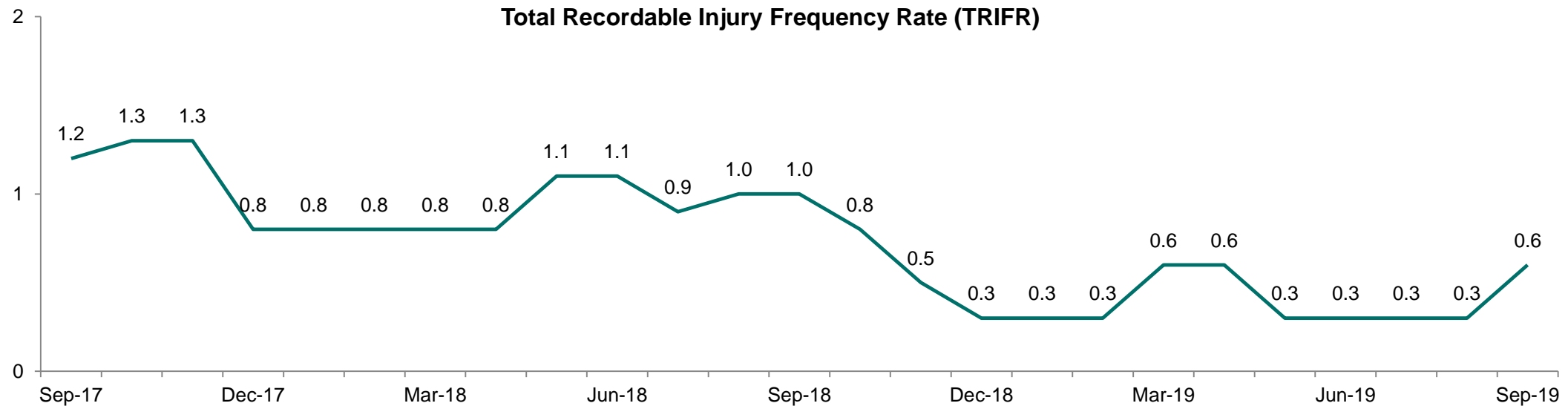
- As at quarter end, 96% of Balama's direct employees are Mozambican nationals with 55% employed from the local Host Communities [against target of 55%] and more than 20% of employees are female [against target of 18%]
- Assessed as a Sector Leader in Environmental, Social and Governance (ESG) reporting, relative to its ASX peers, by the Australian Council of Superannuation Investors (ACSI)
- Syrah was honoured to accept the award for 'Best Innovation in Corporate Social Development' at the inaugural Australia-Africa Minerals and Energy Group (AAMEG) Africa Awards
- Syrah participated in the 55th edition of the Mozambique International Fair (FACIM) where it was awarded the prize for the Second Largest Exporting Company in the Mining Sector



Health, Safety & Security



Strong safety performance maintained at Balama



Note: TRIFR based on 12 month moving average

- TRIFR increase in September 2019 attributable to a Medical Treatment Injury
- Refresher training in Mandatory Competencies⁽¹⁾, strong visible leadership and vehicles & driving remain key focus areas for Syrah and Contractors

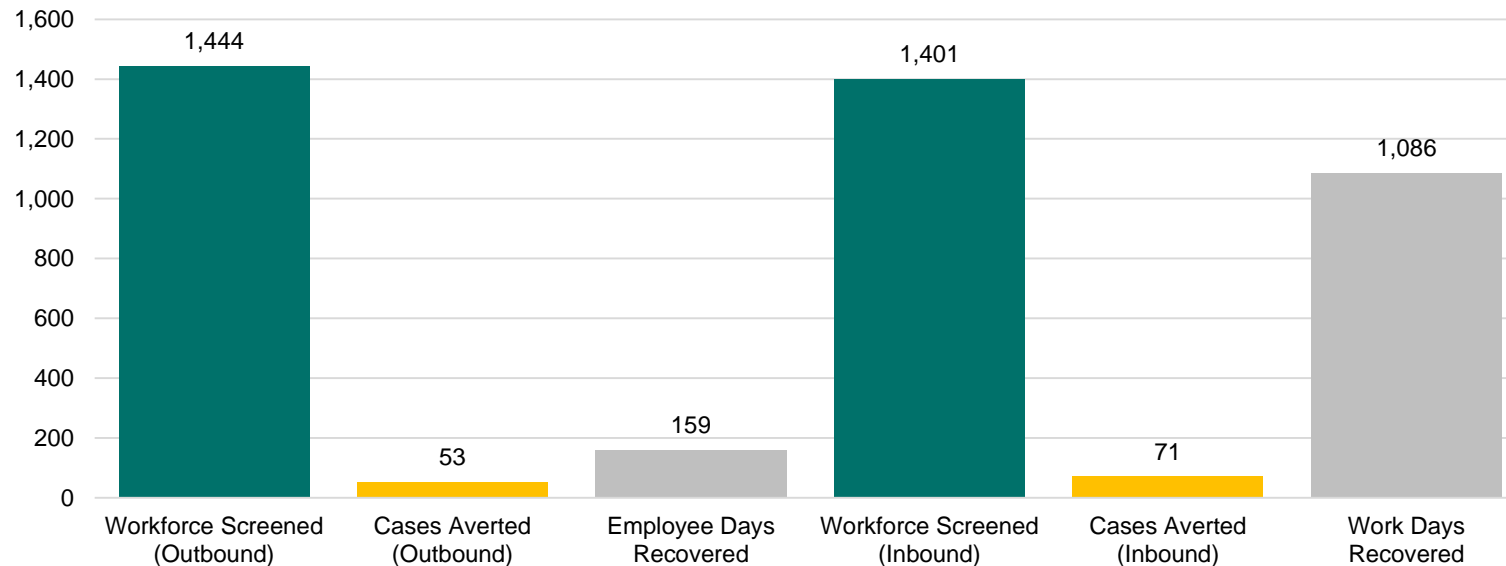
(1) Mandatory Training Units of Competency: Business Conduct Training, Critical Hazard Management Standards, General Induction, Occupational Exposures, Risk and Hazard Management, Fatigue Management, Human Rights and In-field Leadership



Rapid Diagnostic Testing critical to malaria mitigation efforts

- Syrah's Malaria Screening Program involves ultra-sensitive Rapid Diagnostic Testing of all camp residents on their immediate return from, or departure to, their Rostered Leave Period
- This program minimises harm and lost productivity by ensuring that both employees & contractors receive immediate treatment prior to experiencing any malaria symptoms
- The Malaria Screening Program is a key initiative of Syrah's broader Malaria Mitigation Strategy

Malaria Screening Program Results - Q3 2019



Indoor Residual Spraying in Camp



Environment

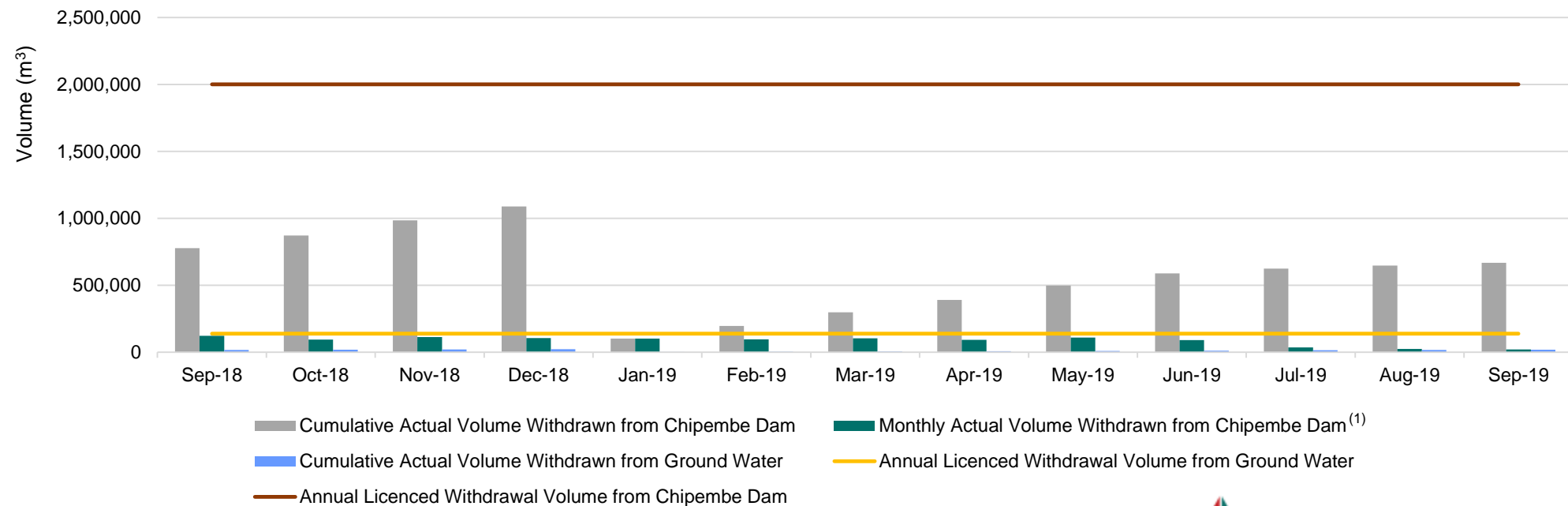


Water consumption well below annual licenced volumes

- Water for the Balama Graphite Operation (BGO) 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
- A significant reduction in water consumption from the Dam has been achieved following optimisation of the Balama Water Balance Strategy

Cumulative Water Usage vs. Annual Licenced Volumes

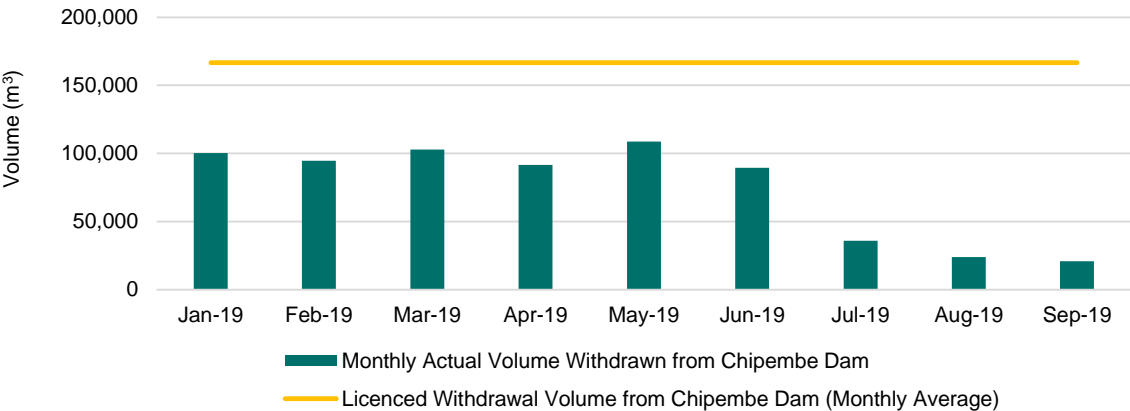
Note: cumulative withdrawal volumes reflected in line with calendar year as per water licence conditions



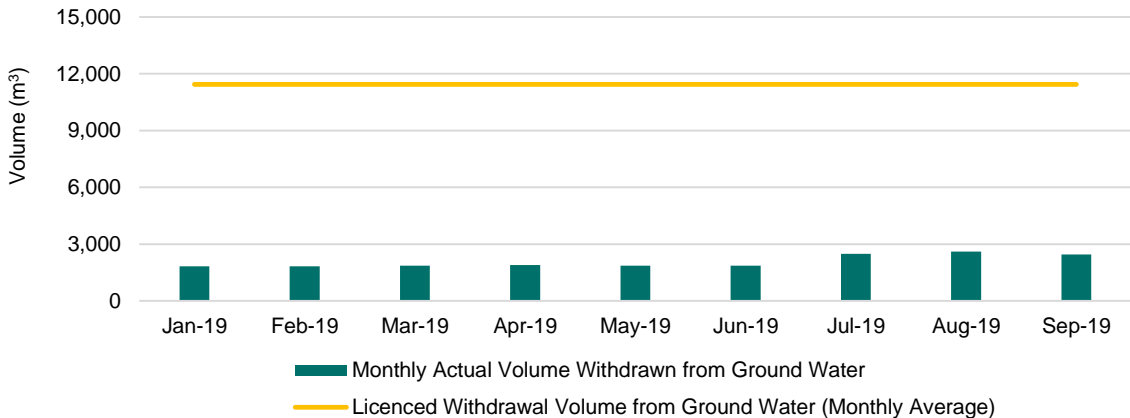
(1) Monthly withdrawal volumes clearly visible on next page

Water source management closely monitored

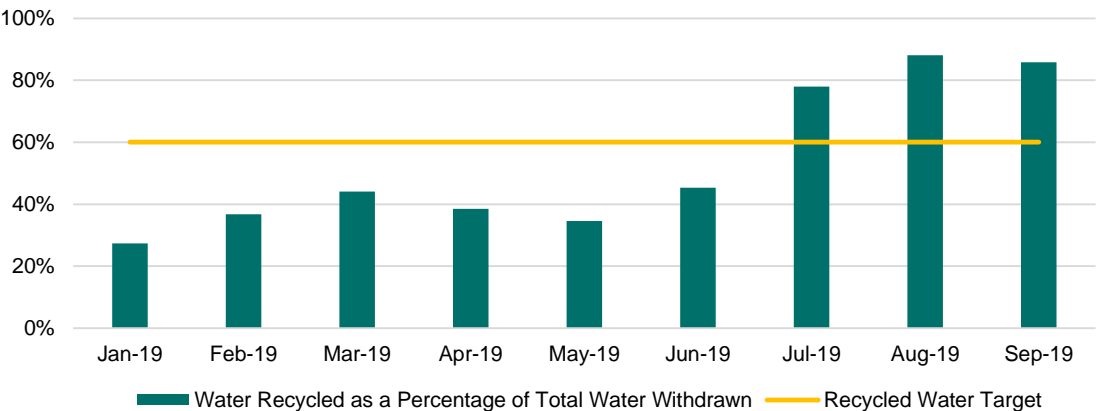
Water Withdrawn from Chipembe Dam



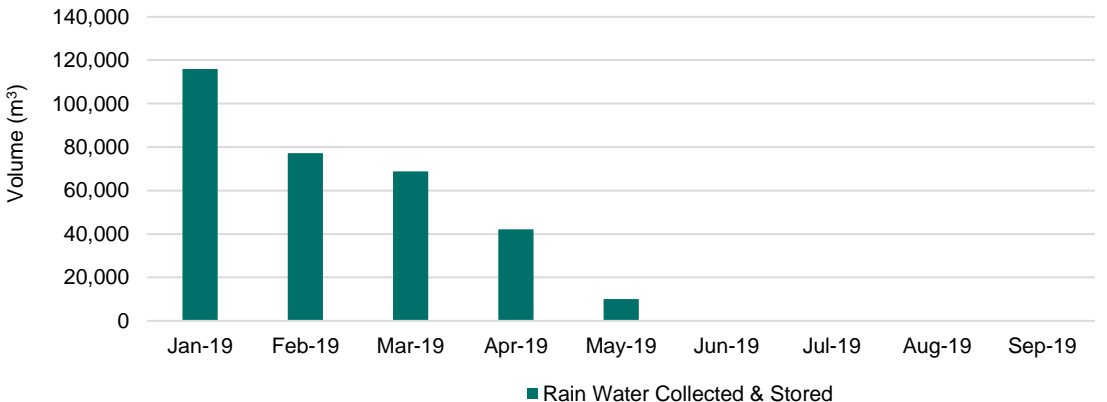
Volume Withdrawn from Ground Water



Recycled Water ⁽¹⁾



Rain Water Recovered ⁽²⁾



(1) Increased recycled water in Q3 attributable to Balama Water Balance Strategy continual improvement efforts
(2) Dry Season at Balama resulting in zero rainfall recovered in Q3

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
- There have been no spills at the Balama TSF and zero non-compliances with environmental 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



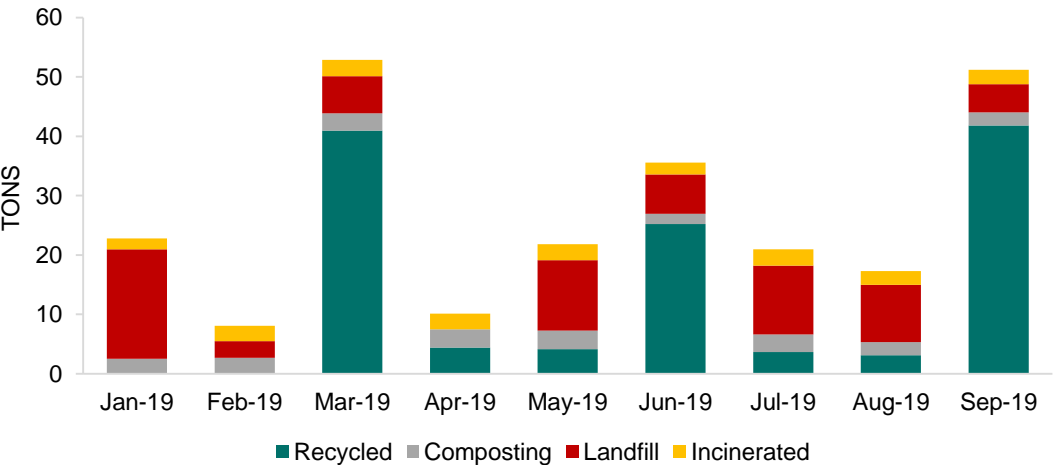
Balama Tailings Storage Facility



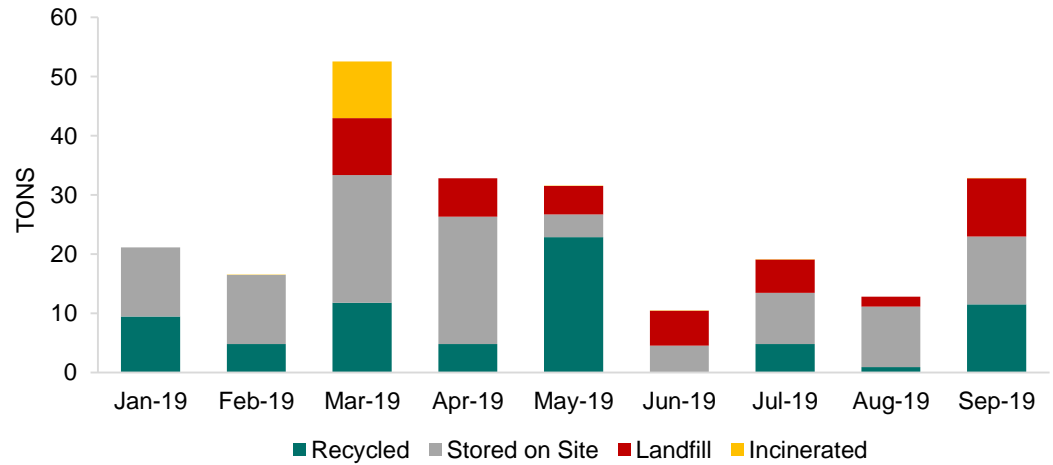
Waste Management

- Non-hazardous and Hazardous waste disposal methods closely monitored in an effort to assess and continually improve waste management practices at the Balama Graphite Operation
- 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 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
- 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 making a long term positive impact in Mozambique

Supporting the Economy

>US \$47M paid in salaries in Mozambique to date

Employment & Training

~1,528 direct and contract roles for Mozambicans

Balama Health Program

Improving workforce and community health and wellbeing

Local Development Programs

Delivering sustainable development initiatives across our Host Communities



Mozambique significant exporter award recipient



20% female employment



Mental health awareness



Artisan and work readiness training



Awareness & prevention campaigns continued in Host Communities

The Company continues to proactively deliver health, safety and environmental training in our Host Communities to ensure mutual benefit

Bushfire Awareness

- Bushfire awareness and prevention campaigns are conducted in the community to raise awareness of the safety, environmental and food security risks associated with uncontrolled fires
- This quarter's education campaign involved theatre performances by a group of young students from the Balama District Secondary School to maximise community engagement and understanding
- Controlled burning is an important element of local cultivation efforts and the Company is working with the community to inform controlled burning practices rather than prohibit them



Bushfire awareness and prevention campaigns conducted in Host Communities



Mine Open Doors Event

- The recent Mine Open Doors event provided an opportunity for local employees working in the accommodation village to visit both mine and processing operations and to hear from Company representatives on how these active work areas operate
- These events afford the Host Communities and other stakeholders with greater insight and understanding of mine activities, processes and associated risks
- Inclusive business practices help to maintain broad-based community and local stakeholder support for the Balama Graphite Operation while driving improved learning and health & safety outcomes for the Host Communities



Mine Open Doors



SYRAH RESOURCES

Local Development Programs drive sustainable development

Livelihood Development Program (LDP)

- The LDP is an ongoing program operated in partnership with our Host Communities to provide formal agricultural and other development opportunities to Project Affected Farmers to protect their food security and increase their capacity to build livelihoods that are not solely reliant on subsistence agriculture
- Grain storage unit construction continued in collaboration with the Balama Artisan Association (ARTEBA), which is composed of bricklayers and other artisans from the local Host Communities. Approximately 60 units have been conducted to date
- Agriculture specialists from Mapupulo Agrarian Research Centre (CIAM) visited the Vegetable Project to provide advice in relation to soil management and pest control techniques
- The Beekeeping Project continued with more hives being built using recycled materials from the Balama Graphite Operation. The next phase of training will involve placing the hives in the forest for honey production



Agriculture specialists visiting local vegetable farms



Beehive construction in the Host Communities

Balama Professional Training Centre (BPTC)

- A graduation ceremony was held for 37 students from the Host Communities who successfully completed their three month training program at the BPTC
- To date, 63 students have graduated from the BPTC which is in its first year of operation. The BPTC will train a minimum of 500 members of the local community over the next five years
- BPTC selection criteria requires that women hold a minimum representation of 30% on each training cohort
- The Balama Sewing Association hosted the Syrah Board as part of the Balama Board meeting agenda. The Company has equipped the Sewing Association with all requisite resources to enable sewing activities. The Association makes sample bags for the mine and are venturing into clothes and other garments with samples presented to the Board



Syrah Board members visiting the "Wiwanana Orera" Sewing Association



BPTC students receiving graduation certificates



Community engagement is integral to establishing mutual benefit

Community Participation and Engagement

- Balama District Day was commemorated on the 25th of July with a ceremony held in Mozambican Heroes' Square. A flower wreath was placed at the square during the ceremony, followed by cultural events and a fair promoting local agricultural products and handicrafts
- On the 11th of August, Syrah welcomed newly appointed Permanent Secretary of the Balama District to the operation. The Permanent Secretary is a key stakeholder and conduit between the Company and District / Provincial Governments and the local communities



Balama District Day celebrations



Balama leadership team welcoming the new Balama District Permanent Secretary

Local Development Committee ⁽¹⁾

- The quarterly Local Development Committee (LDC) meeting took place on the 26th of July where local program delivery for 2019-20 was discussed
- The LDC agreed that Syrah would build two Primary Schools in the Host Communities of Pirira and Muape in 2020 and 2021 respectively. These facilities will be constructed in collaboration with the District Service for Planning & Infrastructure and the District Service for Education, Youth & Technology
- These local development programs will be delivered in accordance with the commitments outlined in the Company's Mining and Local Development Agreements with government



Ninth meeting of the Local Development Committee consisting of Company, Government and Community representatives



(1) In June 2017 Syrah established a Local Development Agreement (LDA) with the Company's eight Host Communities and the Balama District Administration. The LDA required the formation of a Local Development Committee (LDC) consisting of Company, Host Community, District and Provincial Government representatives to ensure fair and transparent stakeholder oversight / input into local development projects and associated expenditure.



Syrah recognised for economic & sustainable development contributions in Mozambique

Mozambique International Fair (FACIM)

- Syrah participated in the 55th edition of the Mozambique International Fair (FACIM) where it was awarded the prize for the Second Largest Exporting Company in the Mining Sector
- FACIM is a multi-sectoral Trade Fair in Mozambique organised by the Institute for Support to Export (IPEX) which facilitates contact between international exhibitors to generate economic development
- The fair was attended by the President of Mozambique and was an important forum for Syrah to reaffirm its commitment to being a long term mining industry participant in Mozambique



President of Mozambique attends the Syrah stand at FACIM

Inaugural AAMEG Africa Awards

- Syrah was honoured to accept the award for 'Best Innovation in Corporate Social Development' at the inaugural Australia-Africa Minerals and Energy Group (AAMEG) Africa Awards
- This prize was received as a result of the team's efforts in delivering the Balama Professional Training Centre in collaboration with the National Institute of Training & Professional Labour Studies (IFPELAC) in the Company's first year of commercial production



Syrah representatives at FACIM



Chief People Officer accepting AAMEG Africa Award on behalf of Syrah

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%	20%	
Corporate Group	Representation of women across Corporate business divisions.	50% ± 10%		56%	
Operations	Representation of women across Twigg Exploration and Mining Limitada (Balama Graphite Operation) and Syrah Technologies LLC (BAM Project).	18%	20%	Balama	BAM
				20%	20%
Business Conduct Training	Percentage of total workforce who have undertaken Business Conduct Training on commencement and biennially thereafter.	100%		97% ⁽¹⁾	



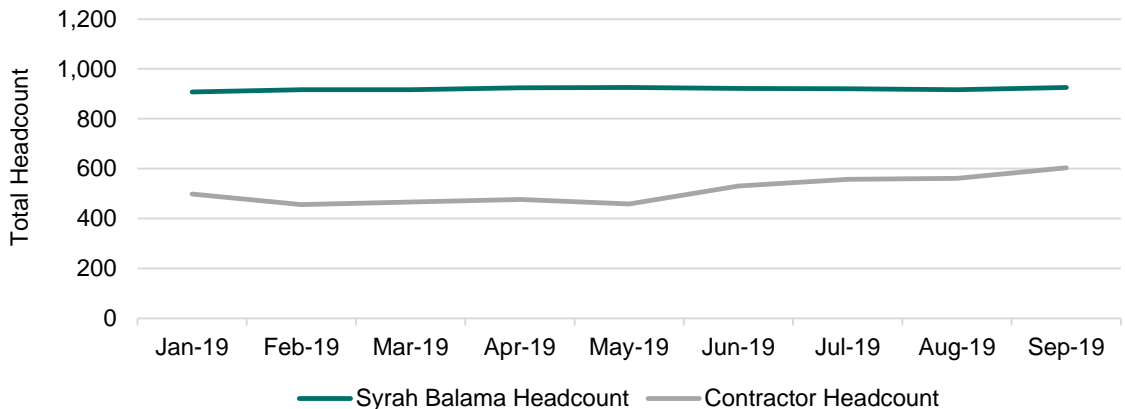
Syrah Board, employees and Host Community members at the Balama Professional Training Centre

(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 Q4 2019 / H1 2020
 (2) Read Syrah's Diversity & Inclusion Policy here: <http://www.syrahresources.com.au/corporate-governance>

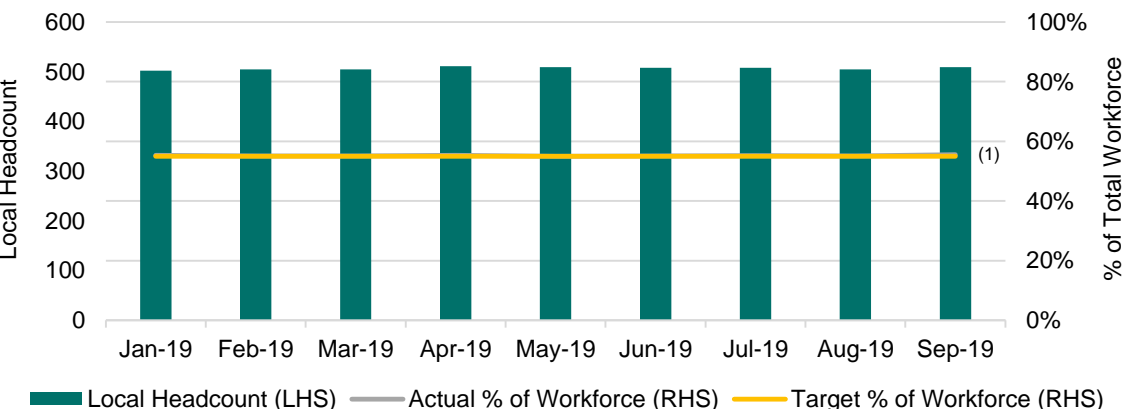


Key employment metrics closely monitored

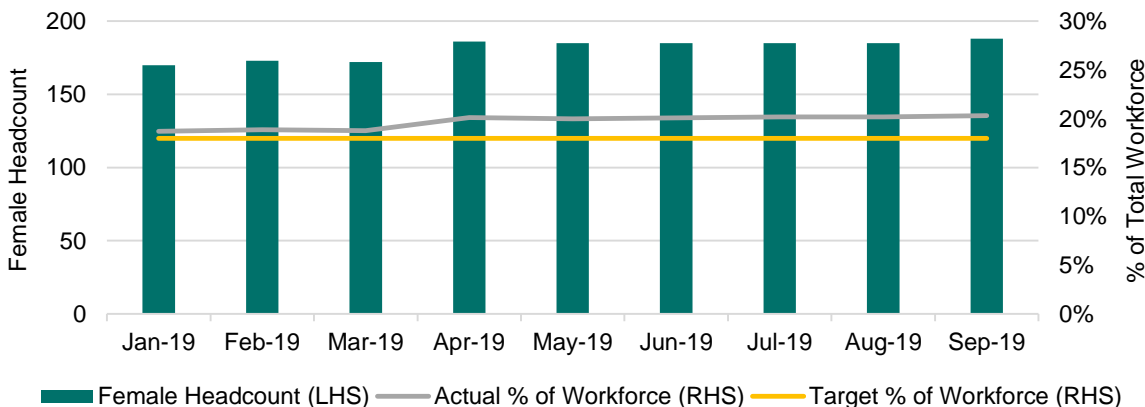
Balama Graphite Operation and Contractor Headcount



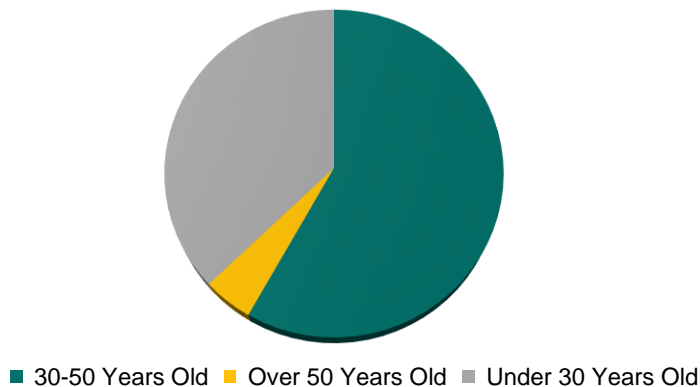
Local (Host Community) Employment



Female Representation at Balama



Age Distribution as at 30 September 2019 ⁽²⁾



(1) Local Employment on target at 55%
(2) The average life expectancy in Mozambique is 60.1 (World Health Organization, 2018)

Training in Mandatory Competencies remains a key focus at Balama

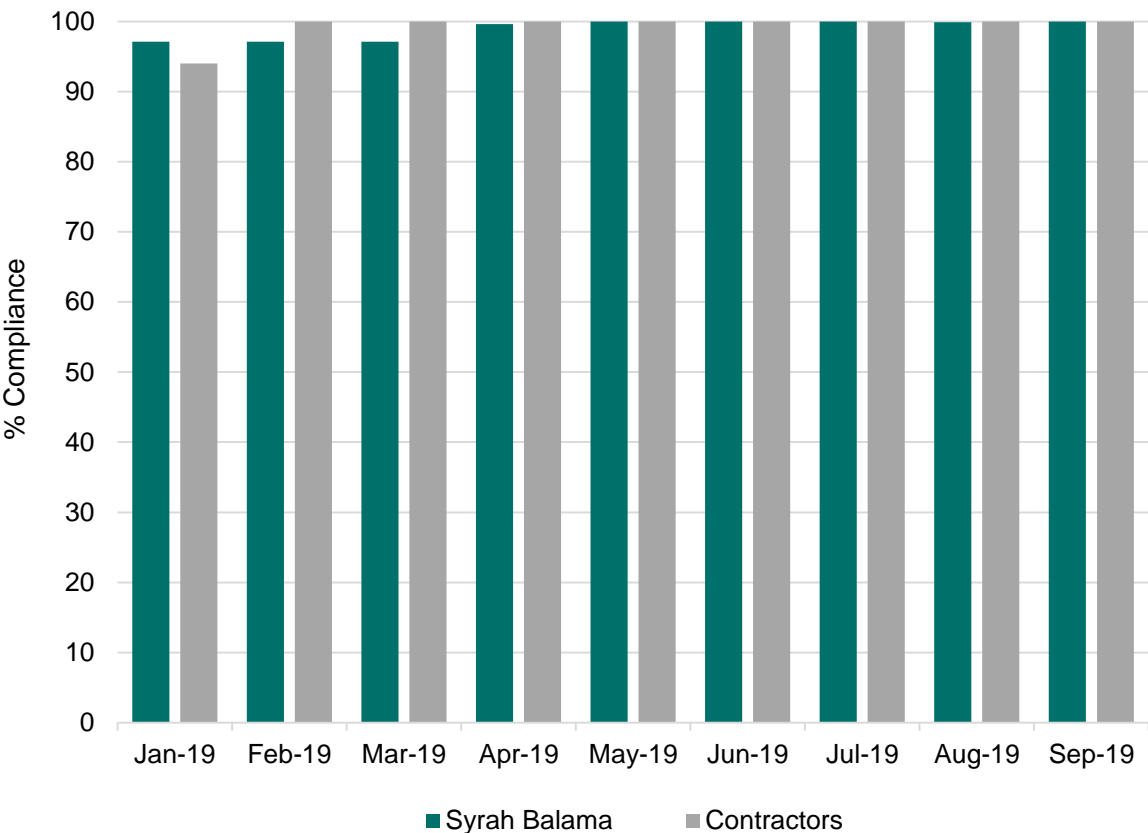
Compliance & High Risk Training

- 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
- Active development of the Balama Emergency Response Team continues with specialist training delivered via external high risk training providers
- Vehicles and driving remain a key focus area with ongoing reinforcement of safe driver behaviour and compliance with all journey management protocols



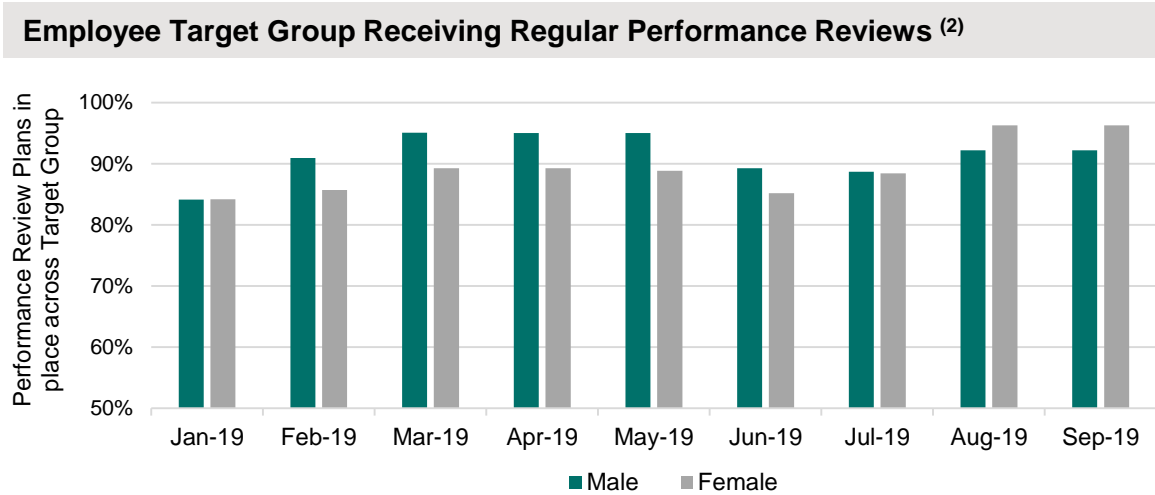
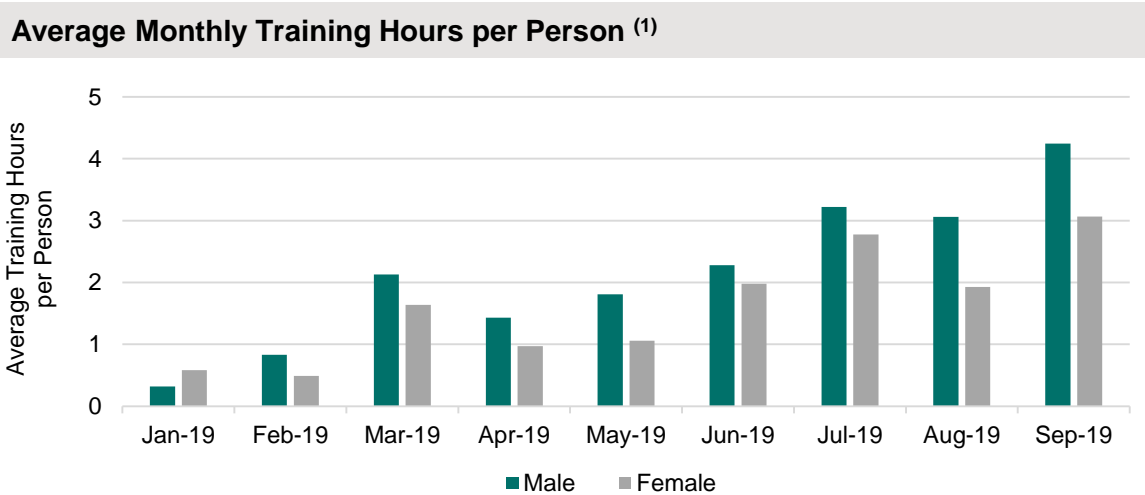
Emergency response training

Mandatory Training Total Compliance - Syrah & Contractors



(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



Road crash rescue training



Electrical training



ISO Lead Internal Auditor training

(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