

# Q2 2019 Quarterly Sustainability Update

July 2019

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# Contents

Topic	Page(s)
Q2 2019 Sustainability Highlights	3
Health, Safety & Security	4 - 8
Environment	9 - 13
Community & Stakeholders	14 - 19
People	20 - 24



*Syrah commemorating African Children's Day with the Host Communities*





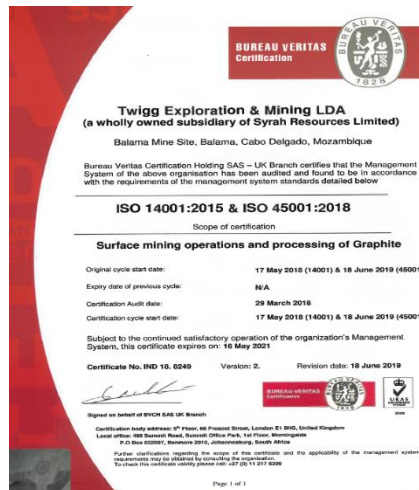
# Q2 2019 Sustainability Highlights

## Health, Safety and Environment

- Strong safety record with TRIFR per million hours worked of 0.3 at quarter end
- ISO:45001 Occupational Health and Safety Management Systems certification and ISO:14001 Environmental Management Systems re-certification achieved
- Malaria screening program continued with 3,178 employees and contractors checked with 355 malaria cases treated and averted
- Environmental Monitoring Program continued in line with over 200 licence conditions with zero significant environmental incidents
- Activities significantly progressed for the renewal of the Company's Environmental Licence in April 2020
- Tailing Storage Facility (TSF) Governance Framework implemented in line with industry leading practice

## People and Community

- As at the end of the quarter over 96% of Balama's direct employees are Mozambican nationals, 55% are from the local Host Communities and 20% are female
- Balama Professional Training Centre (BPTC) inaugurated with an official ceremony attended by the Governor of Cabo Delgado, the Director of the Mozambique's Institute of Professional Training & Labour Studies (IFPELAC), Host Community and Company representatives
- Mozambique Minister of Labour commended Company efforts on establishing the facility in partnership with IFPELAC as per its commitments under the BPTC Memorandum of Understanding
- World Environmental Day celebrated with tree planting events held at local primary schools with all seedlings grown in the Company's nursery
- African Children's Day celebrated with food donated to a local Primary School in partnership with our key catering contractor



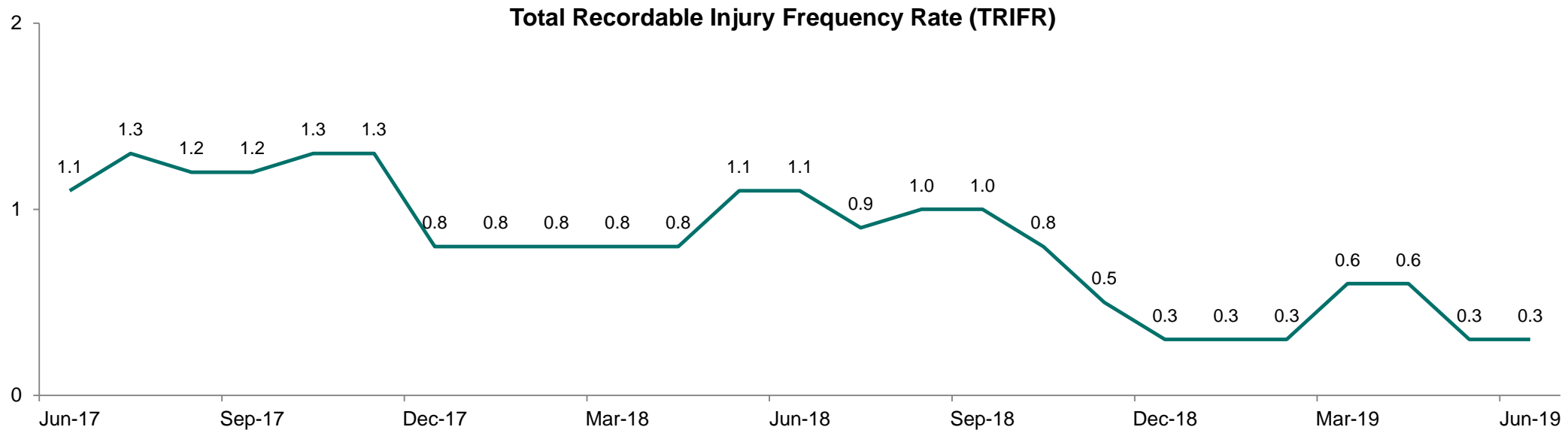
Tree Planting at Regadio Primary School for World Environmental Day



Balama Professional Training Centre Inauguration

## Health, Safety & Security

# Balama's strong safety performance continues



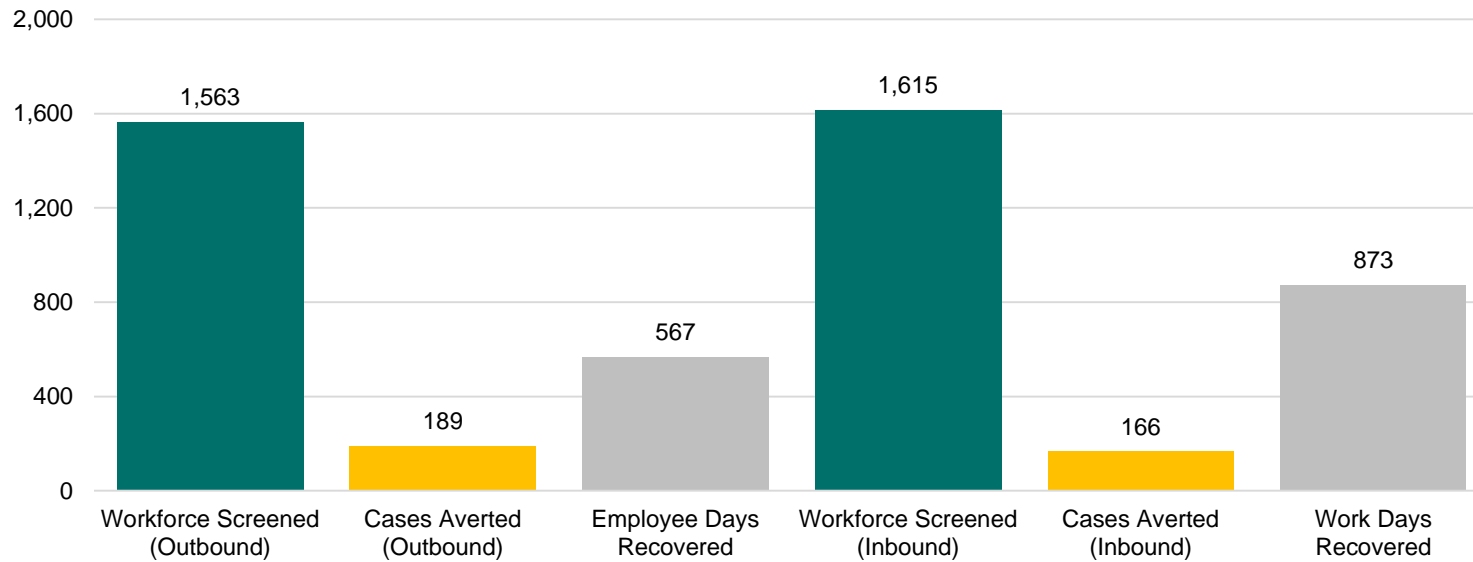
Note: TRIFR based on 12 month moving average

- TRIFR reduction in May due to a 2018 recordable injury dropping off the 12 month rolling average analysis
- Refresher training in Mandatory Competencies<sup>(1)</sup> and strong visible leadership 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

*Malaria Screening Program Results - Q2 2019*



*Bed net displayed at Balama Camp*

- 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 employees / contractors receive immediate malaria treatment prior to them experiencing any symptoms
- The Malaria Screening Program is a key initiative of Syrah's broader Malaria Mitigation Strategy



# World Malaria Day commemorated with awareness campaigns extended to Syrah's Host Communities

- Malaria is a material health risk to Syrah's workforce and to the local Host Communities and the Company continues to proactively pursue education, awareness and other mitigation measures to decrease incidence rates wherever possible
- World Malaria Day is a key initiative under the Balama Health Strategy and is celebrated annually in partnership with the Host Communities and District Authorities to drive awareness and prevention
- Malaria toolbox meetings held across all work fronts and awareness campaigns across Host Communities
- Syrah also donated bed nets and mosquito repellent soaps to the Balama Orphanage
- In partnership with the Goodbye Malaria Foundation, the Company is supporting national bed net distribution and Indoor Residual Spraying (IRS) efforts in Balama as proponents of the Mozambique National Malaria Control Program



*World Malaria Day toolbox talks held across multiple work fronts*



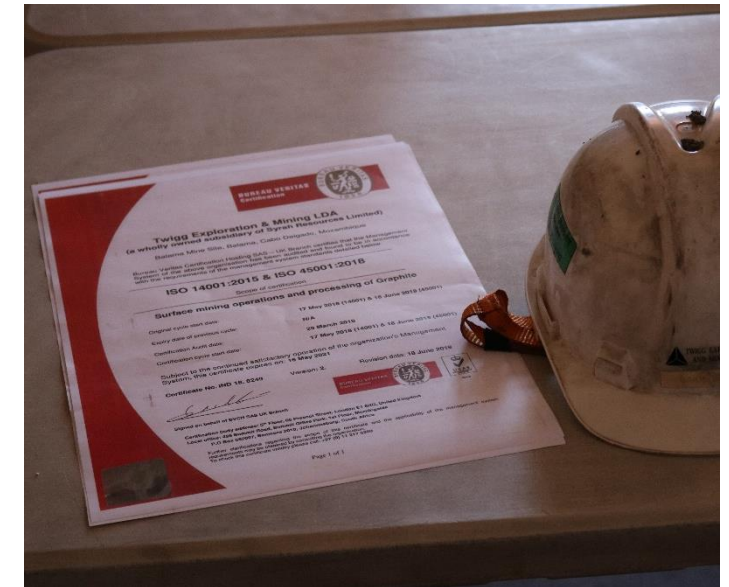
*Bed nets and repellent soap donated to Balama Orphanage & awareness campaigns conducted in the community*





# Balama continues to operate in line with leading practice health, safety & environmental standards

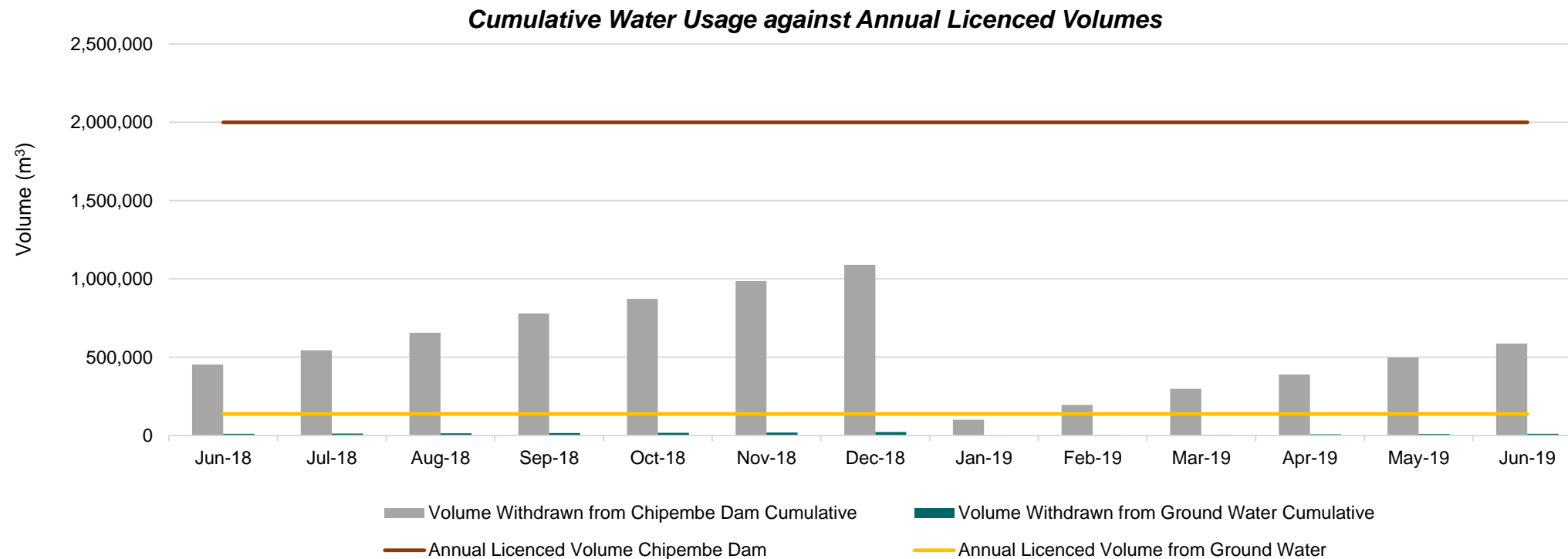
- Syrah recognises and actively manages the inherent risks associated with its core business and remains firm in the belief that activities can be conducted without negatively impacting the health, safety and wellbeing of our people, communities and stakeholders
- Syrah achieved certification in ISO45001:2018 Occupational Health and Safety Management Systems, the world's first International Standard for occupational health and safety
- Re-certification obtained in ISO:14001 Environmental Management Systems
- Education, training and strong in-field visible leadership is recognised as key to building understanding of, and compliance with, the Company's safe systems of work



## Environment



# Water consumption well below annual licenced volumes

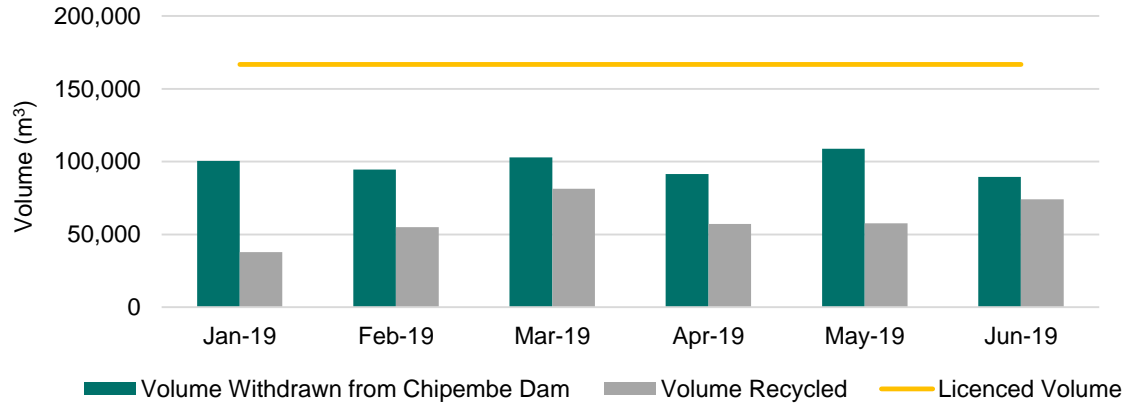


- Cumulative withdrawal volumes reflected in line with calendar year as per water licence conditions
- Water withdrawal & usage volumes expected to stabilise as production levels stabilise
- Site Water Balance Strategy implemented with multiple initiatives deployed to reduce raw water consumption from Chipembe Dam

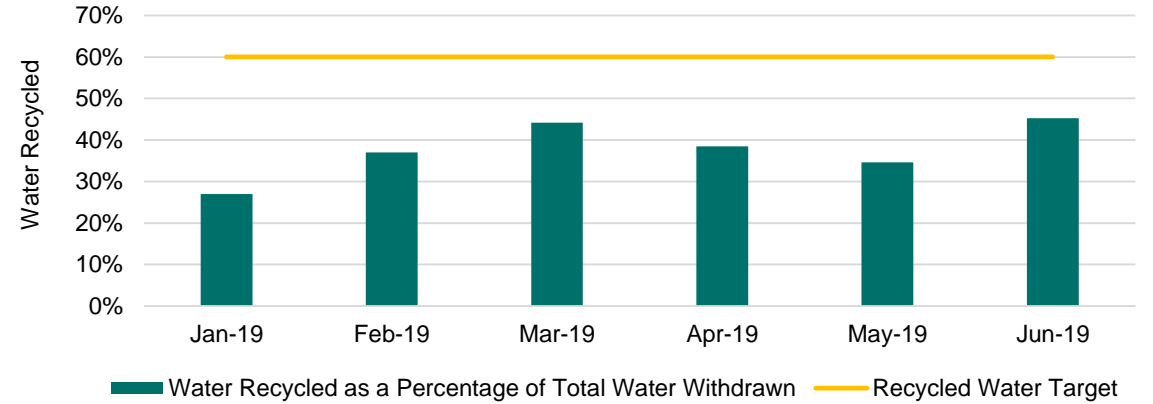
(1) Graph revised on 30 July 2019

# Water source management closely monitored

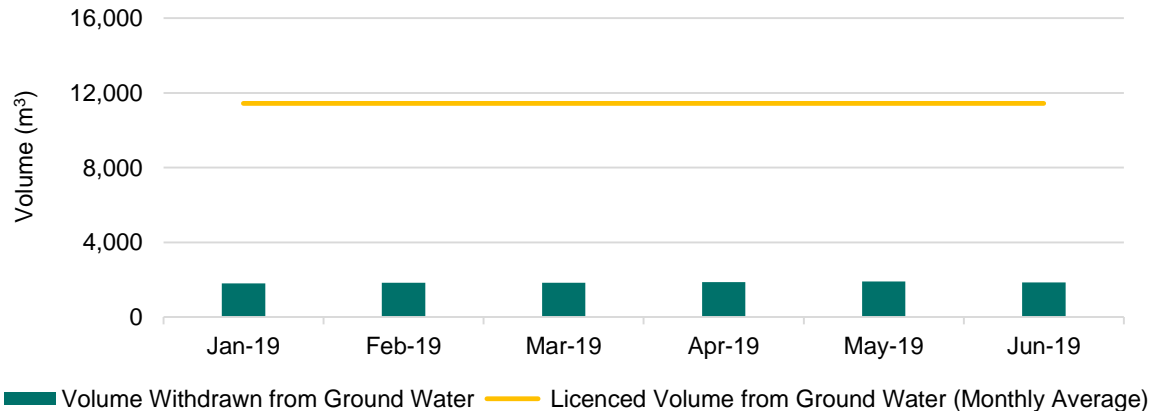
**Water Withdrawn from Chipembe Dam & Water Recycled**



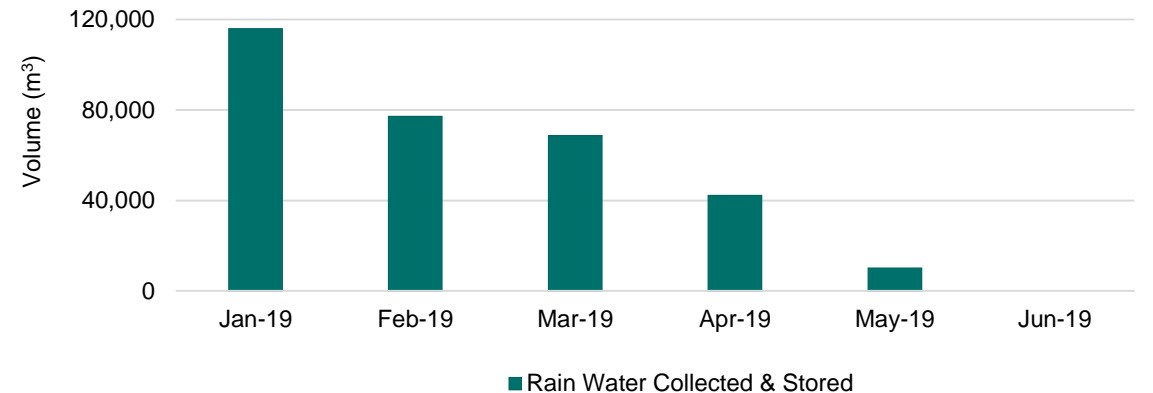
**Recycled Water (1)**



**Total Volume Withdrawn from Ground Water**



**Rain Water Recovered (2)**



(1) Increased recycled water in June attributable to Balama Water Balance Strategy continual improvement efforts  
 (2) Entering into Dry Season at Balama



# Effective tailings management drives safety and continual improvement

## Tailing Storage Facility Governance Committee

- The Tailings Storage Facility (TSF) Governance Committee's key priorities in the quarter included:
  - Implementing the Site Water Balance Strategy with measurable improvements in recycled water consumption achieved
  - Managing compliance with Mozambique's newly introduced TSF regulatory and licensing framework
  - Coordinating external technical expertise and commissioning slurry deposition / density and other studies
  - Cell 2 design and construction preparatory works
  - Dry Stacking Strategy review
- TSF Governance Framework continues to mature in accordance with the International Council of Mining & Metals (ICMM) guidelines and recommendations with the following established, reviewed and/or amended in the quarter:
  - TSF Risk Assessment
  - TSF Emergency Response Plan
  - TSF Environmental Monitoring Program
- Effective TSF management is key to the renewal of the Environmental Licence

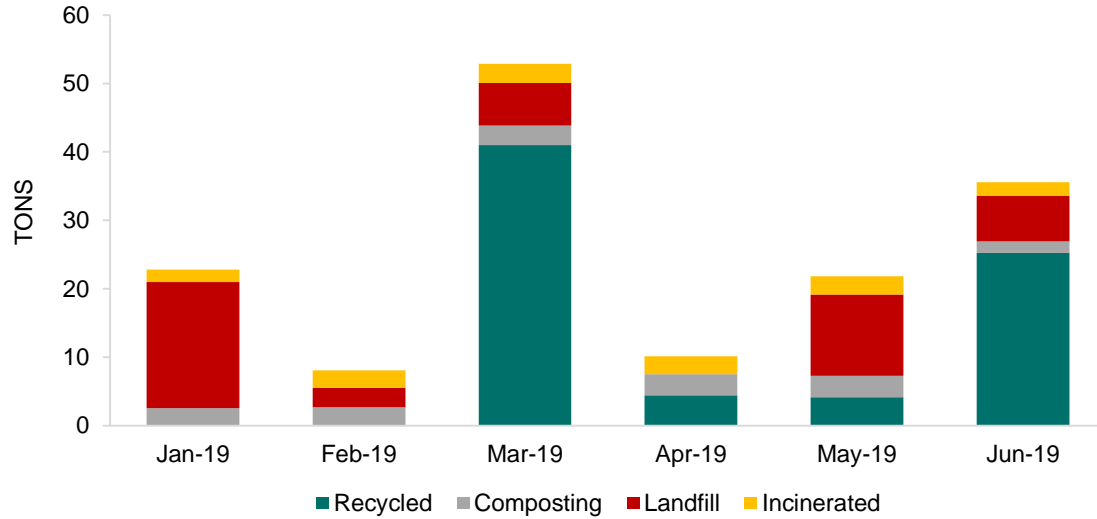


*Balama Tailings Storage Facility*

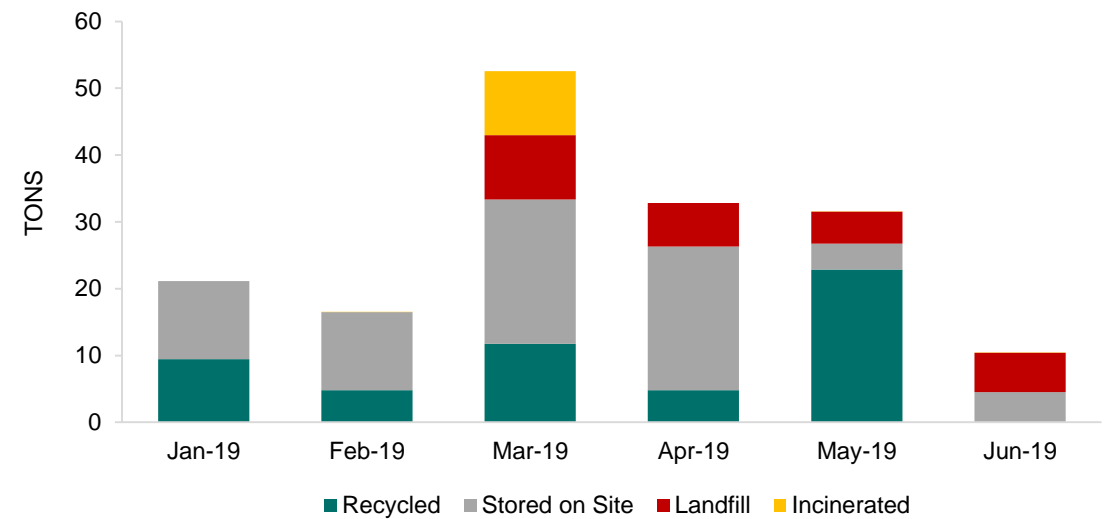


# Waste Management

**Non-hazardous Waste Disposal by Method**



**Hazardous Waste Disposal by Method**



- Recycled non hazardous wastes refers to scrap metal taken off-site by a licenced company for reclaim and materials reused or offered to local communities
- Recommendations implemented to maximise the reuse and recycling of non-hazardous waste produced on site
- 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

- Recycled hazardous waste refers to waste oils and contaminated rags that are removed by a licenced company for recycling where possible
- Stored on site hazardous waste refers to oils that are stored in preparation for removal by a licenced company
- Landfill hazardous waste refers to oils and contaminated rags removed by a licenced company that cannot be recycled & is sent to landfill
- Incinerated hazardous waste refers to medical waste

## Community & Stakeholders

# Syrah is committed to making a long term positive impact in Mozambique

## Supporting the Economy

>US \$43M paid in salaries in Mozambique to date

## Employment & Training

~1,390 direct and contract roles for Mozambicans

## Balama Health Program

To improve workforce and community health and wellbeing

## Agriculture Programs

Promoting sustainable development for Project Affected Farmers and the wider community



96% Mozambican employment



20% female employment



Ongoing borehole maintenance training provided to Host Communities



Agriculture training with local farmers





# Cyclone Kenneth hits Cabo Delgado but does not impact operations

## Impacts of Cyclone Kenneth <sup>(1)</sup>

- Tropical Cyclone Kenneth made landfall in the Cabo Delgado Province of Mozambique on 25 April 2019 bringing heavy rains and cyclonic winds of up to 180 kilometres an hour
- This is the first time in recorded history that two tropical cyclones have made landfall in Mozambique in the same season with Cyclone Kenneth closely following Cyclone Idai which made landfall in Beira in March
- Approximately 1000 people were displaced by Cyclone Kenneth and international relief efforts have focussed on restoring essential services and to control the spread of diseases such as cholera & malaria
- Although Syrah's operations were not directly impacted by Cyclone Kenneth, a number employees and their immediate families residing in Cabo Delgado were affected



*Engagement with the Mozambique Red Cross to better understand the devastation caused by Cyclones Idai & Kenneth*

## Ongoing Support Provided

- Syrah continues to support employees and communities who have been directly or indirectly affected by this event. Such initiatives include:
  - The Company made donations to the Mozambique Red Cross in support of both Cyclone Idai and Kenneth relief efforts following the establishment of a Memorandum of Understanding
  - Financial assistance provided to Syrah employees directly affected by the cyclone
  - Professional psychologist and counselling services made available to all employees, contractors & their immediate families via Syrah's well established Employee Assistance Program (EAP)



*Signing of an MoU with the Mozambique Red Cross in support of Cyclone Idai and Kenneth relief efforts*

(1) Unicef Situation Report dated 27 April and June 10 2019

# Local Development Programs

## Livelihood Development Program (LDP)

- The LDP is an ongoing program that engenders Host Community and stakeholder engagement via the provision of formal agricultural and other development opportunities to Project Affected Farmers
- Grain storage unit construction continued so local farmers can better preserve their harvests throughout the year and improve their food security
- Syrah is overseeing the establishment of a bricklayers and brick producers association from the local community to lead the construction of granaries and other small community infrastructure programs
- Bee keeping training has been provided to members of the Host Community. Bee hives are constructed using recycled timber from the Balama Graphite Operation. This program is anticipated to generate income through the sale of honey and result in improved food security and bee conservation efforts on the mining lease



*Grain storage unit construction*



*Bee hive construction in the Host Communities*



*The Governor unveiling the commemorative plaque at the BPTC inauguration*

## Balama Professional Training Centre (BPTC)

- The inauguration of the BPTC occurred in May with the official ceremony attended by the Governor of Cabo Delgado, the Director of Mozambique's Institute of Professional Training & Labour Studies (IFPELAC), members of the Host Communities and Company representatives
- Approximately 150 guests attended the televised event which included a tree planting ceremony, a performance from a local cultural group, the unveiling of a commemorative plaque and the official graduation of the first class of trainees
- BPTC students are sourced almost exclusively from the Host Communities and are selected by the BPTC Management Committee. Prior to the establishment of the BPTC formal training opportunities for the local community were extremely limited



*BPTC students receiving their graduation certificates*





# Community engagement is integral to establishing mutual benefit

## World Environment Day & African Children Day

- Syrah commemorated World Environment Day to raise awareness and inspire action to protect the environment with activities including tree planting at the mine and at local Host Community Primary Schools
- All native tree seedlings planted on the day were grown at the Syrah nursery
- African Children's Day was celebrated on 16 June in collaboration with local Host Community Primary Schools. Celebrations aimed to raise awareness as to the need to prioritise children's rights with special emphasis given to health and education. Syrah and its catering contractor, Sodexo, provided food and gifts to the children on the day



Tree planting at Regadio primary School for World Environment Day



African Children's Day at Pirira Primary School

## Public Consultations & Mine Open House Program

- An official public consultation meeting was held in Balama to discuss the Company's sustainability performance in 2018. The meeting was attended by District Government representatives, provincial NGO's and the local media
- During the public consultation the District Administration praised Syrah for its local development programs and the transparent manner in which the Company engages with the community and key stakeholders
- A Mine Open House event was held where university students and lecturers from Mozambique's Rovuma University were invited to visit the Balama Graphite Operation to gain insights into the Company's sustainable development efforts. Further study / research opportunities are currently being explored



Public Consultation Meeting in Balama



Rovuma University Students & Lecturers Visit the Balama Graphite Operation



# Stakeholder & institutional relations continue to strengthen

## Key Developments

- Syrah representatives met with the Mozambique Minister of Labour, Mrs Victoria Diogo, who commended the Company for delivering the BPTC in accordance with its MoU commitments, for establishing fair work practices and for the strong representation of Mozambicans across its workforce
- Syrah representatives attended the Maputo Job Fair to raise the profile of the Company as an employer of choice, to further consolidate the labour pool from which key appointments are made and to support Mozambique skills development and employment
- Syrah representatives attended the Provincial Agricultural, Fisheries and Mineral Resources Fair where they were greeted by the honourable President of the Republic of Mozambique, Filipe Nyusi, who acknowledged the Company for its recent achievements. The fair was an opportunity to raise awareness regarding graphite, the associated mining process, its industrial and battery applications and the Company's commitment to sustainable development
- Syrah was awarded 1<sup>st</sup> Place for best Mining & Exploration Company at the Economic Fair of Cabo Delgado (FECAD) 2019, an event attended by the Governor, Vice-Minister of Industry & Commerce, the Minister of Sea & Internal Waters, CTA representatives and other public & private stakeholders



*Syrah's GM Institutional Relations & Corporate Services and People & Engagement Manager with the Minister of Labour*



*Syrah representatives at the Maputo Job Fair*



*Syrah representatives at the Provincial Agricultural, Fisheries and Mineral Resources Fair*



## 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 30 June 2019)
		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%		55%
Operations	Representation of women across Twigg Exploration and Mining Limitada (Balama Graphite Operation) and Syrah Technologies LLC (BAM Project).	18%	20%	20%
Business Conduct Training	Percentage of total workforce who have undertaken Business Conduct Training on commencement and biennially thereafter.	100%		97%



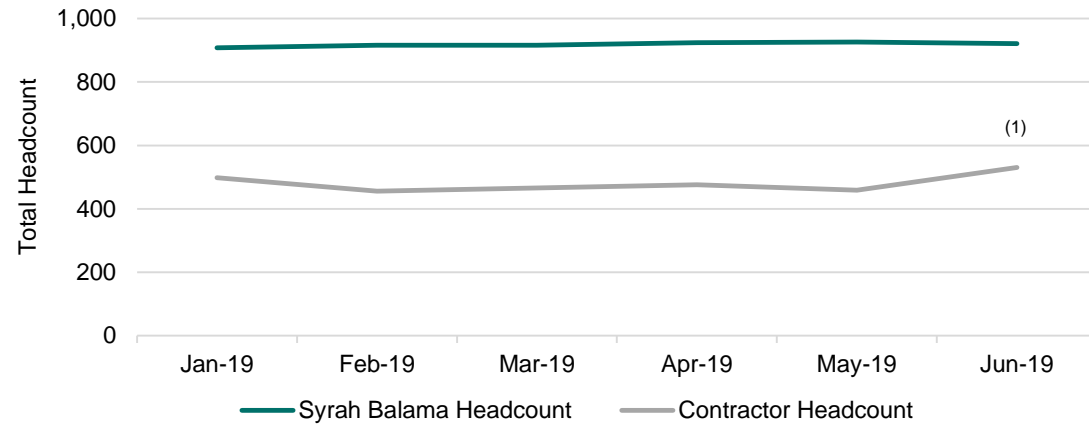
*Female students graduating from the Balama Professional Training Centre in basic Electrical Installation and Mechanical Maintenance*

(1) See Syrah's [Diversity & Inclusion Policy](#)

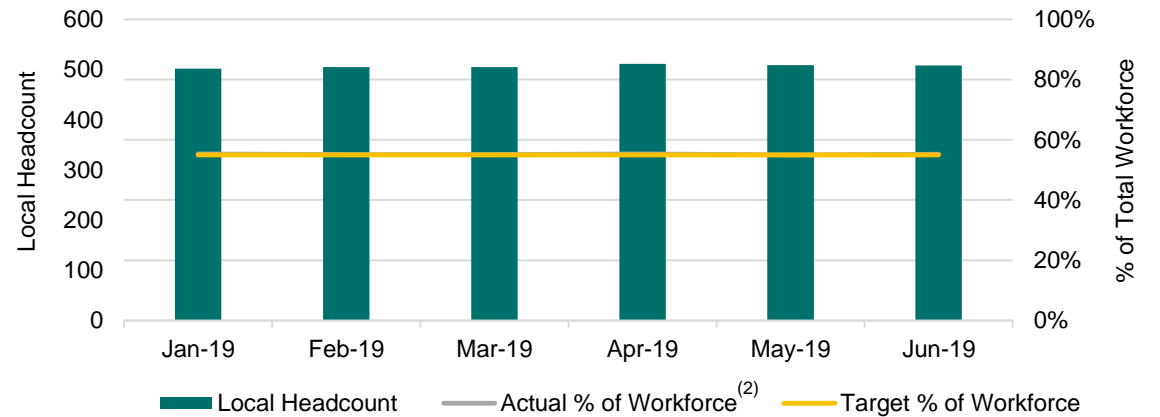


# Key employment metrics closely monitored

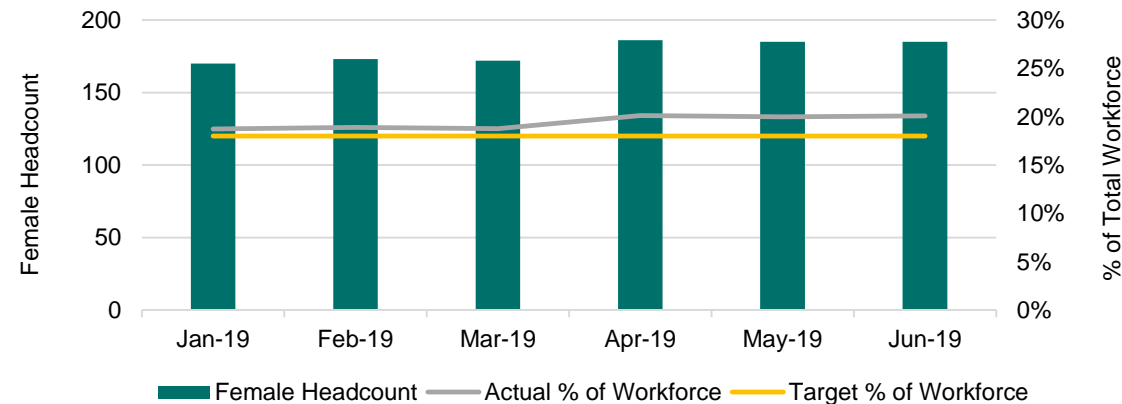
## Balama Graphite Operation and Contractor Headcount



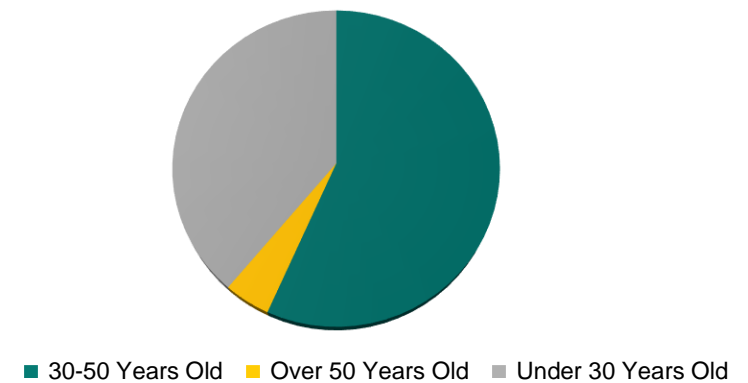
## Local (Host Community) Employment



## Female Representation at Balama



## Age Distribution as at 30 June 2019 (3)



(1) Slight peak in contractor headcount due to TSF works commencing in June  
 (2) Local Employment on target at 55%  
 (3) In 2016 the World Health Organization reported the average life expectancy in Mozambique to be ~60 years

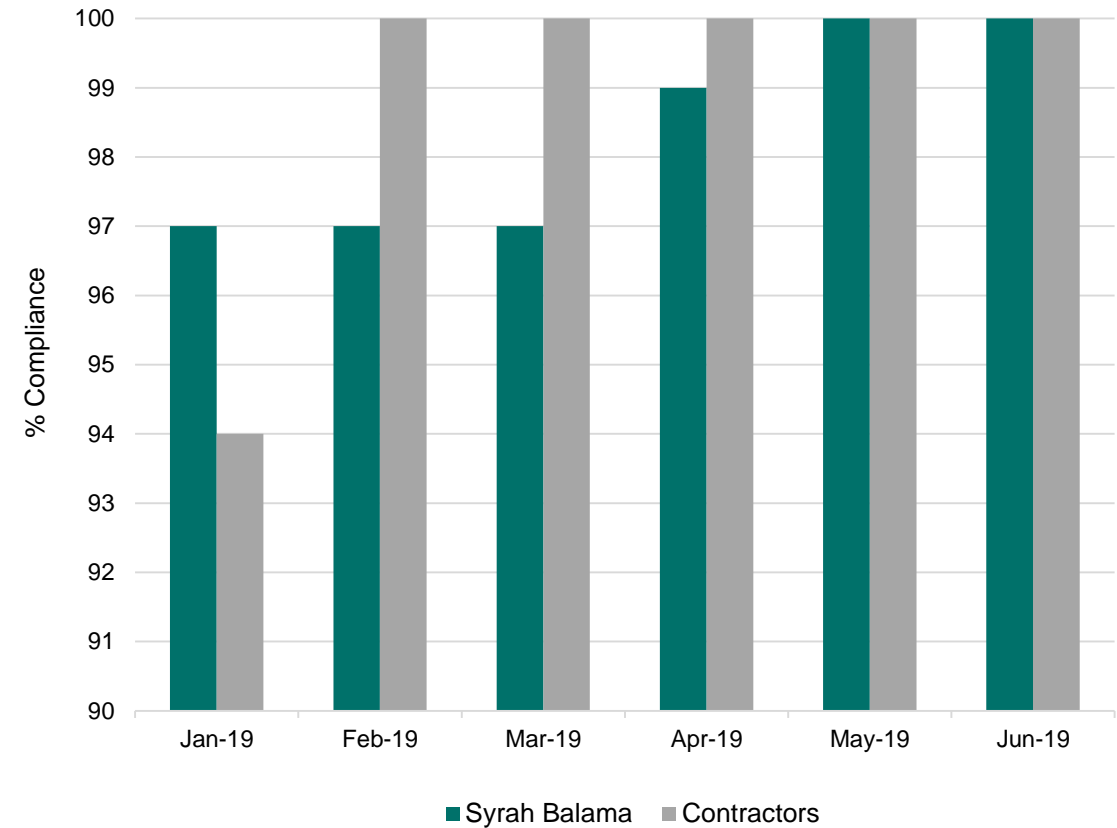
# Training in Mandatory Competencies remains a key focus at Balama

## Training Compliance

- Mandatory Training units of competency at the Balama Graphite Operation are Business Conduct Training<sup>(1)</sup>, Critical Hazard Management Standards, General Induction, Occupational Exposures, Risk & Hazard Management, Fatigue Management, Human Rights and In-field Visible Leadership
- Syrah compliance with mandatory training reached 100% in Q2 following targeted efforts to increase In-Field Visible Leadership training compliance
- Contractor compliance with mandatory training maintained at 100%



**Mandatory Training Total Compliance - Syrah & Contractors**

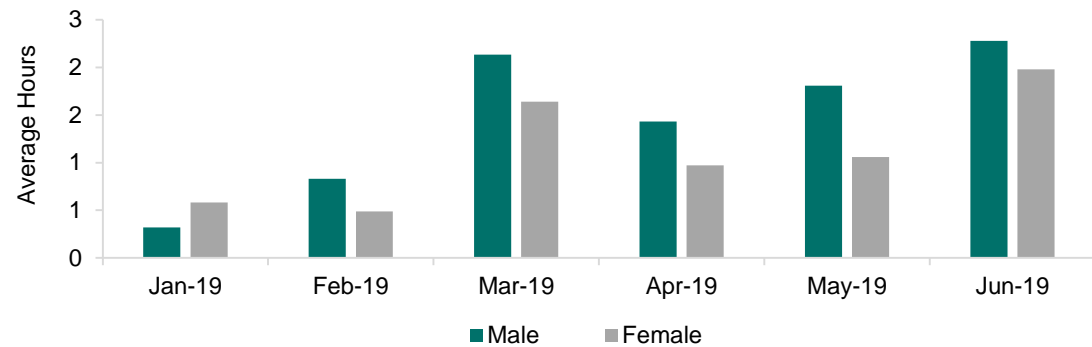


(1) Business Conduct Training includes Anti Bribery and Corruption, Whistleblower Policy, Code of Conduct, Workplace Behaviour Policy, Diversity & Inclusion, IT Policy, Social Media Policy and the Employee Assistance Program

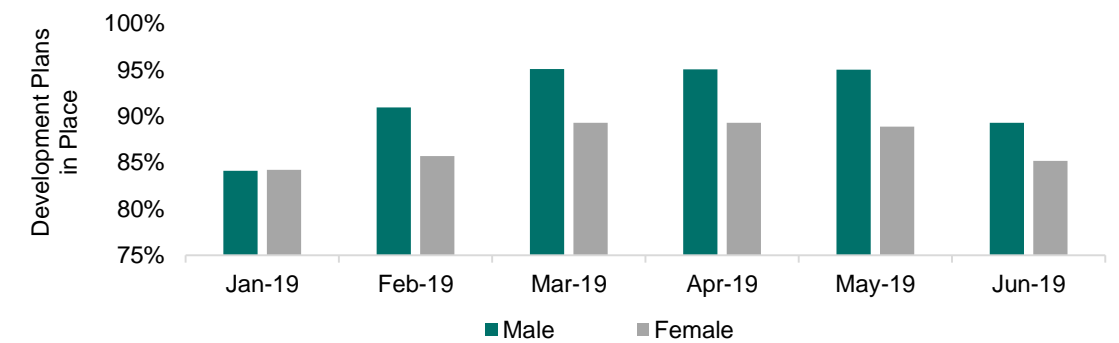


# Balama Training and Development

Average Training Hours (1)



Target Group Receiving Regular Performance and Career Development Reviews (2)



Emergency response firefighting training



Rescue at heights training (with body dummy)

(1) Variation in monthly training hours between males and females attributable to role specific / targeted training requirements & differing gender ratios across role categories

(2) Strategy in place to ensure that Development Plans are completed for all females within the target group by 16 August 2019 in line with Syrah's Work Performance System

