

Q1 2019 Quarterly Sustainability Update

1 May 2019



Important notice and 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.



Contents

| Торіс | Page(s) |
|-----------------------------------|---------|
| Q1 2019 Sustainability Highlights | 3 |
| Sustainable Development Strategy | 4 |
| Asset Level Governance Structures | 5 |
| Health, Safety & Security | 6 - 9 |
| Environment | 10 - 14 |
| Community & Stakeholders | 15 - 20 |
| People | 21 - 26 |



Agricultural training in Host Communities



Q1 2019 Sustainability Highlights

Health, Safety and Environment

- Strong safety record with TRIFR per million hours worked of 0.6 at quarter end
- Malaria Screening Program continued with 3,050 employees and contractors checked with 295 malaria cases treated and averted
- Environmental Monitoring Program continued in line with over 200 licence conditions and zero significant environmental incidents
- A review the Company's Environmental Social Management Plan & Monitoring Program is underway in preparation for the Environmental Licence renewal in 2020
- Review of the Balama TSF over past 12 months for potential transition from wet deposition to dry stacking as part of Syrah's TSF Governance Framework

People and Community

- As at the end of the quarter 96% of Balama's direct employees are Mozambican nationals with 55% from the local Host Communities and ~18% female
- Training for 30 students from Host Communities commenced at the Balama Professional Training Centre in work readiness, health promotion and basic mechanical / electrical disciplines
- Company and Employee donations and direct assistance arranged for the Mozambique Red Cross Appeal to support Cyclone Idai recovery efforts which impacted the city of Beira in the Sofala Province of Central Mozambique in March



Acknowledgement and celebration of Mozambican Women's Day and workplace diversity at Balama

Balama Professional Training Centre students



Syrah's Sustainable Development Strategy continues to evolve



- Syrah's Sustainable Development Strategy prioritises health & safety and reaffirms the Company's commitment to environmental responsibility and partnering with the community and other stakeholders. Syrah continues to manage its key material sustainability risks & opportunities as a key enabler to this strategy
- The Balama Graphite Operation maintains leading practice health, safety & environmental systems in accordance with its ISO 14001:2015 & OHSAS 18001:2007 accreditation
- Syrah engages with its Host Communities to ensure mutual benefit is sustained through its local employment, local development, agricultural and other programs
- Internal lead indicators / targets continue to drive leading practice with monthly reporting providing good visibility & governance across all Sustainability areas
- Syrah continues to strengthen its organisational culture and the performance of its people through in-field visible leadership, training, regular communication and engagement
- A robust corporate governance framework has been established to enhance the Company's performance and overall shareholder value⁽¹⁾
- Asset level sustainability governance structures have been established and directly underpin Syrah's corporate governance framework
- Group Sustainability performance is periodically reviewed by the Sustainability Committee of the Board



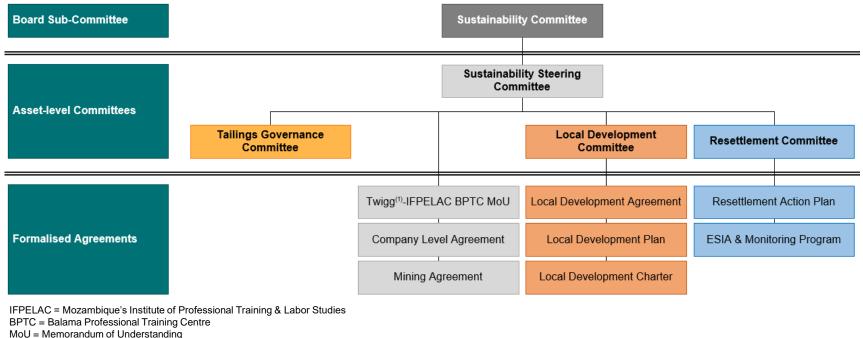




4

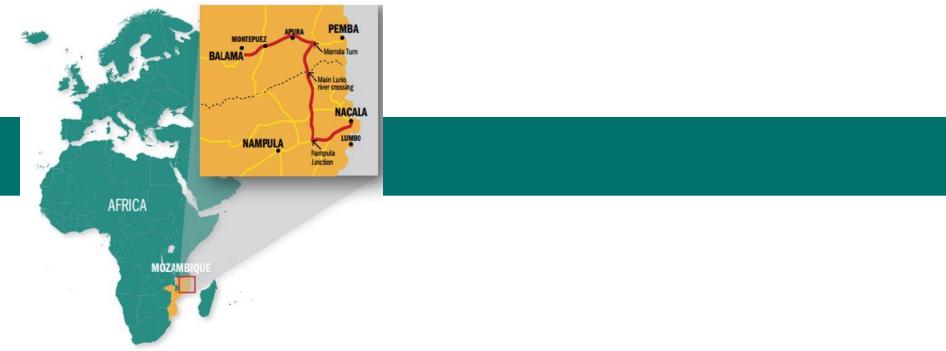
Asset level governance structures drive continual improvement & compliance

- Syrah continues to drive management oversight across all priority areas via robust Asset level governance structures and associated working committees
- Working committees consist of key management personnel, technical experts and, on some occasions, Host Community representatives & government stakeholders
- A strong focus of these committees is to drive continual improvement across priority areas and ensure compliance with key licence / regulatory requirements
- Working committee progress / key developments are reported regularly to Provincial & Central stakeholders and to the sub-committees of the Syrah Board





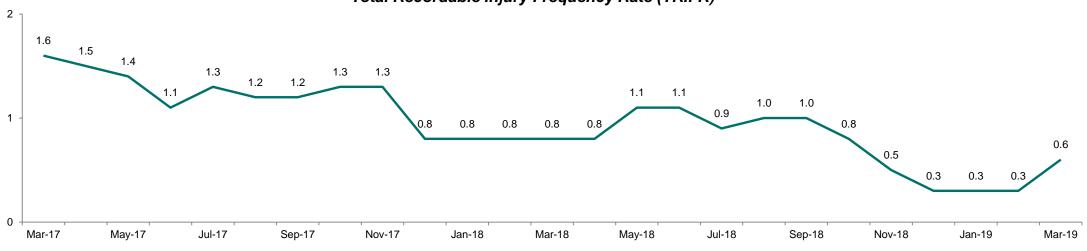




Health, Safety & Security



Safety Performance at Balama



Total Recordable Injury Frequency Rate (TRIFR)

Note: TRIFR based on 12 month moving average

- TRIFR increase due to one Recordable Injury in March 2019
- Mandatory Training⁽¹⁾ compliance remains a top priority for Syrah and Contractors

(1) Mandatory Training units of competency: Business Conduct Training, Critical Hazard Management Standards, General Induction, Occupational Exposures, Risk & Hazard Management, Fatigue Management, Human Rights and In-field Leadership. Refer to slide 24 for further details.





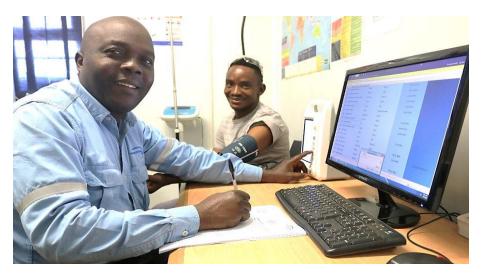
2019 Balama Health Program

Strategy

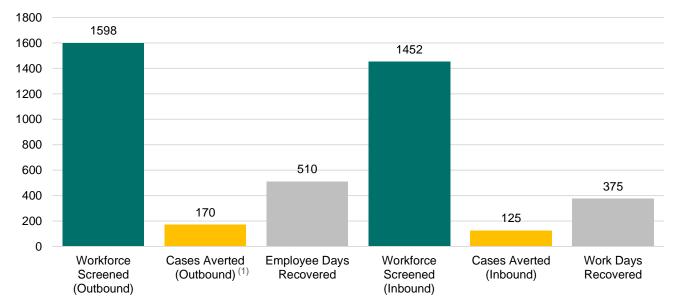
- The purpose of the Balama Health Program (BHP) is to improve workforce & community health outcomes in partnership with key stakeholders
- The BHP is underpinned by the Syrah's broader health and safety management systems and incorporates employees, contractors and members of Syrah's Host Communities
- The BHP has been developed based on recommendations identified in the Malaria Consultants Report (2018), the Socio-economic Health Survey (2017), the Local Development Agreement (2016) and the Health Impact Assessment (2013)
- The BHP includes training and awareness on physical, mental and community health & wellness and disease mitigation
- This program, in part, addresses the Balama Graphite Operation's material health risks including (but not limited to) malaria, HIV/AIDS, tuberculosis, cholera, psychosocial wellness and occupational exposures

Program Delivery

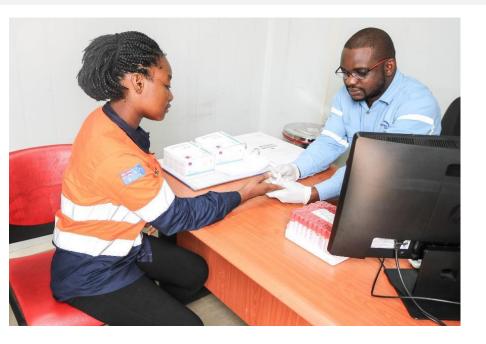
- Stakeholder Engagement ongoing engagement with relevant government, community & other stakeholders to ensure alignment with the national health agenda and the needs of the local community
- Education & Awareness delivery of education / awareness packages for Syrah employees, contractors and Host Communities
- Programs social activities & engagement programs for camp residents to mitigate psychosocial hazards associated with working remotely
- Health Fairs participation inside and outside of the Balama Graphite Operation as a means of raising awareness and increasing knowledge of health risks
- Ongoing reporting and monitoring to ensure BHP effectiveness and relevance



Rapid Diagnostic Testing critical to malaria mitigation efforts



Malaria Screening Program Results – Q1 2019



- Rapid Diagnostic Tests used to detect camp residents who have contracted malaria but are not yet presenting with symptoms
- The program involves blanket testing of all employees residing in camp on their immediate return from, or imminent departure to, their Rostered Leave Period
- Work Days Recovered is calculated on the number of inbound cases averted multiplied by three days lost time
- The variance between outbound and inbound screening numbers can be attributed to expatriates returning from malaria free countries who do not require inbound screening
- The program is proving effective with 3,050 employees and contractors screened, 295 malaria cases averted and 375 work days recovered during the quarter

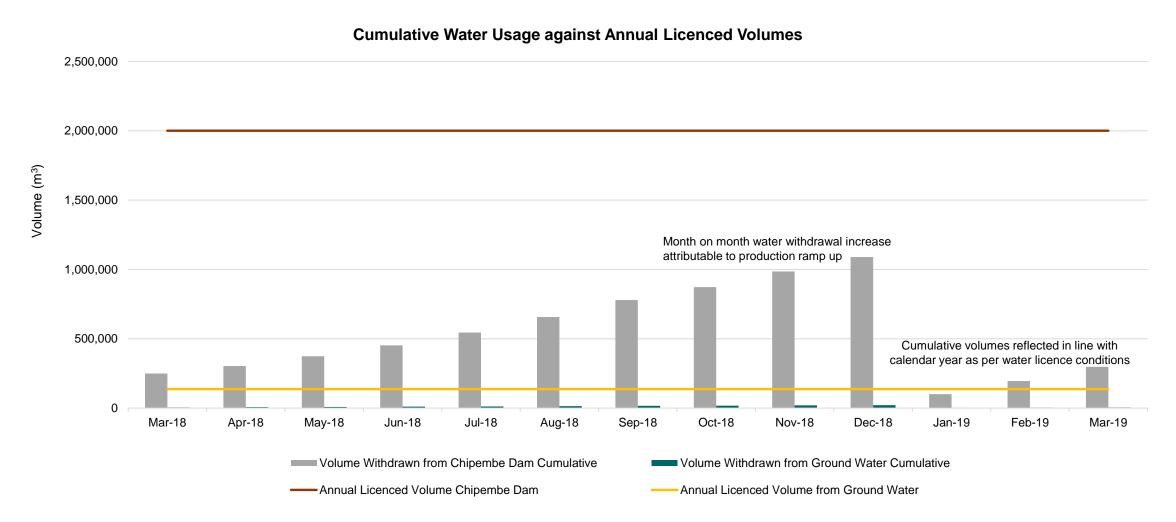


9

Environment



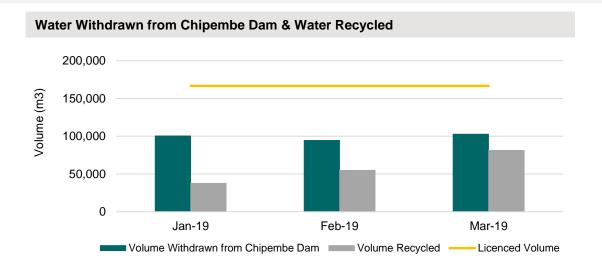
Water consumption well below annual licenced volumes

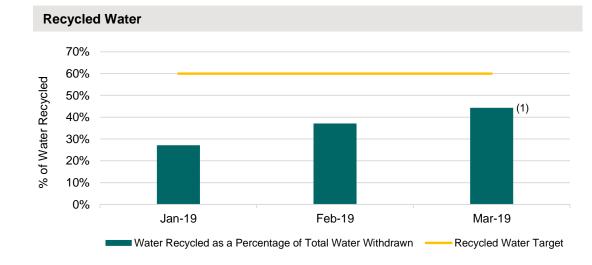




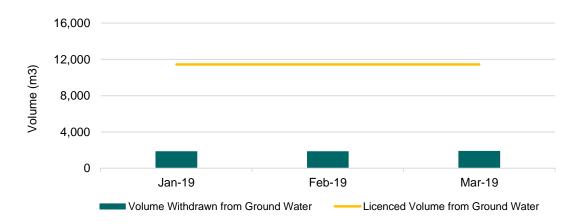
11

Water source management closely monitored

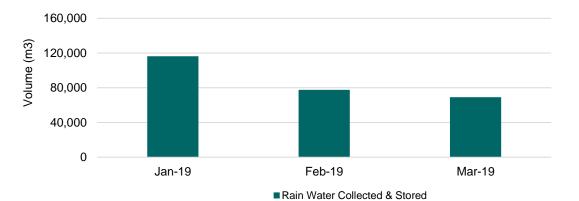




Total Volume Withdrawn from Ground Water



Rain Water Recovered



SYRAH RESOURCES

12

Tailings Management

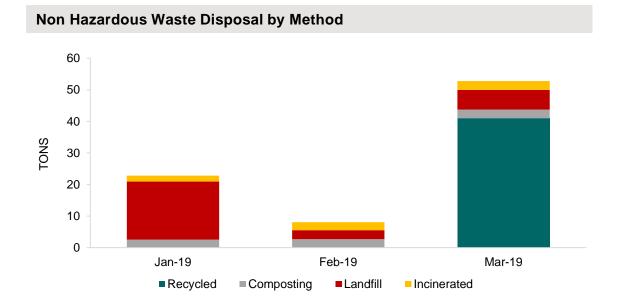
Tailing Storage Facility Governance Committee

- A Tailing Storage Facility (TSF) Governance Committee has been established consisting of key management and technical specialist personnel
- The TSF Governance Committee oversee the management of the TSF in line with Mozambique regulatory / licencing requirements and leading practice
- A TSF Governance Framework is currently being developed in accordance with the International Council of Mining & Metals (ICMM) guidelines and recommendations
- TSF asset level accountability assigned to qualified, trained and competent professionals across operations, processing and hydrogeological engineering disciplines
- Environmental monitoring of TSF infrastructure in place with robust baseline data obtained and zero significant incidents recorded



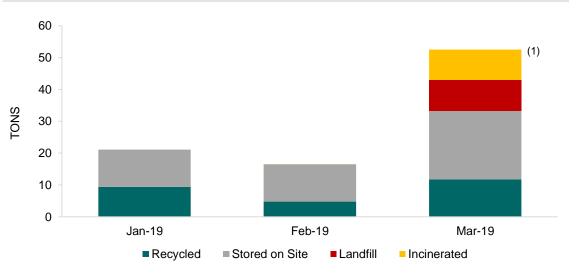


Waste Management



- Recycled non hazardous wastes refers to scrap metal taken off-site by a licenced ٠ company for reclaim and materials reused or offered to local communities
- Recommendations implemented to maximise the reuse and recycling of non-٠ hazardous waste produced on site

Hazardous Waste Disposal by Method



- · 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



96% Mozambican employment

Balama Professional Training Centre

Training provided in Host Communities to maintain water boreholes



Agriculture training with local farmers





Cyclone Idai

Impacts of Cyclone Idai (1)

- Tropical Cyclone Idai made landfall in central Mozambique on 15 March 2019 and is now considered one of the worst natural disasters to ever affect Africa and the Southern Hemisphere given the magnitude of its destruction
- Although Syrah's operations have not been directly impacted by the cyclone, the destruction has been catastrophic across Mozambique, Zimbabwe and Malawi with over 1,000 people dead & still more than 77,000 people displaced
- At least seven districts of Mozambique's Sofala Province continue to face total or partial access restrictions to electricity and diseases such as cholera & malaria pose a serious risk to affected communities



Devastation to homes and entire communities caused by Cyclone Idai

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 a donation to the Mozambique Red Cross in support of cyclone relief efforts following the establishment of a Memorandum of Understanding
 - Financial assistance provided to Syrah employees directly affected by the cyclone
 - Non-financial donations of clothing and non-perishable food items collected and sent to Sofala Province
 - Professional psychologist and counselling services made available to all employees, contractors & their immediate families via Syrah's well established Employee Assistance Program (EAP)





Local Development Programs

Livelihood Development Program (LDP)

- Members of Syrah's Host Communities have now been trained in grain storage unit construction so that they have the skills to build their own storage units and train other members of the community, ultimately resulting in improved food security
- Phase II of the LDP has commenced with training and education involving land cultivation, improved sowing techniques, pest / disease management and post-harvest strategies
- The LDP is an ongoing program that engenders Host Community and stakeholder engagement and which aims to provide formal agricultural development opportunities to Project Affected Farmers

Balama Professional Training Centre (BPTC)

- The BPTC curriculum was developed by Syrah in partnership with Mozambique's Institute of Professional Training & Labour Studies (IFPELAC)
- BPTC students are sourced almost exclusively from the Host Communities and are selected by the BPTC Management Committee
- The first 30 students of the BPTC completed Work Readiness and Health Promotion training modules and progressed to electrical & mechanical practical sessions
- Prior to the establishment of the BPTC, formal training opportunities for members of the local community were limited
- The inauguration of the BPTC is planned for May 2019



and training

Finished grain storage unit built in Host Community



Engagement with Project Affected Farmers to commence Phase II of the LDP



Pre-start HSE toolbox meeting at the BPTC



Community engagement is integral to establishing mutual benefit

Community Sewing Association

- A new building has been constructed at the BPTC to accommodate the community Sewing Association, which is made up of members of the local community and was formed with support from the Local Development Committee
- The Sewing Association has started making sampling bags for the Balama Graphite Operation and will soon start exploring other opportunities that promote self-sufficiency & income generation such as BPTC uniforms & linen
- The long term purpose of the Sewing Association is to equip vulnerable members of the community with the skills and business acumen to generate wider business in the community as a source of income & sustainable living

Ongoing monitoring & maintenance of new water boreholes

- In 2018 Syrah drilled 17 groundwater boreholes in neighbouring villages to provide the community with stable access to clean drinking water
- During the quarter, technical training was provided by the Company to the local communities on the proper care and maintenance of the boreholes to enable community members to repair basic mechanical issues that may arise
- The communities were also provided with tool kits and spare parts, with ongoing training / re-training planned throughout the year to ensure the correct use and longevity of the groundwater boreholes



New building constructed for the community Sewing Association



Sampling bags being sewn for the Balama Graphite Operation



Ongoing training provided to local communities to ensure the long-term viability of the boreholes



Stakeholder & institutional relations continue to strengthen

Key Developments

- All material stakeholder engagements / interactions continue to be reported monthly to the Executive Committee
- Company appointment of a Mozambican General Manager Institutional Relations & Corporate Services with extensive experience in stakeholder engagement
- Mozambique Stakeholder Engagement Plan broadened to include key logistics, finance, tax, mining & other stakeholders indicative of maturing incountry relationships
- Key engagements occurred with community, government and other stakeholders at the district, provincial and central levels of Mozambique during the quarter



"Mine Open House" events continuing monthly with community members & other stakeholders



People



Diversity & Inclusion Performance

• Progress against gender diversity targets is monitored monthly:

| Strategy Area | Key Performance Indicator | 2018 | | 2019 | | 2020 |
|---------------------------------------|--|-----------|-----------------------|-----------|-----------------------|-----------|
| | | Target | Actual (31 Dec 18) | Target | Actual (31 Mar 19) | Target |
| Board Gender Diversity | Average representation of women on the Board of Directors of the Company | 20% | 33.3% | 25% | 20.0%(1) | 30% |
| Corporate Gender Diversity | Average representation of women across Corporate business divisions | 50% ± 10% | 44.7% | 50% ± 10% | 55.6% | 50% ± 10% |
| Twigg ⁽²⁾ Gender Diversity | Average representation of women across Twigg | 15% | 18.7% | 18% | 18.8% | 20% |
| Business Conduct Training | Percentage of workforce who have undertaken Business Conduct Training on commencement & biennially thereafter | 100% | 99.6% | 100% | 100% | 100% |



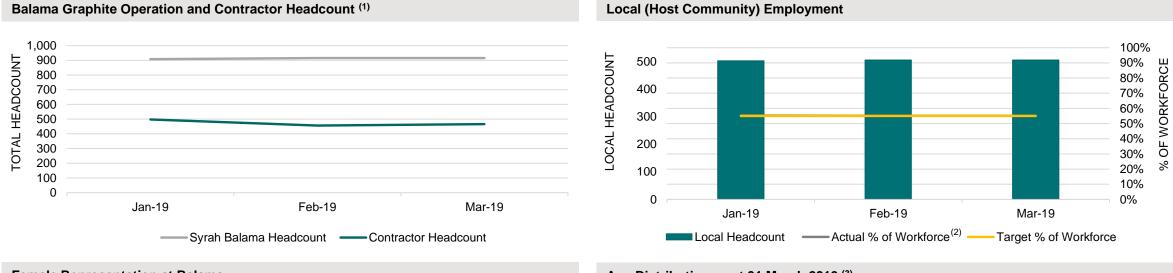
(1) One of Syrah's Directors resigned on 25 March 2019 (see <u>Board Change</u>). Syrah is in the process of recruiting at least one additional Independent Director to the Board

(2) Twigg Exploration and Mining Limitada is Syrah's wholly owned subsidiary operating the Balama Graphite Operation in Mozambique

(3) Link to <u>Syrah's Diversity & Inclusion Policy</u>

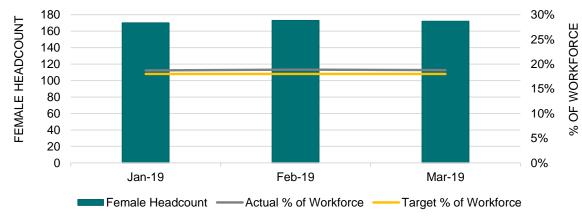


Key employment metrics closely monitored

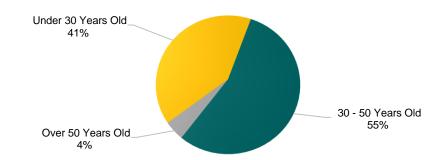


Balama Graphite Operation and Contractor Headcount ⁽¹⁾





Age Distribution as at 31 March 2019⁽³⁾





Headcount numbers expected to remain stable throughout 2019 (1)

Local Employment on target at 55% (2)

(3) In 2016 the World Health Organization reported the average life expectancy in Mozambigue to be ~60 years

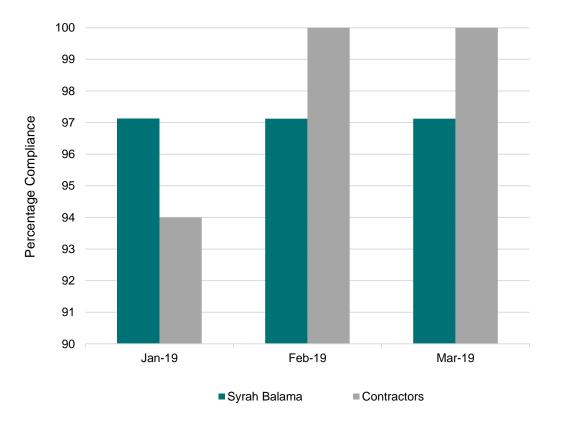
Balama Graphite Operation Mandatory Training

Training Compliance

- 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
- Syrah Balama compliance with mandatory training at 97% due to an increase in employees requiring In-Field Visible Leadership training. Plans are in place to increase compliance to 100% in Q2 2019
- Contractor compliance with mandatory training requirements reached 100% in Q1 2019



Mandatory Training Total Compliance – Syrah & Contractors

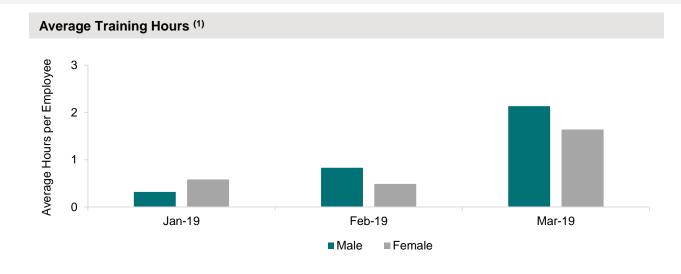


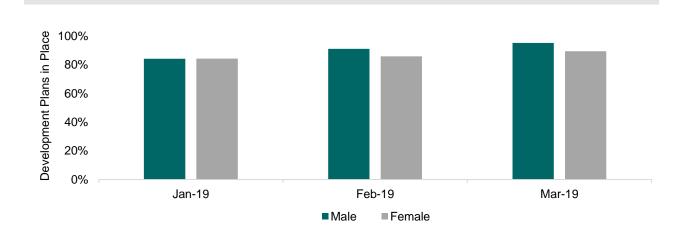
SYRAH RESOURCES

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

Balama Training and Development

Target Group Receiving Regular Performance and Career Development Reviews











Balama Graduate Development Program

Graduate Development Program

- Syrah has partnered with the Polytechnic Institute for Higher Education in Tete (Instituto Politécnico Superior de Tete) to establish Balama's first Graduate Development Program
- The Graduate Development Program aims to provide a structured opportunity for Mozambican graduates to learn and develop through practical training and hands on experience
- A recruitment fair was held at the Polytechnic Institute in Tete with 78 graduates registering their interest across Mineral Processing, Geology, Mining Engineering and Geological Engineering disciplines
- Four candidates have been selected to participate in the 12 month Graduate Development Program and have commenced their work experience at the Balama Graphite Operation in Geology and Process Engineering
- The Graduate Development Program is a key enabler of Balama's localisation and succession planning strategy



Graduates selected for the Balama Graduate Development Program

