



**SYRAH** RESOURCES

**Syrah Resources Limited**  
**ABN 77 125 242 284**

**INTERIM REPORT**  
**for the half-year ended 30 June 2023**

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## **DIRECTORS' REPORT**

The Directors present their report on the Syrah Resources Limited Group (“Syrah”, “the Group” or “the consolidated entity”), consisting of Syrah Resources Limited (“the Company”) and the entities it controlled at the end of, or during, the half-year ended 30 June 2023. This interim report is presented in United States Dollars (USD) unless otherwise stated.

### **Directors**

The following persons were Directors of the Company during the whole of the half-year period and up to the date of this report, unless otherwise stated:

James Askew	Non-Executive Chairman
Shaun Verner	Managing Director
José Manuel Caldeira	Non-Executive Director
Lisa Bahash	Non-Executive Director
Sara Watts	Non-Executive Director
John Beevers	Non-Executive Director

### **Principal activities**

The principal continuing activities of the consolidated entity consisted of:

- Production of natural graphite products from and planned maintenance of the Balama Graphite Operation (“Balama”) in Mozambique;
- Sales of natural graphite and ongoing development of logistics, sales and marketing arrangements with targeted customers;
- Continued development of the use of graphite from Balama as an input into the production of anode material and industrial products;
- Operation and expansion of the Vidalia Active Anode Material (AAM) facility including operation of a qualification facility, construction of the Vidalia Initial Expansion project and evaluation of the Vidalia Further Expansion project; and
- Engagement with target customers for Vidalia AAM, through provision of Vidalia AAM samples, testing and qualification processes and commercial negotiation.

## **REVIEW OF OPERATIONS**

### **Business update**

During the interim financial period, Balama production and sales decreased compared with the prior corresponding period. Sales and shipments to Chinese anode customers were lower than the prior corresponding period due to unanticipated demand and supply imbalances through early 2023, driven by downstream spherical graphite demand, anode material inventory, and competing domestic natural graphite production. During operating campaigns undertaken in the interim financial period, Balama production was constrained by finished product inventory positions and lower Chinese demand. Continuing volatile Chinese anode market conditions and excess availability of finished product inventory led to lower demand for natural graphite from Balama and a decision to pause Balama plant operations, resulting in no production in May and June 2023. This decision was made to allow for downstream inventory consumption to occur and natural graphite demand conditions to improve. Through the interim financial period Balama produced approximately 56,300 tonnes (H1 2022: 89,800 tonnes) and sold and shipped approximately 44,700 tonnes (H1 2022: 79,300 tonnes) to 3rd party customers. In addition, approximately 2,200 tonnes were shipped from Balama to Vidalia through the interim financial period. Construction of a 11.25 MWp solar photovoltaic installation combined with an 8.5 MW/MWh battery energy storage system at Balama was completed.

The Company made strong progress towards becoming a vertically integrated natural graphite AAM supply alternative for USA and European battery supply chain participants and OEM customers via the development of a large-scale AAM facility at Vidalia. Construction of Vidalia's initial expansion to 11,250 tonnes per annum AAM production capacity ("Vidalia Initial Expansion") progressed significantly. Varied project workstreams for the Vidalia Initial Expansion project were completed or undertaken through the interim financial period. Detailed engineering was completed with Worley Group and all major equipment was fabricated and delivered to the Vidalia site. Structural steel erection and mechanical equipment installation were well progressed, and piping and electrical & instrumentation work proceeded at high intensity across all areas of the facility. Operational readiness activities for the 11,250 tonnes per annum AAM facility to move from commissioning to operations including recruitment of employees at Vidalia were also progressed. The Company is advancing qualification processes with target customers in addition to product and process development at Vidalia. A definitive feasibility study on the expansion of Vidalia's production capacity to at least 45,000 tonnes per annum AAM, inclusive of 11,250 tonnes per annum AAM, was completed and approved by the Syrah Board. During the interim financial period, approximately \$65 million was advanced to Syrah Technologies, LLC, Syrah's wholly owned subsidiary from the US Department of Energy ("DoE") loan to support the financing of the Vidalia Initial Expansion project.

### **Statement of comprehensive income**

The loss for the consolidated entity after income tax amounted to \$38.6 million during the interim financial period ended 30 June 2023 (2022: \$9.9 million loss).

Revenue reported for the interim financial period comprised sales of natural graphite products of \$28.4 million (2022: \$49.7 million).

Cost of sales reported for the interim financial period was \$40.8 million (2022: \$40.6 million), mainly comprised of mining and production costs of \$36.7 million (2022: \$34.8 million), logistics costs of \$8.1 million (2022: \$9.0 million), depreciation and amortisation expense relating to Balama of \$5.5 million (2022: \$5.2 million), offset by changes in inventories of -\$10.0 million (2022: -\$9.6 million).

Distribution costs were \$9.9 million (2022: \$16.5 million), of which \$8.3 million (2022: \$15.4 million) were shipping costs.

Administrative expenses were \$7.1 million (2022: \$5.0 million), of which \$5.3 million (2022: \$3.4 million) related to employee benefits.

Write-down of product inventories due to valuation of inventories at the lower of cost or net realisable value were \$4.4 million (2022: \$2.1 million).

Other income of \$0.1 million (2022: \$8.0 million) principally due to unrealised foreign exchange gain on revaluation of United States Dollar Cash and Cash Equivalent balance.

Net finance expenses were \$4.0 million (2022: \$3.1 million), of which \$3.5 million (2022: \$2.8 million) related to interest incurred on the Convertible Notes.

The total comprehensive loss was \$37.1 million (2022: \$15.1 million) and included a non-cash gain of \$1.5 million (2022: loss of \$5.2 million) from the translation of the holding company's financial statements from Australian dollars (AUD) to United States dollars (USD) presentation currency during the interim financial period.

### **Statement of financial position**

Total assets of the consolidated entity as at 30 June 2023 were \$651.2 million (31 December 2022: \$570.0 million).

The consolidated entity's Cash and Cash Equivalents as at 30 June 2023 were \$102.4 million (31 December 2022: \$90.4 million) and working capital, being Current Assets less Current Liabilities, was \$106.5 million (31 December 2022: \$58.1 million). The net increase in Cash and Cash Equivalents and working capital is a result of the net proceeds received from the issuance of the unsecured convertible

note to AustralianSuper and the drawdown of the US Department of Energy loan facility (DoE Loan), offset by operating cash outflow from the Balama operation and the ongoing development of the Vidalia Initial Expansion project.

Current Trade and Other Receivables were at \$10.1 million as at 30 June 2023 (31 December 2022: \$20.9 million) with a decrease in Trade Receivables to \$5.5 million as at 30 June 2023 (31 December 2022: \$12.2 million) and a decrease in Prepayments to \$4.4 million (31 December 2022: \$8.0 million).

Inventories were higher at \$33.9 million as at 30 June 2023 (31 December 2022: \$25.2 million) as a result of lower demand during the first half of 2023.

Property, Plant and Equipment as at 30 June 2023 was \$355.2 million (31 December 2022: \$274.5 million), mainly due to capital expenditure for Balama Tailing Storage Facility Cell 2 and the capitalisation of costs associated with the Vidalia Initial Expansion project, offset by depreciation of the assets during the interim financial period.

Mining Assets decreased during the interim financial period to \$119.5 million as at 30 June 2023 (31 December 2022: \$119.9 million) mainly due to amortisation on Mining Assets of \$1.6 million offset by additions to date of \$1.2 million.

Non-Current Trade and Other Receivables decreased during the interim financial period to \$3.1 million as at 30 June 2023 (31 December 2022: \$10.3 million) with the balance principally comprising Input Tax Credits (Value Added Tax) paid in Mozambique. The provision for impairment of Input Tax Credits remains at \$0.4 million (31 December 2022: \$0.4 million). The Group continues to engage with relevant authorities in Mozambique to progress the Input Tax Credit recovery process. The decrease in the overall balance is mainly due to the \$8.5 million refund of the environment guarantee security deposit placed in favour of the Ministry of Mineral Resources and Energy in Mozambique.

The consolidated entity had total liabilities of \$247.7 million as at 30 June 2023 (31 December 2022: \$131.8 million), which included Trade and Other Payables of \$39.5 million (31 December 2022: \$27.3 million); a provision for decommissioning and rehabilitation of Balama of \$5.5 million (31 December 2022: \$5.3 million); a provision for Balama community development of \$7.1 million (31 December 2022: \$7.3 million); Non-Current Borrowings for Convertible Notes and DoE loan of \$172.6 million (31 December 2022: \$70.9 million) and Lease Liabilities of \$15.4 million (31 December 2022: \$14.6 million).

Total equity of the consolidated entity as at 30 June 2023 was \$403.5 million (31 December 2022: \$438.2 million), with the decrease mainly attributable to a net comprehensive loss for the period of \$37.2 million offset by share-based payment arrangements during the interim financial period of \$2.4 million.

## **Statement of cash flows**

### *Cash flow from operating activities*

Net cash outflow from operating activities during the interim financial period ended 30 June 2023 was \$25.2 million (2022: \$22.8 million) and principally consisted of receipts from the sale of natural graphite products, offset by payments relating to expenses from operating Balama, as well as corporate office, compliance and other employee benefits expenses.

### *Cash flow from investing activities*

Net cash outflow from investing activities during the interim financial period ended 30 June 2023 was \$61.9 million (2022: \$35.6 million) and principally consisted of payments for development of the Vidalia Initial Expansion project and capital expenditure for Balama Tailing Storage Facility Cell 2.

### *Cash flow from financing activities*

Net cash inflow from financing activities during the interim financial period ended 30 June 2023 was \$97.5 million (2022: net cash inflow \$174.0 million) principally consisted of net proceeds received from issuance of a convertible note to AustralianSuper and the drawdown of the DoE loan.

### **Significant changes in state of affairs**

There were no significant changes in the nature of activities or state of affairs of the consolidated entity during the half-year period other than those included in the review of operations.

### **Matters subsequent to the end of the interim financial period**

On 28 July 2023, shareholders approved the issuance of the new AustralianSuper convertible notes as required by ASX Listing Rules and conversion of all series of the new and existing AustralianSuper convertible notes under item 7 of section 611 of the Corporations Act (together the "Shareholder Resolutions"), and the second A\$50 million series of the new convertible notes ("Series 5 Note") was issued on 11 August 2023.

Subsequent to period end Syrah announced that the total installed capital cost estimate for the Vidalia Initial Expansion Project was revised from \$180 million (with risk to \$186 million) to \$190 million and the start of production scheduled for fourth quarter of 2023, from third quarter 2023, with resulting impacts on planned production, sales and revenue profiles.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

### **Rounding of amounts**

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the "rounding off" of amounts in the Directors' Report and the Condensed Consolidated Financial Statements. Amounts in the Directors' Report and the Condensed Consolidated Financial Statements have been rounded off in accordance with this Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



Shaun Verner  
Managing Director

Melbourne, Australia  
11 September 2023



## Auditor's Independence Declaration

As lead auditor for the review of Syrah Resources Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Syrah Resources Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Gargett', written in a cursive style.

Ben Gargett  
Partner  
PricewaterhouseCoopers

Melbourne  
11 September 2023

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*Pricewaterhouse Coopers, ABN 52 780 433 757  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	NOTES	30 JUNE 2023 US\$'000	30 JUNE 2022 US\$'000
<b>Revenue from continuing operations</b>			
Revenue	3	28,388	49,729
Cost of sales	4	(40,837)	(40,648)
<b>Gross profit / (loss)</b>		(12,449)	9,081
Distribution costs	5	(9,898)	(16,519)
Administrative expenses	6	(7,095)	(5,040)
Other income / (expenses)		130	8,045
Write-down of inventories		(4,446)	(2,137)
<b>Profit / (loss) before net finance income and income tax</b>		(33,758)	(6,570)
Finance income		934	505
Finance expenses		(4,972)	(3,615)
<b>Net finance income / (expense)</b>		(4,038)	(3,110)
<b>Profit / (loss) before income tax</b>		(37,796)	(9,680)
Income tax benefit / (expense)	7	(806)	(239)
<b>Loss after income tax for the half-year</b>		(38,602)	(9,919)
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified subsequently to the profit or loss</i>			
Exchange differences on translation of foreign subsidiaries	10(b)	1,503	(5,177)
Other comprehensive income/(loss) for the period, net of tax		1,503	(5,177)
<b>Total comprehensive income / (loss) for the period</b>		(37,099)	(15,096)
<b>Total comprehensive income / (loss) for the period attributable to:</b>			
- Equity holders of Syrah Resources Limited		(35,689)	(14,476)
- Non-controlling interest		(1,410)	(620)
		(37,099)	(15,096)
<b>Loss per share for loss attributable to the owners of Syrah Resources Limited:</b>			
Basic loss per share		(5.31)	(2.33)
Diluted loss per share		(5.31)	(2.33)

*The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

	NOTES	30 JUNE 2023 US\$'000	31 DECEMBER 2022 US\$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8(a)	100,638	90,376
Trade and other receivables	8(b)	10,065	20,918
Inventories	9(a)	33,917	25,194
<b>Total current assets</b>		<b>144,620</b>	<b>136,488</b>
<b>Non-current assets</b>			
Trade and other receivables	8(b)	3,087	10,252
Property, plant and equipment	9(c)	355,240	274,456
Mining assets	9(b)	119,530	119,869
Intangible assets		35	44
Deferred tax assets	9(d)	28,688	28,861
<b>Total non-current assets</b>		<b>506,580</b>	<b>433,482</b>
<b>Total assets</b>		<b>651,200</b>	<b>569,970</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8(c)	37,907	25,671
Lease liabilities	8(d)	1,479	2,007
Provisions	9(e)	2,849	2,302
<b>Total current liabilities</b>		<b>42,235</b>	<b>29,980</b>
<b>Non-current liabilities</b>			
Trade and other payables	8(c)	1,636	1,588
Borrowings	8(e)	172,553	70,925
Lease liabilities	8(d)	13,959	12,641
Deferred tax liabilities	9(d)	4,591	3,958
Provisions	9(e)	12,759	12,701
<b>Total non-current liabilities</b>		<b>205,498</b>	<b>101,813</b>
<b>Total liabilities</b>		<b>247,733</b>	<b>131,793</b>
<b>Net assets</b>		<b>403,467</b>	<b>438,177</b>
<b>Equity</b>			
Issued capital	10(a)	798,132	795,975
Reserves	10(b)	(17,336)	(19,055)
Accumulated losses		(378,271)	(341,095)
Non-controlling interest	10(c)	942	2,352
<b>Total equity</b>		<b>403,467</b>	<b>438,177</b>

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR HALF-YEAR ENDED 30 JUNE 2023**

	CONTRIBUTED EQUITY US\$'000	ACCUMULATED LOSSES US\$'000	NON- CONTROLLING INTEREST US\$'000	RESERVE US\$'000	TOTAL EQUITY US\$'000
<b>Balance at 1 January 2023</b>	<b>795,975</b>	<b>(341,095)</b>	<b>2,352</b>	<b>(19,055)</b>	<b>438,177</b>
Loss after income tax expense for the period attributable to owners of					
- Syrah Resources Limited	-	(37,192)	-	-	(37,192)
- Non-controlling interest	-	-	(1,410)	-	(1,410)
Other comprehensive income/(loss) for the period, net of tax	-	-	-	1,503	1,503
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>(37,192)</b>	<b>(1,410)</b>	<b>1,503</b>	<b>(37,099)</b>
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	(29)	-	-	-	(29)
Share-based payments	-	-	-	2,418	2,418
Transfers from share-based payment reserve					
- Issuance of shares	2,186	-	-	(2,186)	-
- Expired/lapsed options and performance rights	-	16	-	(16)	-
	2,157	16	-	216	2,389
<b>Balance at 30 June 2023</b>	<b>798,132</b>	<b>(378,271)</b>	<b>942</b>	<b>(17,336)</b>	<b>403,467</b>
<b>Balance at 1 January 2022</b>	<b>619,285</b>	<b>(317,008)</b>	<b>4,245</b>	<b>(14,008)</b>	<b>292,514</b>
Loss after income tax expense for the period attributable to owners of					
- Syrah Resources Limited	-	(9,299)	-	-	(9,299)
- Non-controlling interest	-	-	(620)	-	(620)
Other comprehensive income/(loss) for the period, net of tax	-	-	-	(5,177)	(5,177)
<b>Total comprehensive income/(loss) for the period</b>	<b>-</b>	<b>(9,299)</b>	<b>(620)</b>	<b>(5,177)</b>	<b>(15,096)</b>
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	175,591	-	-	-	175,591
Share-based payments	-	-	-	963	963
Transfers from share-based payment reserve					
- Issuance of shares	755	-	-	(755)	-
- Expired/lapsed options and performance rights	-	866	-	(866)	-
	176,346	866	-	(658)	176,555
<b>Balance at 30 June 2022</b>	<b>795,631</b>	<b>(325,441)</b>	<b>3,625</b>	<b>(19,842)</b>	<b>453,973</b>

*The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE HALF-YEAR ENDED 30 JUNE 2023**

	NOTES	30 JUNE 2023 US\$'000	30 JUNE 2022 US\$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		35,173	46,565
Payments to suppliers and employees (inclusive of goods and services tax)		(61,629)	(69,645)
Interest received		1,275	247
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(25,181)</b>	<b>(22,833)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(70,331)	(31,152)
Receipt/(Payments) for security deposits		8,431	(4,413)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(61,900)</b>	<b>(35,565)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	180,777
Proceeds from convertible note		33,150	-
Proceeds from borrowings		65,807	-
Share issue transaction costs		-	(5,186)
Payment for lease principal and interest		(1,507)	(1,580)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>97,450</b>	<b>174,011</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>10,369</b>	<b>115,613</b>
Cash and cash equivalents at the beginning of the half-year		90,376	52,914
Effects of exchange rate changes on cash and cash equivalents		(107)	(411)
<b>Cash and cash equivalents at the end of the half-year</b>	8(a)	<b>100,638</b>	<b>168,116</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These condensed consolidated financial statements are for the entity consisting of Syrah Resources Limited and its subsidiaries and are presented in United States Dollars (USD).

Syrah Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is at c/- Vistra Australia (Melbourne) Pty Ltd, Level 4, 96-100 Albert Road, South Melbourne VIC 3205 and principal place of business is at Level 7, 477 Collins Street, Melbourne, Victoria 3000. Its shares are listed on the Australian Securities Exchange (ASX: SYR).

### **NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

#### **(a) Basis of preparation**

The condensed consolidated interim financial report for the half-year reporting period ended 30 June 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2022 and any public announcements made by Syrah during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

#### **(b) Significant accounting policies**

The accounting policies, methods of computation and areas of critical accounting judgements, estimates and assumptions are the same as those adopted in the most recent Annual Financial Report for the year ended 31 December 2022 unless otherwise stated in this report.

No new or amended accounting standards and interpretations became applicable for the current reporting period which had an impact on the Group's accounting policies.

#### **(c) Comparative figures**

Where necessary, comparative figures have been adjusted to conform to changes in the presentation in the current period.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

### **NOTE 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)**

#### **(d) Liquidity and capital management**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding, and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As of 30 June 2023, the Group had a Cash and Cash Equivalents balance of \$100.6 million, including \$45.9 million in unrestricted cash which it believes, with committed undrawn funding of \$32.2 million is sufficient to meet its obligations, continue its current operating business and complete development activities, principally the Vidalia Initial Expansion project.

In addition, the Group announced a new convertible note deed with AustralianSuper Pty Ltd as trustee for AustralianSuper (“AustralianSuper”) for up to A\$150 million in convertible notes issuable to AustralianSuper in three equal series. The Company issued the first A\$50 million series of the new convertible notes (“Series 4 Note”) on 12 May 2023. Subsequent to the end of the interim financial period, shareholders approved the issuance of the new AustralianSuper convertible notes as required by ASX Listing Rules and conversion of all series of the new and existing AustralianSuper convertible notes under item 7 of section 611 of the Corporations Act (together the “Shareholder Resolutions”), and the second A\$50 million series of the new convertible notes (“Series 5 Note”) was issued.

The Group may require additional financing, in addition to existing cash reserves, to meet activities associated with the Vidalia Further Expansion project, operating and capital expenditure requirements for Balama, and general and administrative expenditures. The Group is targeting readiness for a Final Investment Decision (FID) during the second half of 2023 for the Vidalia Further Expansion project. Timing of the FID will be determined by customer and financing commitments, as well as consideration of equity market conditions, and is subject to Syrah Board approval.

We continue to assess possible scenarios for the Group’s cash flow and liquidity profile based on a broad range of factors. The Directors have determined that the Group has adequate cash resources to meet its obligations and continue its business activities in all scenarios that they consider reasonably possible.

Based on the initiatives noted, the Company believes that it can meet its debts and obligations as and when they fall due and accordingly has adopted the going concern basis of accounting in the preparation of these financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 2. SEGMENT INFORMATION**

**(a) Description of segments**

Management has determined and presented operating segments based on the reports reviewed by the Executive Management Team, who are the Group's chief operating decision makers in terms of assessing performance and allocating resources. The Board of Directors reviews the performance of the Group on a similar basis.

The Group primarily monitors performance according to the following segments:

Balama	Production, distribution, and sale of natural flake graphite from the Balama Graphite Operation in Mozambique.
Vidalia	Product development, testing, qualification, production and sale of natural graphite AAM and feasibility, engineering, procurement and construction activities associated with the staged expansion of the Vidalia processing facility in the USA, including the Vidalia Initial Expansion project.
Corporate	Corporate administration and investing activities.

**(b) Segment information provided to the Executive Management Team**

	BALAMA US\$'000	VIDALIA US\$'000	CORPORATE US\$'000	CONSOLIDATED US\$'000
<b>Half-year ended 30 June 2023</b>				
Total segment revenue	29,736	-	-	29,736
Inter-segment revenue	(1,348)	-	-	(1,348)
<b>Revenue from external customers</b>	<b>28,388</b>	<b>-</b>	<b>-</b>	<b>28,388</b>
<b>Total segment EBITDA</b>	<b>(21,403)</b>	<b>148</b>	<b>(6,291)</b>	<b>(27,546)</b>
<b>Half-year ended 30 June 2022</b>				
Total segment revenue	49,742	-	-	49,742
Inter-segment revenue	(13)	-	-	(13)
<b>Revenue from external customers</b>	<b>49,729</b>	<b>-</b>	<b>-</b>	<b>49,729</b>
<b>Total segment EBITDA</b>	<b>(4,367)</b>	<b>(185)</b>	<b>3,533</b>	<b>(1,019)</b>
<b>Total segment current assets</b>				
30 June 2023	42,003	1,597	101,020	144,620
31 December 2022	45,287	275	90,926	136,488
<b>Total segment non-current assets</b>				
30 June 2023	264,327	241,759	494	506,580
31 December 2022	265,245	167,668	569	433,482
<b>Total segment liabilities</b>				
30 June 2023	(48,710)	(90,260)	(108,763)	(247,733)
31 December 2022	(48,921)	(10,014)	(72,858)	(131,793)

Sales between segments are carried out at arm's length and are eliminated on consolidation. Segment assets are allocated based on the operations of the segment and the physical location of the asset.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(CONTINUED)**

**NOTE 3. REVENUE**

	<b>30 JUNE 2023</b>	<b>30 JUNE 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Revenue from external customers	28,388	49,729

**(a) Geographical information**

Segment revenues from sales to external customers based on the geographical location of the port of discharge.

	<b>30 JUNE 2023</b>	<b>30 JUNE 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
China	12,419	30,976
Europe	7,052	12,136
India	1,878	3,184
Americas	6,815	3,260
Other locations	224	173
	<u>28,388</u>	<u>49,729</u>

**(b) Major customer information**

Revenue from six major customers (two in China, two in Europe, and two in Americas), which individually accounted for approximately 6% or greater of total segment revenues, amounted to \$23.8 million arising from the sale of natural graphite products on CIF basis. Sales to Chinese customers were 44% of the total revenue, while sales to European, American and Indian customers were 25%, 24% and 7% respectively.

**NOTE 4. COST OF SALES**

	<b>30 JUNE 2023</b>	<b>30 JUNE 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Mining and production costs	36,694	34,783
Logistics costs	8,062	8,961
Government royalties	590	744
Depreciation and amortisation expense	5,527	5,248
Changes in inventories	(10,046)	(9,572)
Other costs	10	484
	<u>40,837</u>	<u>40,648</u>

**NOTE 5. DISTRIBUTION COSTS**

	<b>30 JUNE 2023</b>	<b>30 JUNE 2022</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Shipping costs	8,311	15,434
Depreciation and amortisation	2	7
Other selling costs	1,585	1,078
	<u>9,898</u>	<u>16,519</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 6. ADMINISTRATIVE EXPENSES**

	30 JUNE 2023	30 JUNE 2022
	US\$'000	US\$'000
<i>Employee benefits expense</i>		
Salaries and wages	2,226	1,849
Share-based payments	2,701	1,229
Employee entitlements	222	183
Defined contribution superannuation expense	171	155
Total employee benefits expenses	5,320	3,416
 <i>Legal and consulting expenses</i>		
Legal expenses	215	159
Consulting expenses	856	638
Total Legal and consulting expenses	1,071	797
 Other administrative expenses	 704	 827
Total administrative expenses	7,095	5,040

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 7. INCOME TAX EXPENSE**

**(a) Income tax expense**

	30 JUNE 2023	30 JUNE 2022
	US\$'000	US\$'000
Current tax expense	-	-
Deferred tax expense	806	239
Total tax expense/(benefit)	806	239
Deferred income tax		
(Increase)/decrease in deferred tax assets	173	518
Increase/(decrease) in deferred tax liabilities	633	(279)
Total deferred tax expense/(benefit)	806	239

**(b) Numerical reconciliation of income tax expense to prima facie tax payable**

	30 JUNE 2023	30 JUNE 2022
	US\$'000	US\$'000
Loss before income tax expense from continuing operations	(37,796)	(9,680)
Tax at the Australian tax rate of 30% (30 June 2021: 30%)	(11,339)	(2,904)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
- Share-based payments	810	369
- Non-deductible interest expenses	774	2,490
- Thin Capitalisation	548	438
- Other non-deductible expenses	652	499
- Differences in overseas tax rate	823	1,351
- Movement in unrecognised temporary differences	303	(1,712)
- Current period taxation losses not recognised as deferred tax assets	6,795	16
- Other differences	1,440	(308)
Income tax expense/(benefit)	806	239



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

**(a) Cash and cash equivalents**

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
Cash at bank and in hand	63,203	10,359
Deposits at call	37,435	80,017
Total cash and cash equivalents	100,638	90,376

Cash and Cash Equivalents comprises cash on hand, deposits and cash at call held at financial institutions, other short-term, highly liquid investments with maturities of three months or less that are readily convertible to amounts of cash and which are subject to an insignificant risk of changes in value.

Total cash and cash equivalents are held in trading accounts or term deposits with major financial institutions under normal terms and conditions appropriate to the operation of the accounts. These deposits earn interest at rates set by these institutions. As at 30 June 2023 the weighted average interest rate on current accounts and term deposits was 4.25% (31 December 2022: 3.92%).

**(b) Trade and other receivables**

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
<b>Current</b>		
Trade receivables	5,460	12,254
Prepayments	4,355	7,962
Other receivables	218	680
Input tax credits	32	22
Total current trade and other receivables	10,065	20,918
<b>Non-current</b>		
Input tax credits	3,482	2,216
Provision for impairment of input tax credits <sup>(1)</sup>	(424)	(424)
Security deposits <sup>(2)</sup>	29	8,460
Total non-current trade and other receivables	3,087	10,252

(1) The Company regularly assesses the recoverability of input tax credits. As a result of the most recent assessment, the Company determined that there was some doubt relating to the recoverability of input tax credits at Twigg prior to 2017. As a result, a provision of \$0.4 million for impairment of input tax credits was recognised in 2022.

(2) Security deposits comprise of restricted deposits that are used for monetary backing for performance guarantees. The environment guarantee security deposit that was placed in favour of the Ministry of Mineral Resources and Energy in Mozambique was refunded during the course of 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### NOTE 8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

#### (c) Trade and other payables

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
<b>Current</b>		
Trade payables and accruals	35,713	24,110
Other payables	2,194	1,561
Total current trade and other payables	37,907	25,671
<b>Non-current</b>		
Trade payables and accruals	1,636	1,588
Total non-current trade and other payables	1,636	1,588

#### (d) Leases

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
Current	1,479	2,007
Non-current	13,959	12,641
Total lease liabilities	15,438	14,648

#### (e) Borrowings

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
<b>Non-current borrowings</b>		
Initial face value of Convertible Notes <sup>(1)</sup> issued and DoE loan <sup>(2)</sup>	159,244	60,143
Capitalised to principal outstanding		
- Interest expense	18,170	14,265
- Transaction costs	1,866	1,203
Deferred transaction costs	(1,039)	(517)
Exchange differences	(5,688)	(4,169)
Total non-current borrowings	172,553	70,925

(1) Syrah Resources Limited issued a 5-year unsecured A\$55.8 million Convertible Note Series 1 in October 2019, A\$28.0 million Convertible Note Series 3 in June 2021 and A\$50.0 million Convertible Note Series 4 in May 2023 to AustralianSuper Pty Ltd as Trustee for AustralianSuper. Under the terms of the Convertible Notes, the Group elected to accrue interest on the principal outstanding at a rate of 8% per annum for Series 1 and 3 and at a rate of 14% per annum for Series 4, capitalised quarterly in arrears. Syrah Resources Limited also incurred a total of A\$2.7 million transaction costs related to the issuance of the Convertible Notes which were capitalised when the Notes were issued and are amortised to Finance Expense over the term of the Convertible Notes.

(2) During the interim period Syrah Technologies LLC commenced drawing (advance) on the US Department of Energy loan facility (DoE loan). Syrah completed the first two advances in February 2023 and April 2023 for a total amount of \$65.8 million. The DoE loan is for up to \$102 million including \$98 million in loan advances and approximately \$4 million in maximum capitalised interest.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### NOTE 9. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES

#### (a) Inventories

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
Stores and materials	18,508	15,385
Ore stockpile	1,563	1,781
Work in progress	124	86
Finished goods	13,722	7,942
Total inventories	33,917	25,194

#### Inventory write-down

Write-down of product inventories to net realisable value totaled \$4.4 million in the interim period (31 December 2022: \$6.1 million) and was recognised as an expense in the statement of comprehensive income.

#### (b) Mining assets

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
Exploration and evaluation	1,303	1,304
Mine properties and development	118,227	118,565
Total mining assets	119,530	119,869

Movements in mining assets during the interim period are set out below:

	EXPLORATION AND EVALUATION	MINE PROPERTIES AND DEVELOPMENT	TOTAL
	US\$'000	US\$'000	US\$'000
<b>At 1 January 2023</b>			
Cost	1,304	121,806	123,110
Accumulated depreciation and impairment	-	(3,241)	(3,241)
Net book amount	1,304	118,565	119,869
<b>6 months to 30 June 2023</b>			
Balance at beginning of period	1,304	118,565	119,869
Additions	-	1,019	1,019
Change in rehabilitation estimate	-	203	203
Amortisation expenses	-	(1,560)	(1,560)
Exchange differences	(1)	-	(1)
Balance at end of period	1,303	118,227	119,530

#### Exploration and evaluation

The balance of Exploration and Evaluation relates to the Vanadium project at Balama and continues to be carried forward in accordance with the exploration and evaluation accounting policy. The ultimate recoupment of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation or alternatively, the sale of the respective areas of interest at an amount at least equal to book value.

#### Mine properties and development

Mine Properties and Development mainly relates to the development costs of the Balama Graphite Project in Mozambique.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 9. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES (CONTINUED)**

**(c) Property, Plant and Equipment**

	LAND AND BUILDINGS	PLANT AND EQUIPMENT	COMPUTER EQUIPMENT	ASSETS UNDER CONSTRUCTION	RIGHT-OF- USE ASSETS	TOTAL
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>At 1 January 2023</b>						
Cost	15,178	125,136	908	184,401	18,739	344,362
Accumulated depreciation and impairment	(6,152)	(53,823)	(644)	-	(9,287)	(69,906)
Net book amount	9,026	71,311	264	184,401	9,452	274,455
<b>For the half year ended 30 June 2023</b>						
Balance at beginning of period	9,026	71,311	264	184,401	9,452	274,454
Additions	237	303	11	82,842	1,700	85,093
Depreciation charge	(210)	(2,280)	(66)	-	(1,474)	(4,030)
Exchange differences	-	-	-	(269)	(8)	(277)
Balance at end of period	9,053	69,334	209	266,974	9,670	355,240
<b>At 30 June 2023</b>						
Cost	15,415	125,437	917	266,974	20,428	429,171
Accumulated depreciation and impairment	(6,362)	(56,103)	(708)	-	(10,758)	(73,931)
Net book amount	9,053	69,334	209	266,974	9,670	355,240

*Assets under construction - additions*

Assets Under Construction additions as at 30 June 2023 consists of capitalised project and product development costs for the Vidalia Initial Expansion Project of \$73.8 million and capital costs for Balama of \$8.8 million, which mainly relates to Tailing Storage Facility Cell 2.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

NOTE 9. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES (CONTINUED)

(d) Deferred tax balances

	30 JUNE 2023 US\$'000	31 DECEMBER 2022 US\$'000
<i>The balance comprises temporary differences attributable to:</i>		
<i>Deferred tax assets</i>		
Taxation losses <sup>(1)</sup>	2,302	2,302
Taxation losses <sup>(2)</sup>	4,289	3,958
Mining assets	22,097	22,602
Total deferred tax assets	28,688	28,861
<i>Deferred tax liabilities</i>		
Non-financial assets	(4,591)	(3,958)
Total deferred tax liabilities	(4,591)	(3,958)

(1) Relates to tax losses held by Twigg Exploration & Mining Limitada (Twigg) in Mozambique. Twigg will have five years to utilize these losses in accordance with Mozambique tax laws.

(2) Relates to tax losses held by Syrah Tech up to the balance of Deferred Tax Losses held

*Movements in deferred tax balances*

	BALANCE AT 1 JANUARY 2023 US\$'000	(CHARGED) / CREDITED TO PROFIT OR LOSS US\$'000	BALANCE AT 30 JUNE 2023 US\$'000
<i>Deferred tax assets</i>			
Taxation losses	6,260	331	6,591
Mining assets	22,602	(505)	22,097
Total deferred tax assets	28,861	(174)	28,688
<i>Deferred tax liabilities</i>			
Non-financial assets	(3,958)	(633)	(4,591)
Total deferred tax liabilities	(3,958)	(633)	(4,591)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

NOTE 9. NON-FINANCIAL ASSETS AND NON-FINANCIAL LIABILITIES (CONTINUED)

(e) Provisions

	30 JUNE 2023	31 DECEMBER 2022
	US\$'000	US\$'000
<b>Current</b>		
Employee benefits	1,184	967
Other current provisions <sup>(1)</sup>	1,665	1,335
Total current provisions	2,849	2,302
<b>Non-current</b>		
Employee benefits	119	90
Decommissioning and restoration	5,502	5,342
Other non-current provisions <sup>(1)</sup>	7,138	7,269
Total non-current provisions	12,759	12,701

(1) The provision relates to obligation to incur expenditure on Balama community development initiatives. The provision is capitalised into Mine Properties and Development as shown in Note 9(b).

*Movements in decommissioning and restoration provision*

	6 MONTHS TO 30 JUNE 2023 US\$'000
Balance at beginning of period	5,342
Additional provisions:	
- Changes in rehabilitation provision	203
- Unwind of discount	(43)
Balance at end of period	5,502

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)

NOTE 10. EQUITY

(a) Issued Capital

	30 JUNE 2023 SHARES	31 DECEMBER 2022 SHARES	30 JUNE 2023 US\$'000	31 DECEMBER 2022 US\$'000
Issued and fully paid ordinary shares	675,807,769	670,570,710	798,131	795,975
Total issued and fully paid ordinary shares	675,807,769	670,570,710	798,131	795,975

Movements in ordinary share capital during the interim period are set out below:

	NUMBER OF SHARES	WEIGHTED AVERAGE ISSUED PRICE (A\$)	US\$'000
<b>6 months to 30 June 2023</b>			
Balance at beginning of period	670,570,710		795,975
Issue of new shares:			
- Equity-settled remuneration	5,237,059	- <sup>(1)</sup>	-
Transfers from share-based payment reserved <sup>(2)</sup>	-		2,186
Capital raising costs	-		(29)
Balance at end of period	675,807,769		798,132

(1) The cost associated with issuance of these shares is included in the transfers from the share-based payments reserve line item.

(2) Represents transfers from the share-based payment reserves on issuance of shares under the Group Short Term Incentive (STI) and Long Term Incentive (LTI) plans.

(b) Reserves

	30 JUNE 2023 US\$'000	31 DECEMBER 2022 US\$'000
Foreign currency translation reserve	(23,540)	(25,043)
Share-based payments reserve	6,204	5,988
Total reserves	(17,336)	(19,055)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 10. EQUITY (CONTINUED)**

**(b) Reserves (Continued)**

*(i) Movements in reserves*

*Movements in each class of reserve are set out below:*

	FOREIGN CURRENCY RESERVE US\$'000	SHARE-BASED PAYMENTS RESERVE US\$'000	TOTAL US\$'000
<b>6 months to 30 June 2023</b>			
Balance at beginning of period	(25,043)	5,988	(19,055)
Foreign currency translation	1,503	-	1,503
Share-based payments	-	2,418	2,418
Issuance of shares	-	(2,186)	(2,186)
Transfer of expired/lapsed options and performance rights	-	(16)	(16)
Balance at end of period	(23,540)	6,204	(17,336)

*(ii) Nature and purpose of reserves*

**Foreign currency reserve**

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the profit and loss when the net investment is disposed of.

The Group assesses the functional currency of each entity in the consolidated group when there are changes in circumstances that could result in a change in the currency that predominantly influences the economic results of each respective entity. With effect from 1 January 2017, the functional currency of Twigg Exploration and Mining Limitada was changed from Mozambique Meticals (MZN) to the United States Dollar (USD) on the basis that the USD is the currency that predominantly influences the revenues, expenditures and financing activities of this entity going forward.

**Share-based payments reserve**

The share-based payments reserve is used to recognise the fair value of equity benefits and equity-settled contractual obligations issued by the Company.

**(c) Non-controlling Interest**

In accordance with the obligations imposed on Group's subsidiary Twigg Exploration and Mining Limitada under the Mining Agreement with the Mozambique Government, Syrah completed the transfer of 5% quota holding in Twigg Exploration and Mining Limitada to Empresa Mocambicana De Exploracao Mineira, S.A ("EMEM").

The transaction was accounted for under AASB 2 *Share-based payment* and measured at fair value when the agreement was entered into in 2018. In 2021, the shares were transferred to EMEM at which point the share-based payment reserve was transferred to non-controlling interest.



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 (CONTINUED)**

**NOTE 11. COMMITMENTS, CONTINGENCIES AND GUARANTEES**

**(a) Capital expenditure commitments**

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	30 JUNE 2023 US\$'000	31 DECEMBER 2022 US\$'000
Property, plant and equipment	62,618	108,913
Total capital commitments	62,618	108,913

The above capital expenditure commitments are in relation to the continued development of Balama in Mozambique (mainly relates to Tailings Storage Facility cell 2 and installation of a 11.25 MWp solar photovoltaic) and the development of Vidalia Initial Expansion project.

**(b) Contingencies**

The Group did not have any contingent assets or liabilities at the end of the current and previous financial periods.

**(c) Guarantees**

As at 31 December 2022 Twigg Exploration and Mining Limitada had provided bank guarantees which unconditionally and irrevocable guarantee in favor of the Ministry of Minerals Resources and Energy (MIREME) in Mozambique any due and punctual payment of amounts up to a maximum amount of MZN 536.5 million (US\$8.4 million). These are required in relation to the rehabilitation or removal of project infrastructure as per the mine closure plan for Balama. The bank guarantees subsequently expired and the cash collateral security deposit of US\$8.4 million was returned to Twigg during the first half of 2023.

A new bank guarantee of US\$11.3 million is currently in the process of being finalised. This new guarantee does not require a security deposit. A parent company corporate guarantee will be issued in lieu of cash collateral.

**NOTE 12. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

On 28 July 2023, shareholders approved the issuance of the new AustralianSuper convertible notes as required by ASX Listing Rules and conversion of all series of the new and existing AustralianSuper convertible notes under item 7 of section 611 of the Corporations Act (together the "Shareholder Resolutions"), and the second A\$50 million series of the new convertible notes ("Series 5 Note") was issued on 11 August 2023.

Subsequent to period end Syrah announced that the total installed capital cost estimate for the Vidalia Initial Expansion Project was revised from \$180 million (with risk to \$186 million) to \$190 million and the start of production scheduled for fourth quarter of 2023, from third quarter 2023, with resulting impacts on planned production, sales and revenue profiles.

**DIRECTORS' DECLARATION**

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 6 to 24 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year financial period ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Shaun Verner  
Managing Director

Melbourne, Australia  
11 September 2023



## ***Independent auditor's review report to the members of Syrah Resources Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Syrah Resources Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the condensed consolidated balance sheet as at 30 June 2023, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Syrah Resources Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

PricewaterhouseCoopers, ABN 52 780 433 757  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001  
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

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### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Ben Gargett'.

Ben Gargett  
Partner

Melbourne  
11 September 2023