

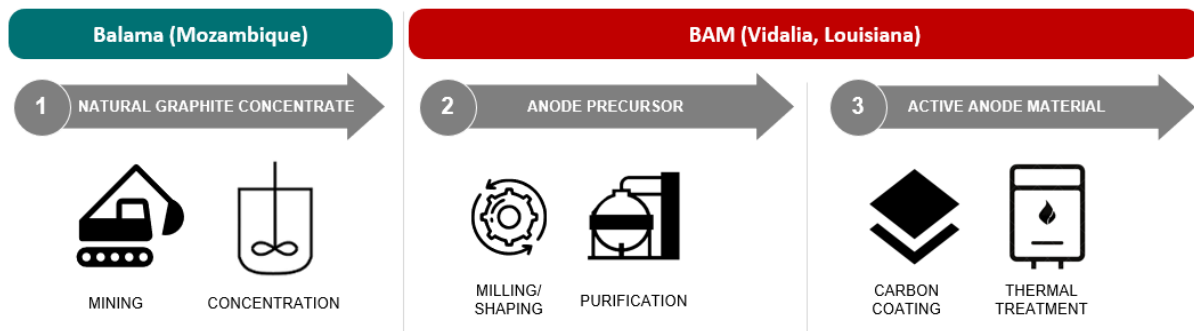


## BATTERY ANODE MATERIAL PROJECT (USA): RESTART OF OPERATIONS

Syrah Resources Limited (ASX: SYR) (“Syrah” or “Company”) is pleased to announce restart of operations at the Battery Anode Material (“BAM”) plant in Vidalia (Louisiana, USA), which was temporarily suspended from 23 March 2020 following control measures implemented in Louisiana to mitigate the spread of the COVID-19 virus.

Operating protocols have been designed to enable the safe restart of operations from 1 May 2020 (GMT-5). Upon commencement, minor repairs to the plant will be completed to enable final process and product specification optimisation required to produce samples of anode precursor material (purified spherical graphite) for qualification with potential customers.

### Summary of value-add steps from natural graphite ore to Active Anode Material “AAM”



Dispatch of anode precursor material to potential customers for product qualification will be an important milestone in the progression of Syrah’s strategy to establish a position as the only vertically integrated supplier of natural graphite anode material outside of China.

Currently 100% of all anode precursor material into the lithium ion battery supply chain is manufactured in China. Ex-China AAM producers in Korea and Japan are therefore wholly reliant on China for supply of natural graphite anode precursor material. This in-turn means ex-China battery cell manufacturers in Japan, Korea, the USA and Europe are therefore reliant on China for their anode supply chains.

The reliance of the global battery supply chain on China for supply of critical lithium ion battery materials was starkly evident in the early stages of the COVID 19 crisis. Although COVID 19 shutdowns were initially confined to China, they impacted the entire supply chain as 80%+ of world’s auto supply chain is connected to China<sup>1</sup>. Numerous Electric Vehicle manufacturers paused production as early as February due to battery supply shortages<sup>2</sup>.

Syrah aims to provide an alternate and complementary supply of anode material to existing China supply to meet growing demand and to provide an option for geographic diversification for ex-China

<sup>1</sup> <https://home.kpmg/xx/en/blogs/home/posts/2020/03/covid-19-impact-on-the-automotive-sector.html>

<sup>2</sup> <https://www.electrive.com/2020/02/10/lack-of-batteries-hinders-mercedes-and-halts-i-pace-production-at-jaguar/>

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anode supply chains.

Production of qualification samples of AAM is planned during H2 2020 via: installation of a pilot scale coating plant and furnace at Vidalia; and, by toll treatment of precursor produced from Vidalia to AAM.

The Feasibility Study for the scale-up of the Vidalia facility post product qualification continued to progress during the period of suspended operations.

**This ASX release was authorised on behalf of the Syrah Board by**

Shaun Verner, Managing Director

**For further information contact Investor Relations**

Kristian Stella

Contact: +61 3 9670 7264

Email: [k.stella@syrahresources.com.au](mailto:k.stella@syrahresources.com.au)

**About Syrah Resources**

*Syrah Resources Limited (ASX code: SYR) is an Australian-based industrial minerals and technology company. Syrah owns and developed the Balama Graphite Project (Balama) in Mozambique. Balama transitioned to operations with sales and shipments to a global customer base including the battery anode producers, from the start of 2018. Syrah produced over 100,000 tonnes of natural graphite in 2018 and is the largest and first major new natural graphite operation developed outside of China. Balama will be the leading global producer of high purity graphite. Balama production is targeted to supply traditional industrial graphite markets and emerging technology markets. Syrah is also progressing its downstream Battery Anode Material strategy with first production of spherical graphite achieved in December 2018 from its plant in Louisiana, USA. Syrah has successfully completed extensive product certification test work with several major battery producers for the use of Balama spherical graphite in the anode of lithium-ion batteries.*

**Forward Looking Statement**

*This document contains certain forward-looking statements. The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "targets" and other similar expressions are intended to identify forward-looking statements. Forward-looking statements in this presentation include statements regarding: the timetable and outcome of the equity offer and the use of the proceeds thereof; the capital and operating costs, timetable and operating metrics for the Balama Project; the viability of future opportunities such as spherical graphite, future agreements and offtake partners; future market supply and demand; and future mineral prices. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.*

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